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Tuesday, October 25, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, October 25, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 58 petitions.

* * *

INTERNATIONAL JOINT COMMISSION

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I would like to table, in both official languages, the government's response to the seventh biennial report of the International Joint Commission.

* * *

GREAT LAKES

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in record time this morning Canada responded formally to the seventh biennial report of the International Joint Commission on Great Lakes water quality.

Last spring the IJC issued a clarion call for action by Canada and the United States to get serious about cleaning up the Great Lakes.

(1005)

[Translation]

The Government of Canada has taken the IJC's message to heart and we have responded in an unprecedented timeframe—not just with words but with deeds and concrete action.

[English]

Since last spring Canada has got its Great Lakes act together. In July we signed and are now implementing the Canada–Ontario Great Lakes agreement, an agreement that had languished for three years. In September we released the proposed toxic substances management policy. Today I wish to announce a new action plan for the management of chlorinated substances in Canada.

These measures are forceful responses to the recommendations of the International Joint Commission. More important, they demonstrate that Canada will do its part to restore and protect water bodies like the Great Lakes. We will work to ensure a healthy and safe environment for all residents and, in response to this issue, in particular for the 45,000 citizens who live around the Great Lakes basin on both sides of the border.

[Translation]

The Canada–Ontario agreement is innovative and co-operative. It sets out schedules, targets and mechanisms for co-ordinated action. Canada and Ontario have agreed on a shared vision of sustainable development for the Great Lakes.

[English]

I would like to thank those people in the department who worked very hard to bring forward this speedy response. When we asked for a response this fall they said it could not be done. The Department of the Environment did it and I think John Mills and the team from Ontario deserve special credit.

In this new approach we are embracing the ecosystem approach, cleaning up pollution hot spots and implementing binational commitments. We cannot clean up the Great Lakes alone. The agreement is based on the principles of pollution prevention, shared responsibilities, openness and accountability.

Equally important, in responding to the commission's call for building partnerships—and I see a member of the commission in the House today—the Canada–Ontario agreement provides a context for the participation of other partners.

Governments cannot do the job alone. The agreement provides a smart fiscally responsible way to resolve the complex challenges that we face in the Great Lakes.

[Translation]

Canada and Ontario are putting in place strategies to eliminate the use, generation or release into the Great Lakes' envi-

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ronment of 13 problem chemicals. The agreement targets significant reductions for 26 other toxic substances.

[*English*]

We are putting our money and our science where our mouth is. Despite serious financial restraint the federal government is putting millions of dollars over the next six years into the restoration of the Great Lakes. These efforts make a difference.

Collingwood Harbour in Ontario is the first Great Lakes hot spot to be declared clean. We intend with the stakeholders group to keep it that way. Co-operative efforts produce tangible results.

[*Translation*]

Our proposed national toxic substances management policy would commit Canada to the virtual elimination from the environment of those substances that result from human activity, take a long time to break down, build up in living organisms and are toxic. In drafting this policy, the Government of Canada paid attention to the IJC's recommendations.

[*English*]

I want to repeat. In response to the IJC's report we are proposing that Canada reach virtual elimination from the environment of all man made substances resulting from human activity which rest in the environment for a long time, accumulate in living organisms and are toxic.

In elaborating the policy we are in fact adopting the recommendations of the IJC. The emphasis has to be on prevention. There is no point in spending a small fortune to clean up the Great Lakes, the Fraser River and le fleuve Saint-Laurent if we turn around and pollute them all over again.

As part of our approach to toxics I am pleased to advise the House of Commons this morning that Canada is implementing a chlorinated substances action plan that will benefit the Great Lakes region and the rest of the country.

(1010)

Chlorinated substances will be managed under a five part action plan. That action plan includes targeting actions to focus on critical uses and products. Government action will include eliminating the most harmful chlorinated substances, taking a sectoral approach to managing chlorinated substances and entering into environmental performance agreements with key industrial sectors like the dry cleaning sector and other governments.

We will also improve the scientific understanding of chlorine and its impacts on the environment and human health. Following the IJC report we will develop detailed socioeconomic and health study issues of the use of chlorinated substances and their alternatives. We intend to improve access to all this information

for Canadians. We want to promote international efforts for global action on chlorinated substances.

We are adopting the advice of the world's most respected scientists. I personally want to thank Dr. David Shindler for his very constructive contribution in the development of this action plan.

At a special meeting convened by the Society of Environmental Toxicology and Chemistry, scientists agreed to ban all uses of chlorine that are not supported by a critical review of the scientific evidence to protect the environment. They also agreed that actions are needed to restrict or ban a number of toxic persistent and biocumulative chemicals, some of which are chlorinated.

The scientists agreed that there are some positive uses for some aspects of the chlorinated chain, including the use of purification processes in drinking water. At this point we have no alternative to the use of chlorine for safe drinking water. Certainly it is reasonable to expect that Canadians want to feel safe about the water they drink. There is also no reasonable alternative to certain chlorinated compounds in the development of pharmaceutical products, including antihistamines and anti-inflammatory medication.

The plan I am announcing today has to do with ridding Canada of chlorinated compounds that do persist, that are biocumulative and that are toxic. These chlorinated compounds will be gone. We are committed to the virtual elimination in the Great Lakes basin of nine toxic chlorinated substances identified by the IJC. We are also committing to significantly reduce the use, generation and release of five other substances.

[*Translation*]

As part of our immediate efforts, we will be working with two important industry sectors to reduce the release of chlorinated substances: dry cleaning and metal degreasing.

We are all in this together and the smartest route is to work together to find solutions.

[*English*]

We know we can make progress. Since we determined that chlorofluocarbons were destroying the ozone layer we implemented a phaseout program to reduce their production in Canada. So far we have reduced CFC consumption by 77 per cent. The government intends to build on this progress by introducing an accelerated ozone protection program.

We are also working with the provinces and the territories to produce national guidelines for water, sediment and soil quality for more than 40 chlorinated substances. We are undertaking major initiatives to examine the alternative use to chlorine based technology.

The government believes all Canadians wherever they live care deeply about the environment and want to be included in the

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future decisions, but Canadians often feel hamstrung by the lack of information. That is why the government will produce later this year a national publicly accessible database with information on the environmental release of 178 substances.

We want the public to have a say in understanding and in developing public policy. We see the national database as a step in the right direction in furnishing Canadians with the information they need to make sound decisions about their own environmental future.

[*Translation*]

Next spring, Canada will co-host, in Vancouver, a United Nations' conference bringing together international experts on the long-range transport of persistent organic pollutants.

(1015)

[*English*]

We will be hosting in Vancouver next spring an international congress of experts from the United Nations on the transportation of long distance, persistent toxic substances. It is a direct result of our intervention at the United Nations commission on sustainable development. We pointed to a situation in which in the Canadian Arctic right now women face the incredible difficulty of having excessive levels of PCBs in their breast milk. This is not because of industrial development from which they have benefited but rather because of long distance airborne toxins which come from other parts of the world. We need a global response.

When we met yesterday with the Prime Minister of the Ukraine we underlined the importance of developing an international approach to toxic management so the women of the Arctic do not have to face the incredible health hazard of having elevated levels of PCBs in their milk because the world community has not responded with tough regulations and with tough responses of pollution prevention.

We are also entering into negotiations with the United States because we believe an ecosystem approach is the way to go. We are exploring with the United States a pilot project on chlorinated substances in the Great Lakes in which Canada and the U.S. will focus on a dual approach to the elimination of persistent biocumulative toxins.

Canada will continue to work with the United States in addressing other Great Lakes issues. No Canadian program, no matter how comprehensive, no matter how successful, can achieve the goals set by the International Joint Commission. In a meeting I had recently with the members of the International Joint Commission they pointed this out to me.

Let me use Lake Superior as a microcosm. If today all industrial input into Lake Superior on the Canadian and American sides were eliminated, we would still see a poisoning of that lake by up to 20 per cent as a result of international airborne toxins.

Not only do we need a domestic approach, we need a binational ecosystem approach to develop closed loop systems for industrial emissions. We also need a global approach to deal with the problem of international airborne toxins. Canada will continue to work very hard with the United States. I know that my American counterparts are expected to table their IJC response next spring. They are looking forward to working very closely with us in developing a constructive binational approach.

[*Translation*]

We need joint action on the clean-up of boundary waterways such as the Detroit and Niagara rivers as well as Lake Superior. We are eagerly awaiting an American national program.

[*English*]

We are waiting with impatience for a national American program to clean up, to prevent pollution and to deal with the health of this vital ecosystem. As I stated earlier, it is an ecosystem that supplies the drinking water of 45 million people, the heart of the fresh water supply of the world.

I want to thank the International Joint Commission. Through its carefully considered recommendations the commission continues to provide vital advice on Great Lakes environmental issues. The government wants to clean up the Great Lakes. It believes the best way to encourage action from our neighbours to the south and from other countries is to show leadership on environmental issues in Canada.

In the last month we have tried to do that. Working with the very able chair of the Standing Committee on Environment and Sustainable Development we have announced a new environmental industry strategy. We have proclaimed the Canadian Environmental Assessment Act, no mean feat and one for which special tribute is due to my parliamentary secretary, the former minister of the environment for the province of Quebec.

We have also introduced important improvements to that act only yesterday.

[*Translation*]

We have announced new legislation for a commissioner of the environment and sustainable development and we have announced the proposed toxic substances management policy and the chlorinated substances action plan.

(1020)

[*English*]

Canadians want the government to be a world leader in environmental issues. We are determined to provide a balanced ecosystem approach that recognizes the key is pollution prevention and that responds positively to the very constructive IJC recommendations. The goal for chlorinated substances that are toxic, persistent and that accumulate in living organisms should be virtual elimination. That is the goal we have embraced today.

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[Translation]

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, the International Joint Commission, a Canada–U.S. bilateral organization created by treaty in 1909, is responsible for monitoring the progress achieved in meeting the objectives of the Great Lakes Water Quality Agreement by the Canadian and U.S. governments, Ontario and eight states bordering the Great Lakes.

Last winter, the commission tabled its seventh report reaffirming the recommendations in the two previous reports and made new recommendations to eliminate pollution in the Great Lakes. The conclusion of the seventh report was inescapable: The Joint Commission rejected the approach traditionally favoured by both countries. It recommended a drastically different strategy. The commission wants a clear action plan aimed at virtually eliminating persistent toxins threatening human health and the future of the Great Lakes' ecosystem.

It favoured a consultation process involving the federal government, Ontario, as well as union and community organizations to allow each player to participate in making decisions on how to achieve cleanup goals. What caught the attention of ordinary people—who do not know as much about the environment as biochemists and scientists with recognized expertise in this field—is probably the effect of toxins on animal and human health.

Reproductive, metabolic, neurological and behavioral abnormalities in humans, fish and birds which are due to water pollution in the Great Lakes are simply inconceivable. Exposure to these toxins increases the risk of breast and other types of cancer. In the long term, scientific evidence shows that PCBs, dioxins and organo-chlorinated compounds disrupt hormonal balance in animals. Studies show the existence of similar effects in humans.

Even more distressing are the long-term effects of these toxins on the body; they are currently hard to identify but may become devastating in the not too distant future. This is caused by toxic waste spills in the Great Lakes.

We must, however, admit that the governments of Ontario and Canada have made significant progress since the first agreement was signed in 1971. Since then, the amount of PCBs found in seagull eggs has gone down by 90 per cent. The iron and steel, and pulp and paper industries have reduced their release of conventional pollutants by 75 per cent since 1972, compared to 90 per cent for the petroleum industry.

The Bloc Québécois is not denying the efforts of the two governments, but would like to point out that certain problems remain and that the Canada–Ontario agreement signed in July has been criticized on several counts. For example, Jay Palter of

Greenpeace expressed his disappointment with the agreement. He felt that it would not protect the health of the public and the environment of the Great Lakes, because it ignored the most toxic chemicals and did absolutely nothing to eliminate the most toxic chlorinated substances in the Great Lakes.

Today, the minister is admittedly proposing an initial step towards the elimination of toxic chlorinated substances, but it is clearly insufficient and does not seem to meet the expectations of the environmental stakeholders. The minister indicates that the plan is designed to eliminate nine toxic chlorinated substances and to reduce the use, generation and release of five other substances, without placing a total ban on the use of chlorine.

(1025)

The International Joint Commission proposed that the use of chlorine and chlorinated compounds in manufacturing processes should be restricted, gradually eliminated and ultimately banned. Naturally, this approach was dependent on government consultation with industry and the other stakeholders.

The minister is basing her opinion on the results of a special meeting of the Society of Environmental Toxicology and Chemistry, from which she has concluded that it is not necessary to ban the use of chlorine in manufacturing processes. We need hardly remind her that this opinion is not shared by all stakeholders in the Great Lakes' question.

At the biennial meeting of the International Joint Commission, which was held in the fall of 1993, a big controversy developed over the prohibition of that toxic substance.

For example, Greenpeace and Pollution Probe challenged claims made by American organizations such as the Chlorine Chemistry Council, as well as the Canadian Pulp and Paper Association, to the effect that chlorine is not such a toxic substance.

It is essential to conduct research on chlorine and its alternatives in industrial processing techniques to put an end to the ambiguity regarding the virtual elimination of toxic substances which are harmful to our health.

Let us not forget that 40 million people live on the shores of those lakes. We often hear about the damage caused to the Amazon forest, the desertification of African land and numerous other sites threatened by human activity. The Great Lakes are one of those sites, since one quarter of the world's freshwater supply is found there. A long time ago, people may have believed that, because of its size, this body of water would never be seriously affected by pollution, but now we have to recognize that, after years of spillage, these toxic substances have formed sediments and created a very real problem.

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The minister says that she is anxiously waiting for the American plan. It seems somewhat strange to us, Bloc Quebecois members, that the Canadian strategy would be released when the American plan is not even known.

If there is an issue over which the two countries should consult with each other it is the follow-up of the recommendations made by the International Joint Commission. The clean-up plans of both partners have an impact on the same body of water; consequently, these efforts must complement each other. As was the case when the signing of the Oslo Protocol on acid rain was announced last May, when measures to be initiated by the Government of Canada to deal with transborder environmental problems are announced by the minister in the House, it is imperative to supplement these with an agreement with the neighbouring country in order to make these clean-up efforts effective.

In this respect, the 1992 report by the sub-committee on acid rain of the Standing Committee on the Environment was quite clear, and I quote: "Thus, while a unilateral Canadian program of controls on acid-rain-generating emissions might carry moral or political suasion, it is recognized that a permanent solution to the problem in North America must include the United States".

The same applies to dealing with pollution by chemical substances in the Great Lakes. The same applies to the clean-up of the St. Lawrence River. Last week, I went with the environment and sustainable development committee to the St. Lawrence Centre, which implements a federal-provincial program, with a budget of around \$100 million, to clean up the river.

We know that 40 per cent of the toxics that pollute the river come from the Great Lakes. We therefore feel it is essential to take a comprehensive and consistent approach. Why bother spending all this money on cleaning up the river, if toxic substances can come from unmonitored sources upstream?

If we do not take steps to deal with the whole problem, we are just wasting taxpayers money. We are literally throwing it down the drain.

(1030)

In concluding, we want to thank the members of the commission for their excellent job in clarifying what remains to be done to eliminate pollution in the Great Lakes. Their determination is a sign that future generations may yet see these magnificent waters in their pristine state.

As the commission's report said, what we do to the Great Lakes, we do to ourselves and to our children.

[*English*]

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, I rise today with a divided opinion on the minister's statement. While I support action that will lead to the clean up of the Great

Lakes, I question the manner in which the minister is planning to attain this goal.

During the last few weeks we have seen a flurry of activity coming out of the minister's office. Some of the announcements I have agreed with, such as the submission on environmental assessment regulations and the commissioner for the environment. Others I have disagreed with, such as the \$57 million subsidy to the already booming environmental services industry.

Despite the minister's recent activity I still have some concerns regarding this government's approach to the environment. Considerable obstacles remain before Canada can claim, in the words of the minister, to be a world leader on environmental issues.

Most important among them is the question of federal-provincial jurisdiction. Herein lies the Achilles heel of all environmental laws and regulations in Canada, this tug of war, this fight between the federal government and the provincial governments on environment, or who is going to have control.

The minister will recall earlier this year she fought hard to have the NAFTA environmental office placed in Montreal. We have heard nothing further from this commission for environmental co-operation. Why? I would suggest in all probability it is because the commission is ineffective without provincial co-operation. The Canadian Environmental Assessment Act still requires federal-provincial agreements to avoid confusion and duplication with provincial laws.

These are some of the critical issues that must be addressed before we can claim to be a leader in the environmental sector.

This announcement on the Great Lakes is one which I support in principle. However I cannot agree with the minister on its content for it is heavy on studies but light on substance. For example phrases like detailed assessment, improved access to information, seeking global action, and improved scientific understanding are all nice rhetoric and make great headlines but they result in little action.

As my colleague has said, the Great Lakes provide one-fifth of the world's fresh water supply. I will repeat that: one-fifth of the world's fresh water supply is in the Great Lakes. Protection of this resource is clearly of critical importance and there is no one who disputes this.

Numerous agreements and reports have been produced since the first Great Lakes water quality agreement was signed in 1972. Protection of this resource clearly remains critical. Response to this problem to date has been a Canada-Ontario agreement and a proposal to manage chlorinated substances. The Canada-Ontario agreement is a jointly funded \$250 million program to clean up the Great Lakes. This is a good first step, but we must take our southern neighbour into consideration when dealing with the Great Lakes.

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Environment Canada released a report last year estimating that dump sites along the U.S. side of the St. Lawrence River were responsible for about 60 per cent of the most hazardous substances polluting Lake Ontario. With facts like these obviously a Canada-U.S. agreement is critical, but there is no joint agreement with the U.S. to date. The minister says she is working with the U.S. toward an agreement, however I would like to see some concrete actions toward this goal.

This plan does not hold much water—no pun intended—without an American agreement. We are sharing the same water trough. Our actions are being undermined by the fact that we do not have a joint agreement to ensure U.S. participation and compliance.

(1035)

The minister was correct when she stated that progress can only be made in co-operation with other governments and federal spending will be useful only if it levers participation by other parties. Without American and provincial co-operation these plans are futile.

The minister talks about discussions, but when will the minister get beyond talk and take some concrete action? We need an agreement, not just rhetoric.

The seventh biennial report which the minister refers to suggested that the degradation of the Great Lakes has potentially catastrophic implications for human health. The IJC report noted, as the minister has pointed out, that chlorinated substances are an integral part of the problem and link chlorines with low sperm counts in men and increased breast cancer in women. Although the IJC report suggested a ban on all chlorinated substances, these conclusions lack scientific backing. It is impractical to ban all chlorinated substances, however we do need to manage them more effectively.

To reduce the release of chlorinated substances the minister talks about working with two industry sectors. She mentions the dry cleaning and metal degreasing industries. What about Canada's number one industry, forestry? Pulp and paper mills are major users of chlorine in the bleaching process. The minister fails to mention this industry in her speech and I question why. I suspect it has a lot to do with the older mills and the precarious balance they have between the economy and the environment. However it is a major sector in Canadian industry and I believe it needs to be addressed here.

In conclusion, I am encouraged that the minister is taking action on the Great Lakes. However it is not enough just to say that Canadians want to be a world leader on environmental issues, we must take the necessary steps to attain this goal. We need an agreement with the Americans and all of the provinces to reduce chlorinated toxins. We must work closely with all the industries involved.

[Translation]

INTERPARLIAMENTARY DELEGATIONS

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canadian delegates to the Interparliamentary Union. This report was prepared by the official delegation which represented Canada at the 92nd Inter-Parliament Conference held in Copenhagen on September 12 to 17, 1994.

* * *

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 42nd report of the Standing Committee on Procedure and House Affairs regarding the membership of committees.

[Translation]

With the consent of the House, I intend to propose later on today that the 42nd report be concurred in.

* * *

[English]

WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION ACT

Hon. Roy MacLaren (Minister for International Trade, Lib.) moved for leave to introduce Bill C-57, an act to implement the agreement establishing the World Trade Organization.

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

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think there would be consent to dispense with reading of the 42nd report of the Standing Committee on Procedure and House Affairs concerning membership of committees.

Supply

If so, and if the House gives its consent, I move that the 42nd report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

PETITIONS

ETHANOL

Mr. Rex Crawford (Kent, Lib.): Mr. Speaker, I present this petition on behalf of my constituents. They urge the government to support a domestic ethanol industry, especially since a world scale ethanol plant in Chatham hangs in the balance waiting for a federal commitment.

This plant would be the eighth largest in North America. The petitioners note that our federal government has no long term ethanol policy, unlike the provinces of Ontario, Manitoba, Saskatchewan, Alberta, the U.S. government of Bill Clinton, Brazil, Australia, and many others. The people of Canada are waiting for action.

* * *

(1040)

QUESTIONS ON THE ORDER PAPER

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—THE BUDGET

Mr. John Williams (St. Albert, Ref.) moved:

That this House requests the government to table a clear detailed plan to show how and when it intends to balance the budget including a clear statement of its vision of the role of the government in the economy in order for the people of Canada to debate the plan and vision.

He said: Mr. Speaker, it is a privilege and a pleasure for me to talk on this motion on this auspicious day. Today is October 25, 1994. It happens to be the first anniversary of the general election last year at which time the Reform Party laid before the people of Canada a real plan of how to deal with the debt and the deficit.

We presented to the Canadian people a plan that we called zero in three, a plan to balance the budget in three years. We laid out specifically where we would cut the money. We had a balanced plan between growth in the economy and cuts in government spending. In that way the Canadian people would know that within three years we would have a balanced budget.

We spelled it out in detail that we would cut 25 per cent of subsidies to crown corporations. We would reform unemployment insurance to make it a real insurance plan based on the debate and discussion between management and labour. We talked about abandoning and eliminating subsidies to special interest groups, and so on. We laid out a complete and detailed plan on how we would achieve that.

On this day last year 2.5 million Canadians voted for that plan and elected 52 Reformers to this House. It was one of the great electoral upsets in the history of Canada. We had only one MP before and now we are represented here by 52 MPs.

During that same election, the Liberals ran around waving their red book. The Prime Minister said that he had a book and he had a plan. The nature of our motion today is to ask where that plan is. We have not seen it yet. On this the first anniversary the Liberals have been in power for one full year and we are still waiting for them to take action on that infamous red book "Creating Opportunity, the Liberal plan for Canada". We have not seen what they intend to do with it.

The Liberals talked about reviving the economy, reducing the deficit, creating high tech jobs. One of the first things they did was cancel the helicopter program that was going to cost about \$5 billion and would have generated all kinds of research and development and high technology. What did they do with the money? They started digging up ditches, digging sewers and so on. That will not add to the future viability of this country. That type of plan will get them nowhere in the long term.

We were expecting big things when they waved that book all through the election campaign. We thought it was going to be an exciting 100 days, even though we were sitting in opposition, but what happened? It took the government almost 100 days to get Parliament back sitting. That type of lethargy is what has happened. That is the story of this Liberal government in this past year.

The Liberals have fallen flat. They have not delivered on their promises. They have accomplished very little, if indeed they have accomplished anything apart from their discussion papers of course.

(1045)

A few weeks ago the Minister of Human Resources Development laid before us a document that said we have a problem. Did he have any solutions? No, he had nothing. He promised to deliver that paper in June and he did not. He took until October before he laid that plan before us and all he could say was that there is a problem.

Supply

We are looking for real direction from this government. We have not seen it so far. In his plan of a review of social programs he excluded \$20 billion of old age security payments. That says this is not even going to form part of the discussion. Transfers to the provinces for help, let us not even talk about that. It is not part of our social security review. Yet the whole idea is surely to review the program to find out if any money can be saved.

The ministers of the government have to get their act together. We are asking and pleading with them to lay before Canadians a plan of action that shows us how they intend to balance this budget.

He talked about a health care program. The Prime Minister took great pains to explain and be proud of the fact that he was going to call a premier's conference on health care in June. It did not happen in June and it did not happen in July. By the time October came around he finally got a few people to show up. Not one representative from the provinces showed up on his much vaunted forum on health care. Again it has fallen flat.

The red book said the Liberals were going to reform the GST. The finance committee met ad nauseam from January to June. It produced a document but we still have not seen anything. They have no plan. They promised to get rid of the GST and they have not produced a thing.

Mr. Mills (Broadview—Greenwood, Lib.): Stand by. A simple tax is coming.

Mr. Williams: Small business people are struggling to handle all the complex accounting. Yet one year later, no plan, no proposal. The finance minister floated out the idea of a national 12 per cent sales tax. I can assure the Minister of Finance that a flat 12 per cent national sales tax will not fly in my home province of Alberta.

Canadians were promised good government and that Ottawa would hold the separatists at bay through their good government. We have 53 of them sitting here and through their lack of leadership we now have a bunch sitting in Quebec City which is bent on taking Quebec out of this federation. It is a national tragedy that through their lack of leadership and lack of direction they have allowed that to happen. If they had kept the separatists out of the provincial government in Quebec this country would be a lot better off today. We found out through question period in the last few weeks that they were caught flat footed and did not even get the documents and agreements all signed properly. Therefore the separatists were able to make political hay out of their lack of ensuring that paper work was done and getting an agreement signed on Collège Lac-St-Jean.

They promised that parliamentary democracy would be revived and we would have open government. Yet we find that the whip is applied as soon as one person wants to step out of line.

Oh, no, that is not allowed. So much for their great statements on revived and open government.

They did promise us that there would be action on the deficit and the debt. By the admission of the Minister of Finance when he brought down his first budget, within three years he will add \$100 billion more to our debt. He has not even told us or given us any idea when he will even attempt to get to a balanced budget.

Mr. Penson: He does not know how.

An hon. member: There will be a royal commission.

Mr. Williams: My friends are also upset. We want to know what the government is saying. What is the plan? There is no plan. They have been around for a year and we want to know what they intend to do. Canadians want to know. That is that they were elected to do, yet they have not been able to produce.

The Minister of Finance talks about the deficit being reduced to 3 per cent of the GNP within three years. It is the wrong target because the debt will continue to grow. He has not given us any idea how he is going to go beyond that.

(1050)

To bring it down to \$25 billion in three years is minuscule, timid and lacks any guts whatsoever to get the job done. Now we find by the Minister of Finance's own admission last week that even his own small and timid target of reducing the deficit to \$25 billion is going to be out of his reach unless he makes more serious cuts. He has not given us a plan.

We need to know what the government intends to do. Canadians have their right surely because those members were elected on a red book that set action and we have had one year of inaction.

The Minister of Finance tells us about the \$6 billion to \$9 billion of additional cuts that are necessary to meet this target. Yet nothing in the two documents that he tabled last week before the finance committee, "A New Framework for Economic Policy" and "Creating a Healthy Fiscal Climate", in any way shape or form gives us any idea how the minister is going to tackle this job of cutting.

He could have gone back to the plan that we laid out last year, our zero in three plan. We laid it all out there. It was quite simple. The advice was there for free and yet even that seems to be beyond his comprehension.

He did say last week that what we seek are jobs and growth. To get there we must stop the debt. Our ultimate goal is a balanced budget. He has said it. We want him to deliver. We want to know how he is going to deliver and we want to know when he is going to deliver on the commitment that he made before the finance committee last week.

The minister also said that the entire role of government in the economy must be rethought. I hope he has some kind of vision when he makes these kinds of statements, some plan or idea of

the role of government in this country and how it is going to interact with private industry to ensure that we get back together on our fiscal senses. Nothing has been produced.

The government has lost a clear sense of economic leadership in a vision of what the role must be in a modern economy and where it should leave the action to others.

Here is another quote out of the same publication. We see that the Minister of Finance really does not know. He is asking Canadians what they want. This is what I call leadership from behind. He says: "We have a problem. Everybody talk about it, please. If I can find that there is some consensus in the nation then I will go in that direction". That is not leadership.

That is leadership from behind. That accomplishes nothing. We are looking for resolute action now to resolve the deficit for the benefit of future generations. Six hundred billion or \$650 billion in debt at an interest rate averaging 6, 7 and 8 per cent is completely and absolutely unsustainable by this country. The Minister of Finance seems quite willing to allow that to happen.

Canadians deserve to know what cuts are to be made, when they are to be made, how and when this government plans to balance the budget. The Canadian people deserve to know the vision of the Minister of Finance and the role that the government has for this economy.

I ask the Minister of Finance now to ensure that he eliminates all the waste in government, that he can reform the MPs pension plan. He can start here in this House. He does not have to go out in the street and talk to Canadians and say: "What do you want?". We in the Reform say and I know that all Canadians agree that it is time that we reform the MPs pension plan.

I looked at the public accounts. They were tabled in the House last week. The government threw in another \$10 million just to bring up the level of money in the plan to cover the excess payments that are now going out because 200-odd MPs at last election are now out on the street. They are not out on the street but they are on their own. They are out on the street with a huge pension plan paid by the Canadian taxpayers. They are upset and they would like to see some reforms.

If the Minister of Finance needs any ideas we say he can start right here in this House.

An hon. member: Is he listening?

(1055)

Mr. Williams: I doubt it. What about unemployment insurance? We said last year that business and labour should sit down together and revamp the UI program in order for it to be a self-sustaining program. We hear some musings by the minister along those lines on this the anniversary of the election. It has been one whole year and he is just starting to get to the point where we were a year ago.

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He could target social spending to those in need. Yesterday afternoon at the University of Alberta I was talking to people who are faced with substantial increasing costs in their education. As they are being asked to pay for more and more of their education, there are retired people who are sitting on the beaches in Hawaii or who are sitting in the sun in southern United States and Mexico collecting old age security on top of the whole wealth they have accumulated during their life.

I said during the election that we will cut off old age security to senior families which earn more than \$54,000. All I got from the seniors was: "Why so high at \$54,000? Bring it down. It is far too much".

They had never seen that kind of money before. Yet this government continues to pay almost \$5,000 a year per retired individual regardless of their income. They may be millionaires. When we have fiscal problems why should we be spending that kind of money on people who do not need it?

Consider special interest groups which get half a billion dollars. Just cut them off. It is that simple. It does not take a lot of guts. Just do it. The Minister of Finance should start right away.

How about improved financial accountability in government? Treasury Board has a policy in place called program evaluation where programs are evaluated basically on four points. One, is it relevant? Are we still spending money by virtue of habit? Two, is it effective and meeting its objectives? Three, are we delivering the program efficiently and, four, is there another better way to deliver the program?

Program evaluation is a policy that is currently being used a small amount by the Treasury Board, but could be used much more in order for Canadians to find out how the programs are working and how they can be revamped and regeared to ensure we are getting maximum bang for our buck, that those in need are receiving the assistance and we are spending Canadian taxpayers dollars efficiently, well and wisely.

These are just some of the things we and the Minister of Finance could do, but unfortunately he is going to wait another six months until he tables his budget in February before we know what his next nickel of cuts is going to be. Even by his own admission he is already missing his target.

Let us take a look at some of the figures we have so far. The 1994-95 spending estimates show old age security costing \$20.6 billion. Next year it will increase to \$21.4 billion. Transfers to provinces were \$26.3 billion last year, increasing to \$26.4 billion. Grants to natives of \$3.8 billion last year are up to \$4.1 billion. Grants to international assistance remain the same at \$2.6 billion. Other subsidies and transfers at \$4.5 billion are going up to \$4.9 billion.

There is not a single cut. We wonder why this country is in a mess. We wonder when this government will take serious, real, concerted action. That is what Canadians want. It is long

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overdue. We call upon the Minister of Finance to table his plan and his vision now.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I looked forward to this opposition motion today because it gives the Government of Canada a chance to put on the record in a factual way not only the vision this government has in terms of putting people back to work and getting this economy going, but some of the specific initiatives that have been passed in the last eight months since we have taken power. It is important that we focus on the deficit and debt of this balance sheet for Canada and we are doing that. The *Financial Post*, which no one would ever claim to be a paper sympathetic to the Liberal Party, in the Saturday edition had a masthead saying we are heading in the right direction. The Reform Party should take note of that.

(1100)

I want to be very specific. We need growth in the economy. As a government we have said pre the red book, during the red book, in the last eight months that small business represents the greatest hope of putting Canadians back to work.

I am not going to use this report from the industry committee called "Taking Care of Small Business" as a display, but I do want to say that the Reform Party, which worked on and supported the report, has to acknowledge that already the banks are acting on some of the recommendations we have put in the report.

At the same time I do not know how the member who was the lead speaker for the Reform Party could stand in his place and not acknowledge that our exports have been up four months in a row, our manufacturing sector is on the rebound. All the statistics and all the numbers show that. Our tourism deficit is coming down.

By the way, I am not standing here claiming victory. That is not the point. The point is that we have created an environment not only with specific actions but a psychological environment which is important in any economic equation. We cannot go around here cut, cut, cut without using our creative ability to cause growth specifically in the small business sector.

I hope the remaining speeches put forward by the opposition parties today will be a little more balanced. Confidence in the economy is an important factor in the equation. Reformers have to acknowledge, if they are going to be looking at all of the facts, that there are many good signals in the economy today. I believe that the government has assisted in creating those positive facts.

I would like the member of the opposition to stand in his place and acknowledge that manufacturing is up. Exports are up. The tourism deficit is coming down. House starts have been up the last four months in a row. It is a fact that 300,000 new jobs have been created in the last nine months. If he would just acknowl-

edge those things, we could begin having a truly constructive debate here today.

Mr. Williams: Mr. Speaker, the selective statements by the parliamentary secretary certainly seem to bolster his case. He talks about the masthead in the *Financial Post* at the weekend supporting his vision. It was from that particular article that I thought about leadership from behind.

The article talked about the fact that there is a consensus among Canadians that the Minister of Human Resources Development should move ahead and reform UI even though he has not laid a plan before us as part of his social services review. The survey said go and go now because the people want something done.

As for the psychological advantage, businesses want cuts, cuts, cuts. As I said in my opening remarks we could start by cutting the MPs pension plan. We would get applause from Canadians just by doing it right now. That is the type of demonstration which would send a strong signal to all people in Canada, not just small business people, that the members of Parliament are serious about reining in the deficit. If we are talking about austerity let us start right here. It is a wonderful opportunity that the government is missing.

(1105)

He talks about vision. We have not seen any vision from the Liberal Party. We are asking for a plan. We hope the Liberals can deliver one very soon. I know that Canadians are getting fed up. They will run out of patience and find somebody else to do the job if the Liberals cannot.

Mr. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, let the record show that the Reform Party did not acknowledge any of the facts I put on the record in my previous comments.

I would like to show that we are prepared to debate the tough issues openly. As the Minister of Human Resources Development said quite clearly on many occasions, his document is not a fait accompli. It is a discussion paper. It is a debating tool. It is an instrument to get people involved as we restructure the government's social service programs.

Quite frankly that is the way to go. I know Reform Party members really think that is the way to go. They are known for their 1-800 numbers and their fax machines where they get their questions for question period. The point I am trying to make is that Reformers should go back to the way they started where they were going to be a bit more constructive about debate.

I want to acknowledge one area. It is an area in which I have a personal interest and it is the whole issue of tax reform. I was absolutely amazed at the opening speech today. The Reform Party campaigned vigorously on a single tax system to reform the tax system. All of us believe that the tax system of Canada needs reform. I would like it to show on the record that the opening speaker today never once talked about the single tax system or as they call it, the flat tax system.

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In the whole year Reformers have been in the House of Commons they have done very little to honour the campaign pledge which they made that they were going to work diligently to reform the tax act of Canada. I hope the member today is not symbolic of the whole spirit of the Reform Party, that it has deserted its campaign on comprehensive tax reform.

Mr. Williams: Mr. Speaker, I am glad to confirm for the hon. parliamentary secretary that no, we have not abandoned or given up in any way, shape or form our desire to reform income tax.

We would not stop there of course. We want to reform many more programs, far beyond just the income tax system. We include elimination of subsidies to special interest groups, reform of the pension plan for members of Parliament, downsizing government, downsizing subsidies to crown corporations, bringing in competition to ensure that we have effective and efficient government. Why stop at just reforming the tax system? The whole system needs reforming from top to bottom.

The hon. member talked about the Minister of Human Resources Development's plan as being not a *fait accompli*. My goodness, he did not even get started, beyond saying there is a problem. We have said in our motion today that we are looking for a vision.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, it is very rare that as Parliamentary Secretary to the Minister of Finance I actually want to jump to my feet to participate in a debate. After listening to the first half hour of debate, we have to bring a little intelligence and hard work to this debate, with the exception of the Parliamentary Secretary to the Minister of Industry whose interventions were both intelligent and thoughtful.

There is an obligation in the House of Commons when we have these debates that the opposition brings to bear a different perspective than that of the government and does it through research, through common sense and through bringing to the attention of the House the concerns of their constituents.

(1110)

I happen to know the city of St. Albert and I know how intelligent its voters are. The member who preceded this member is a very intelligent person from the Conservative Party and a very wise man. I am sure the people of St. Albert would want their member to bring to the House some facts and figures to support their case and not just sitting here and talking.

My hon. colleague behind me from Peterborough can tell the House, as he too, like myself, taught at a university. From our history departments, we all know that if we do not learn history we repeat the same mistakes of an earlier generation. In fact, the opposition is repeating so many mistakes that the former Prime Minister from Alberta was quoted in the papers this morning as saying that he thinks it will be quite easy for the Conservative Party to come back. When a party of one person or two people think they can overtake the new opposition it just shows everyone how weak they think it is let alone how we think it is.

Does the parliamentary secretary realize that this is the first opposition day offered up by the Reform Party since we have come back this year?

Mr. Williams: It is the first one you gave us.

Mr. Walker: What topic do they choose? They choose the financial structure and budgeting process of the country.

Mr. Penson: That is what Canadians choose.

Mr. Walker: What is the great strength of this government?

Mr. McClelland: You tell us.

Mr. Walker: It is the financial structure, the reorganization of the government, the production of an excellent first budget and, for the first time in the history of any government, the production of a prebudget process with documents from the Minister of Finance to show Canadians exactly what we have to do to get ourselves reorganized.

On our anniversary date they give us our strong hand to talk about it. Thank you very much, team. This is exactly what we need.

Let me just talk about some of the things that we have done for the last year. In this very instructive book called "The First Eight Months of the Liberal Government—Promises Made, Promises Kept", 43 areas are mentioned in which we said before the election we would proceed. These areas range from fairer taxes, federal-provincial fiscal arrangements, GATT, the goods and services tax, job creation, North American free trade, prebudget consultation, reducing the deficit, removing interprovincial trade barriers, child support payments, literacy initiatives, social security reform, unemployment insurance, youth employment and learning strategy, the Atlantic groundfish strategy, building Canada's infrastructure, Canadian space program, protecting fish stocks, the reintroduction of the residential rehabilitation assistance program, the science and technology review, supporting small and medium sized businesses, the commissioner of the environment and sustainable development, international leadership, protecting Canada's

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wildlife, the end of tobacco smuggling, the enhancement of Canadian cultural identity—

Mr. McClelland: It's like talking to a divorce lawyer. You have done nothing.

Mr. Walker: Mr. Speaker, in this document are the most amazing facts about how the government has worked hard in the first year.

Some hon. members: Oh, oh.

Mr. Walker: In category after category we have set out a plan of action which opposition parties, not only in Canada but anywhere in a democratic society, would ask how these guys accomplished so much so quickly. I would say that it is through the hard work of the Prime Minister. He has set the standard for the rest of the caucus and we have proceeded to work on our plans.

The motion today asks us to move toward a balanced budget immediately. I would say to the Reform Party that everyone in the House, I think, and judging from what happened in the finance committee, is absolutely committed to making sure that we get our House in order. There should be no doubt about it. The Bloc has said the same. The Reform Party has said the same. Therefore, the question becomes one of how do we do it. What is the best topic? What is the best strategy? That is where I return to the organized strategy of the government.

We set out in our first budget certain objectives of how to manage the deficit. We are right on course. The Minister of Finance has said on several occasions that we will meet our target each and every year. The critical issue facing Canadians after the last 10 years of government has been the complete lack of credibility in the financing of the country. We have proceeded to deal with the issue of credibility.

I am very proud to be working with the Minister of Finance who has in every statement systematically re-established a credible framework for the governing of the country and putting our financial House in order. The strategy was reaffirmed last week in our economic and fiscal update. This important paper set the parameters for a public budget consultation that is both unprecedented and fundamental to fostering economic growth and jobs.

(1115)

Let me remind the opposition that when the Minister of Finance spoke to the House committee on finance he zeroed in on our fiscal challenge. He said:

Facing up to the debt challenge is the keystone of responsible economic policy. If we fail at that, we fail at everything else. It is not a question of focusing on jobs or the debt. It is a question of focusing on both.

From time to time we hear the opposition party taunting. We have asked the opposition parties on several occasions to give us some ideas, to help us out with this very difficult process. There are going to be tremendous tradeoffs. There are going to be a lot

of people hurt in the process. The purpose of government is not to hurt Canadians. It is not the fault of the poor that we are bankrupt. It is not the fault of the elderly that we are bankrupt. It is the fault of government after government which has refused to deal with the fiscal crisis.

It is a question of fair taxes. We set out that we would deal with fairer taxes. We started out by dealing with the \$100,000 capital gains exemption. The corporate income tax deduction and the GST tax credit for meal and entertainment expenses were reduced from 80 per cent to 50 per cent. Large private corporations with capital over \$15 million are no longer eligible for the small business deduction.

New measures will prevent Canadian based companies from using foreign affiliates to avoid paying Canadian taxes. We will ensure that the income from securities held by financial institutions is measured appropriately for tax purposes. Corporate tax rules relating to tax shelters, research and development incentives, debt forgiveness and asset sales are tightened.

The first \$25,000 of life insurance benefits provided by employers will no longer be tax exempt. The threshold for the 29 per cent tax credit on charitable donations is lowered from \$250 to \$200. The age tax credit for hiring seniors will be progressively reduced over the next two years. The taxation of family trust, a very difficult issue in which I know the Bloc has a particular interest, has been reviewed by the House of Commons finance committee. We know there will be positive recommendations for change coming out of that.

The difference is that we have our facts and we have organized a program to achieve success. We are not just rambling on. We are not just using up the time of the House of Commons for polemics and rhetoric. There is a real job to be done.

At the time of the first anniversary of the last government—and the Parliamentary Secretary to the Minister of Industry was there—there was no reason to celebrate. It had not kept its promises from 1984, let alone the promises from 1988. It was met with dull silences. Its members wore little flowers to promote the Prime Minister, but what did that mean in terms of substance? It meant absolutely nothing.

There can be no doubt about our commitment to meeting the 3 per cent deficit target we have set out for 1996–97. There should be no question that this is a vital first step forward toward an ultimate goal: a balanced budget.

I am sure the House needs no reminder of the price Canadians are paying for decades of surging deficits and debt. It is measured in higher taxes, high interest rates, too few new jobs and too little growth. We have started out on the deficit reduction track to bring the deficit down to 3 per cent of GDP in three years. Canadians should understand why that 3 per cent target is so important. In the words of the Minister of Finance, we will reach that target come hell or high water.

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Reaching that level will mark a turning point in the battle against the debt. It will mean that the economy will be growing faster than the debt. In other words the debt will finally begin to shrink in relation to Canada's economy. This will be happening only for the second time in more than two decades.

We can look at the issue in another way. The federal deficit currently near 6 per cent of GDP has not been as low as 3 per cent since 1974–75. There is another point that is just as important to emphasize. It underscores why it is better to move ahead by concrete steps than to issue wishful, long term plans for deficit elimination. Setting firm deficit targets for the near future represents a major change from the past.

Because Canadians have become cynics about federal deficits, because they have suffered too many years of rosy long term promises, we have set out realistic targets and will take the actions needed to deliver bottom line results. Our success will strengthen credibility for our long term objective: eliminating the deficit completely.

(1120)

This strategy is based on fundamental, political and public reality. We believe it is best to set out short term targets, concrete milestones and hit them. With short term targets there is no excuse for delay and no acceptable grounds for not taking tough action to address the problem. When unrealistic long term goals are set, we can always find a reason to avoid tough action today, tomorrow and the tomorrow after. That was the Tory record and it is a legacy we refuse to accept.

I want to highlight another aspect of the political and public reality of deficit fighting. The previous government believed in imposed solutions that did not draw upon real national discussion and consensus. Now it is Reform that looks for instant slash and mash solutions.

Our government is a national government committed to democratic principles of openness, access and consultation. It is those principles at work that govern our approach to winning the deficit battle. The Minister of Finance made that point clear when he addressed the House of Commons finance committee. I quote the minister:

During our first round of prebudget consultations, Canadians told us they wanted clear targets to which they could hold the government accountable. We have provided those milestones.

Canadians can now judge if we keep our word. That is why our target is not cast ahead into the fog of some far off future. It is only two years away.

That is why we have set year by year milestones on the way to that target—so that we can be held to account. That is why we have used very prudent assumptions in determining how our targets can be met. And that is how we will restore confidence in the financial credibility of the Government of Canada.

These are not just words. It is a formal pledge. That is why we took several concrete actions in the last budget and that is why we have achieved our targets.

Several issues are still confronting the government. For example interest rates, triggered by the U.S. federal reserve fight against inflation and compounded by worries about Canada's fiscal burden and the Quebec situation, are much higher than anyone expected. Because of the size of our debt even small changes in interest rates have mammoth effects on our carrying costs.

The fiscal update sets out the dimension of the challenge we face under different and increasingly prudent interest rate assumptions. Based on the current outlook and the average of private sector forecasts we would still need an additional deficit action of \$2.3 billion in 1995–96 and \$5 billion the year after.

If we assume interest rates that are half a percentage point above the average private sector forecast without any new budget action, we risk falling short by \$3.1 billion of our target next year and by \$6.3 billion in 1996–97. The numbers are even worse if we assume interest rates a full percentage point above the average forecast and growth that is half a percentage point lower. Then the deficit could be \$5 billion above our target next year and \$9 billion off the target in 1996–97. The combination of high interest rates and a large debt poses a major challenge.

In the discussion in the finance committee last week the Minister of Finance indicated several principles. First, the deficit reduction must be part of a strategy to create jobs from growth. Second, the actions must be fair, making sure that the most vulnerable are not left behind. Third, deficit reduction measures must be selective and strategic reflecting clear priorities. Fourth, we must be frugal with taxpayers' dollars and, finally, budget action should weigh on the side of cuts and spending rather than increases in revenue.

As we seek these reductions we should keep another thing in mind, another lesson from the past. Under the previous government the problem was not the 10 or 15 per cent that was lopped off in each year's last minute frenzy. Rather the problem was that no one paid attention to doing better with the remaining funds. We will not make that mistake. Canadians do not expect smaller government. They demand smarter government. That is why the Minister of Finance went to the finance committee last week.

I want to take a minute to explain the significance of this action. Under Standing Order 83(1), accepted by all members of the House last spring, the government committed itself to the first prebudget review in the history of any western democracy, particularly in the parliamentary system. It has not been done in Britain. It has not been done in Germany. The American model

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is much different. It has been tried in selective ways in the provinces of Ontario and Saskatchewan.

(1125)

We want to have Canadians involved to understand how difficult some of the choices in front of us might be. There is the law of unintended consequences that we learn when studying history wherein we do one thing and have a number of side effects that we did not want. We want Canadians to get into active discussion with us about what those tradeoffs might be.

We have presented a two part plan for creating jobs, for the reorganization of the government and for the establishment of new priorities. When the Minister of Finance was before the committee he raised three questions he wanted the committee to look at. First, are the economic assumptions for growth and interest rates appropriate? Second, what should be the balance between cuts in spending and measures to raise revenues? Third, what specific actions should be recommended? We want to move away from the scenario of not in my backyard.

I am sure members of the House hear the reactions, for example to the social security review. People are saying that we should not touch a particular program, not even discuss it. When we move into financing the country we cannot have little cubbyholes or little special tax situations that we cannot talk about. We want everything on the table.

We want opposition members to participate in the round table discussions we are to have across Canada. We want to hear their suggestions. When we report back to the House in December we want all members of the House of Commons to have an opportunity to make their own contributions. In late December and in January when the serious work on the budget begins to take a shape the Minister of Finance can look at the report of the House of Commons finance committee, thank Canadians for their support and thank the House of Commons committee for organizing their comments in a constructive fashion.

It is not an easy process. I thank members of the Reform Party for bringing these issues to the attention of the House. I wish they would be able to contribute a little more positively. Perhaps other speakers during the afternoon will go back to their research bureau and say that the parliamentary secretary for finance was correct. We do need some more ideas. Let us sit down, maybe for the first time. I do not know how that party works but let us sit down, take a look at the problems facing the country, and use the time of the House of Commons effectively.

One of the great frustrations of Canadians watching the parliamentary channel is how many people are really contributing ideas. In our platform for the last year, the 43 areas in which we have taken initiative and the nine tax changes I think we

provided a very specific idea. I see the lead critic for the Bloc Quebecois is beginning to warm up for his contribution. We will listen for his specific ideas.

We have in front of us an opportunity to debate and to present ideas on reduction. I know the Bloc has changed its views in the last couple of weeks and is now on the bandwagon. It is nice to have Bloc members aboard. We will look for specific suggestions. When it came to certain budget measures in the last budget—and it was difficult—Bloc members were on their feet in the House complaining about this cutback and that cutback. It would be good to have them understanding that in the overall framework everyone has to pay a price and everybody has to contribute in re-establishing the physical health of the country.

In conclusion I thank the House for the opportunity to participate today and for the opportunity to put forward some of the areas in which we have made major accomplishments. I look forward to the contributions of my colleagues on this side and my colleagues on the other side. Through questions and answers and good debate we will have a better idea of how to put the country back together.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I listened with great interest to the dissertation of the hon. Parliamentary Secretary to the Minister of Finance. He is a very influential person within the finance committee. He sits at the right hand of the Minister of Finance. Would this not then set fear into the hearts of the innocent when they wonder where is the plan?

(1130)

It is not like these people came here yesterday. They were in opposition for nine years. They were the architects of the disaster we are living in today trying to get elected 35 years ago. They have had one year of power and what have they accomplished? Absolutely nothing.

The Parliamentary Secretary to the Minister of Finance stands there and says: "Well, what are your ideas? You are trying to smoke us out". They are going to get our ideas in black and white but they are going to get them after they finally put theirs on paper, finally.

What we have here are the Liberals in a new olympic Liberal sport: low hurdles. You set the hurdle low enough and you can crawl over it, which is about what they are doing. They are not going to wear themselves out jumping over high hurdles; they are going to wear themselves out tripping over low hurdles.

I ask the parliamentary secretary who has given us a litany of the 47 things they have consulted on so far to tell me one specific thing they have accomplished. Not the 47 they have talked about, just one they have accomplished.

Supply

Mr. Walker: Mr. Speaker, the willingness of the Reform Party to give me an opportunity to expand on our good activities for the last year is exceptional. I appreciate the goodwill with which these questions are lobbed toward me.

Where do you start? You start with what we—

Mr. McClelland: Where do you start?

Mr. Walker: I appreciate the inexperience of the Reform Party members in the House but it is still no excuse for not having any ideas on the table. They are adults and they should be able to participate.

Let us just talk about the infrastructure program. Let us talk about the way Canadians finally had a government that said: "You people need to get back to work. What we are going to do is we are going to start this project". In a classic Liberal fashion which I am very proud of we started out with a number of projects across this country—and you are smiling—

Mr. McClelland: Spending other people's money.

Mr. Walker: Do you know what they do not talk about in the House? Have they ever asked a question about Alberta projects in question period? They just say silent. Why? Because they understand that for Albertans the only piece of good news from any government is what this government is doing on infrastructure. It has not come from the provincial government. It has not come from this opposition party. The only good news has come from the minister of energy and her colleagues who work very hard for the province of Alberta. The best evidence of that is in infrastructure.

I know that in Winnipeg—

Mr. McClelland: Liberal road kill.

Mr. Walker: Liberal road kill.

The Acting Speaker (Mr. Kilger): Order. In this—I do not know if I dare call it—I will just say it is the first anniversary and leave it at that.

Clearly, we want to continue what we have established over this first year as parliamentarians from both sides of the House and that is a respectful way of conducting debate, vigorously and sometimes more animated than others. Ultimately however we do want to retain decorum and respect for one another and for this great institution.

Mr. Walker: Mr. Speaker, I share your respect for this institution. I apologize to you and to members of the House if my animation toward the good infrastructure program seemed to be—

An hon. member: You could not help it.

Mr. Walker: It is hard not to get excited by this program.

I come from Winnipeg and quite frankly mine is one of the poorer constituencies in the country. Last summer is the first time since I was elected to this House that anybody has come up and thanked me that they had an opportunity to work.

Some people are snobbish about building roads, but there are a lot of people in this country who work building roads and they need those jobs. There are a lot of people who drive cars and buses over those roads. There is nothing to be ashamed of for creating a better infrastructure.

The Parliamentary Secretary to the Minister of Industry stays on top of all these issues. He points out that in Winnipeg we are going to be rebuilding the road system which allows trucks to exit from the airport more quickly to the south. Part of our overall plan to rebuild the Manitoba economy is around the airport and transportation. We used to be the gateway to the west but that economy has changed. We are now going to be the gateway to the south.

You cannot walk away from the project. It requires capital. It requires investment. The minister for human resources, who is responsible for western Canada and Manitoba, came forward to the provincial and municipal governments. Their response was: "Thank you for putting this together. Thank you for giving us the opportunity. We will throw in some money. We think it is important. Yes, we know it is borrowing money and we know this is expensive, but sooner or later people want to see their governments do something for them".

(1135)

When I passed by people working this summer one came up to me and said: "Mr. Walker, I have been in Canada for 15 years. I am a little embarrassed. I am still just a road construction guy. My kids are going to college. However, I am working this year". It is important to him. He is not going to be doing anything else, but he is going to be working.

The cultural community in Winnipeg which is so important does not have the capital. However we came up and said: "We are going to help your fund raising effort. We are going to put some money into this. You go to the provincial and municipal governments and the private sector. Let us see if we cannot rebuild your facility. Let us see if we cannot build it up for the first time in a decade". From the looks on their faces it was apparent we were doing something so they might have an opportunity. I can only say this with passion. It must be understood that the relationship between Canadians and their governments requires governments to act on their behalf. There are some very needy people who need our response.

Supply

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, it is interesting to listen to the hon. parliamentary secretary. I would encourage him not to break his arm patting himself on the back however.

On this first anniversary I find it interesting that the Liberals come to the House of Commons saying: "Give us your ideas". After being in opposition for eight years and burning to take power with all they had to offer the country, they end up asking: "Well, what are your ideas?"

I find the credit they take for the infrastructure project interesting. This project will add \$6 billion or \$8 billion to the debt. It will provide jobs for a few months which our children will end up paying for. I find this very interesting.

The question on my mind is with regard to the consultation process. Two of these processes are taking place right now, one by the Minister of Human Resources Development and the other by the Minister of Finance.

The first consultation I mentioned is one for which Canadians are asked to give the government their ideas, but it is a process that makes it extremely difficult for Canadians to take part. After the minister's announcement they were given until September 7 to get their briefs in. This was after applying for the information on the proper procedure to follow.

As far as the people of British Columbia are concerned, these consultations are being held November 16 and 17. It seems to be a very short timeframe for filing briefs, one that is impossible for anyone but the special interest groups who already have their briefs in. As a result, members of Parliament are having to gather the information, take it out to their ridings and perhaps return it to the minister.

With regard to the consultation process with the Minister of Finance, it seems to be much more an exercise in rubbing people's noses in the mess that has been caused by previous governments over the past 25 years, to soften them up for the process of what is to take place. I really question whether consultation is being required as much as preparing people for the onslaught of what is to come.

The Reform Party provided a program during the election campaign a year ago in which by focusing resources upon those people most in need we would be able to eliminate the deficit in three years. This would be done without the harsh consequences the Liberals keep trying to portray us as bringing onto the country.

The question I would like to ask the hon. parliamentary secretary is when will the Liberals really take seriously the process of consultation and open the doors for Canadians as well as opposition members to provide the ideas they keep calling for?

Mr. Walker: Mr. Speaker, first the addition of a \$6 billion debt to the country is simply Reform Party arithmetic and has nothing to do with the substance of what happened.

On the question of consultation, if for some reason the member thinks the public is not being given a chance to be heard, I would ask the member why he did not read his House of Commons order book? That order and the description of the consultation process has been on the books for nine months. It is clear to everyone who is a concerned parliamentarian how the process is going to work. I can assure him on behalf of the Minister of Finance that everyone who wants to be heard will be heard. He might also be interested to know that next week when we are in Vancouver it is totally booked.

(1140)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I thank my colleagues from the Reform Party for providing an opportunity to return again to the topic of public finances and to discuss a motion they introduced today concerning a detailed plan, or should I say the lack of a detailed plan, to be tabled by the federal government outlining its approach to the budget.

In contrast to my Reform colleagues, I would say that there is most definitely a plan and that it has been in place since last February 22 when the Liberal government tabled its first budget. If we are to believe the initial measures introduced by the federal government at that time, and if we are also to believe the various measures it has introduced and the numerous proposals it has made since then, this plan consists in slashing benefits to the very people in Quebec and in Canada who can least afford to do without them—the unemployed, recipients of social assistance, those with health problems and senior citizens as well.

There is clearly a plan, a very detailed and specific plan, to transfer the financial problems of the Canadian government onto the backs of those who least deserve them, who certainly do not deserve the insult of being abandoned by a government that won the election on a campaign that emphasized the dignity of having a job, the dignity that we owed the least fortunate in our society. This is the very group of Canadians that the government is insulting today.

What most struck me in the speech by the Minister of Finance was not the size of the deficit and of the debt; this is not news to us or to anyone else. We know that the federal government has been in the red, not just for one year but for ten. For ten years now, this government's approach to public finances has been building up to this impasse. I would remind the hon. members across the way that it was under a Liberal government that things first began to go badly. The deficit began to grow between 1970 and 1985. And it was when the present Liberal Prime Minister was Minister of Finance that the financial problems started.

Supply

Between 1970 and 1985 the deficit grew from 0.3 per cent of the Gross Domestic Product to 8.7 per cent. Fifteen years of Liberal rule led us to disaster. It is this legacy we are dealing with today. This Liberal legacy has led to drastic cuts—again, Liberal cuts—to solve the very serious public finance problem.

I noticed that in his speech the Minister of Finance mentioned a serious matter, namely that the current problem is essentially a structural one. It means that even with ideal conditions for economic growth and employment development, the system is so tainted and its financial and economic impact so serious that Canada's unemployment rate can never go under 8.5 per cent and that the structural deficit—again, even in ideal economic growth conditions—will stay at a minimum of around \$30 billion year after year.

The minister's response to these structural problems was to propose more cuts, which will not do anything to solve these structural problems because what is needed—as Quebec sovereignists, and the Bloc Québécois in particular, understood—is a comprehensive reform of the system. Sovereignists have decided to get out of the vicious circle by reforming the system. This system is impossible to sustain. It is also impossible to reform because if that had been the case, the Liberals across the floor would have spent their first year in office trimming off the fat, reducing the bureaucratic structure, eliminating inefficiency, and decentralizing as much as possible by transferring to the provinces all levers of economic and social development.

(1145)

Instead, they take drastic measures that hurt, that show their lack of compassion for and attack the unemployed without solving Canada's fundamental public finance problems.

How much credibility can this government have, when all the commitments made by the Liberal Party of Canada during the election campaign are not being honoured? I will give you a few examples.

In the last week of the election campaign, the current Prime Minister said that a Liberal government would never increase taxes in its first two years in office. What did the Minister of Finance present us with last week? The possibility of tax increases.

The Prime Minister also said in this House that he did not rule out the possibility of tax increases this year. What credibility can this government have, when in less than ten months those people go back on the commitments about taxes that they made to the taxpayers of Quebec and Canada?

What credibility can they have when the Prime Minister and all his ministers led Quebecers and Canadians to believe during the election campaign that they would abolish the GST? What have they done since then? Not only have they started to soft-pedal on the promise of abolishing it but they have tried to find an alternative to the GST in a sneaky, even dishonest way. Not abolishing the tax but an alternative that is as bad as the

original tax and even worse in some respects. Month after month, they have tried to make the provinces, Quebecers and Canadians take it.

What credibility can those people have? What credibility can the Minister of Finance have when he talks about the largest process of consultation ever undertaken by a federal government since Confederation? We had a consultation process before his budget was tabled: forums here and there and everywhere. I participated in those forums. Of course, a few representatives of organized labour and community organizations were invited to each of these forums, for the sake of appearances. Ultimately, what happened is that \$5.5 billion was cut from unemployment insurance and \$2 billion from funds allocated to the provinces.

Who said to do that? Who presented such a recommendation in the pre-budget forums that year? No one. But those forums made the Minister of Finance look good. Again he will make himself look good by saying that he consulted Canadians and that they said to cut another \$7.5 billion from post-secondary education, health and, once again, unemployment insurance. That is how the Minister of Finance consults.

Who will believe in that? Who will believe in this desire for democracy expressed by the Minister of Finance and his government?

I think that after a year of this government, Quebecers and Canadians are starting to realize that those people have lied to them and not told them the whole truth, that they are going back on their commitments and throwing them in the garbage. They are not inclined to keep the commitments which got them elected.

Several months ago, I heard the Prime Minister refer to the unemployed and welfare recipients as lazy beer guzzlers who should go back to work. I understand why: the Liberals' detailed plan is to cut at the expense of the unemployed and the poorest people in society. That is the plan. Since the last budget came down, I have gone to my riding and met people who suffer as a result of the savage cuts this government has made to unemployment insurance, which force whole families onto welfare. Whole families are discouraged and depressed and have lost the dignity which the Prime Minister says they should have regained with his government.

(1150)

I suggest to Liberal and Reform members that they go back to their ridings and talk to people affected by these cuts. I would advise them to go easy on slick rhetoric and go out, maybe once every couple of months, and meet some of these people in your ridings. It is important that these members go and talk those who suffer, and who will continue to suffer, because of them. I have met some of these people, as have my colleagues from the Bloc. I can tell you that I was deeply moved to see mothers rush to get social assistance when they had never contemplated such a—

Supply

Mr. Cauchon: Bleak reality.

Mr. Loubier: —bleak reality.

Mr. Speaker, Liberal members are cynical to the point of putting words in my mouth to describe their own harmful actions to Quebec and Canadian families. It is terrible to see them behave like that!

The Minister of Finance tabled an elaborate strategy to solve the problem of the deficit and the debt, a problem which everyone recognizes, but that strategy targeted the poorest in our society. Consequently, the Bloc Québécois made detailed suggestions which respect the dignity of people, of the poor, of those who are looking for jobs but cannot find any, and of those who are depressed and who get even more depressed when they see the Liberal Party of Canada continue to make them pay a price which they should not have to pay. I did present these suggestions to the Minister of Finance and to those cynical members opposite.

In fact, we presented an eight-point proposal to the government. The minister should stop saying that we only complain. We do make constructive suggestions which could allow us to recover over \$12 billion in the first year alone, without making the plight of our poorest ones worse.

For example, we suggested to the Minister of Finance and to the Liberals that the government should completely withdraw from fields which fall under provincial jurisdiction, instead of continuing to invest in those, as proposed in the Axworthy reform regarding education and health, but—

The Acting Speaker (Mr. Kilger): I simply want to point out, in the course of this vigorous debate, that hon. members should remember to refer to the minister by his title and not by name. I know it was an oversight, because the hon. member for Saint-Hyacinthe—Bagot has acquired some not inconsiderable skills during his first year in the House. I simply wanted to remind him.

Mr. Loubier: I apologize, Mr. Speaker. It was said in the heat of the debate. Everyone refers to this reform by the minister's name, so I forgot we were on the floor of the House and that ministers should not be referred to by name.

Last week, we suggested to the Minister of Finance that the federal government withdraw from all areas of provincial jurisdiction and not, as is the case in the social security reform proposals presented by the Minister of Human Resources Development, maintain and reinforce the federal government's involvement in areas that are the exclusive jurisdiction of the provinces, such as health care and education.

Since in its discussions on relations between Quebec and the federal government, the Bélanger-Campeau Commission concluded that at least \$2 billion could be saved by getting rid of all this duplication and overlap, I do not think it would be an exaggeration to say that at least \$3 billion could be saved in the process. For a start, the government could do, as suggested by the Bloc Québécois last June, and abolish the GST, give this tax space to the provinces and let them be responsible for introducing a consumer tax. As a result, hundreds of millions of dollars in GST administration costs could be recovered. Our second constructive suggestion for the minister was to cut many of the subsidies now being given to businesses. As you know, these subsidies represent a total of \$3.3 billion. I am not saying they are all useless, but many are given as a form of patronage to businesses that are not efficient and not competitive, at a time when the stakes have changed as a result of globalization of world markets and international competition. There is a potential savings of \$3.3 billion here for the Minister of Finance.

The same goes for the defence budget. In its election platform, the Bloc Québécois proposed a 25 per cent reduction in the National Defence budget. So far, we have seen a 10 per cent cut in the last budget, or \$1.1 billion. We have other positive and constructive suggestions to allow the Minister of Finance to cut another \$1.6 billion from the defence budget.

(1155)

According to all Quebec and Canadian experts we consulted, it is possible to get this extra 15 per cent without reducing or watering down the Canadian Forces mandate. Fourth, we asked the Minister of Finance to immediately stop government financing of Hibernia.

A total of \$3.3 billion has already been sunk into this project without any prospect of profits and without knowing when the first barrel of oil will be extracted. If I remember correctly, the price of a barrel of oil must reach \$26US for the Hibernia project to merely get to the point where it is no longer losing money on every barrel of oil is extracted from this drilling rig, without considering past losses. This year alone, another \$250 million will be sunk into this project. Next year, another \$250 million or even \$300 million could be spent on this project, according to the finance minister's projections, without any hope of profitability.

How many more billions of dollars will the federal government sink into this project, when it is asking all Quebecers and Canadians, especially the poorest, to tighten their belts? Fifth suggestion, we asked the Minister of Finance to read again the last three reports from the auditor general, which reveal blatant carelessness, again, in government program management as well as a bureaucracy which—in some respects—is still overspending and wasteful in 1994, when we are told that public

finances must be brought under control and be more balanced over the next three years than they have ever been. This is our fifth suggestion to the Minister of Finance.

Sixth, we suggested that the Minister of Finance improve tax collection and tackle the recovery of bad debts. The auditor General says that there is \$6 billion to pick up here. This amount of \$6 billion does not even include contested debts. This is \$6 billion that the federal government could get, but because of its laxity, we have a deliberate shortfall of over \$6 billion this year.

The same goes for our seventh suggestion to the Minister of Finance and, strangely enough, these suggestions do not appear in his documents. We asked him to reform the Canadian tax system, but not by cutting the age credit, not by taxing RRSPs, not by attacking the middle class and the poor; we asked him to eliminate undue advantages for family trusts which benefit wealthy Canadians. I would recall a rather significant statistic. Ernst and Young surveyed 121 trusts—we only have surveys to go on because the Department of Finance and the Department of Revenue do not want to do a comprehensive analysis of family trusts—and I will give you some figures about them.

The average value of the assets in 121 trusts was \$47 million. These are not family trusts for middle-income or high-income people, according to our own definition; these are \$47 million in assets belonging to very rich Canadians. These family trusts held up to half a billion dollars. Indeed, that was the amount held in Trust No. 121 in the sample, which was the highest one. Five hundred million dollars. Five hundred million dollars in a trust which, year after year, and possibly until the death of the last beneficiary, benefits from a tax exemption on capital gains. If this beneficiary is lucky and lives to the age of 84, he may benefit from this tax exemption until he is 80 years old, on capital and assets which may be in the millions of dollars.

The same goes for tax conventions. We told the Minister of Finance but he refuses to listen because he does not like the idea of targeting his friends, the friends of this government. We said that, even after the changes made to the taxation system last February, Canada still had tax conventions with 16 countries and these are considered to be tax havens.

(1200)

The government loses hundreds of millions because Canadian corporations and very high income earners use these countries to avoid paying taxes. It is time to eliminate such loopholes and it is time this government realizes that it was not elected by major corporations or by those very rich Canadians who have family trusts with, on average, assets of \$47 million and sometimes as much as half a billion dollars. It was elected by those people whom the government has been targeting since it took office.

Supply

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I have a question for the hon. member of the Bloc Québécois.

Just imagine for a minute that Quebec is a separate country. I would like to ask him what kind of system, what kind of tax reform he wants for Quebec? You referred to problems arising from Canada's complex system. I would like an answer to the following question: As far as tax reform is concerned, what kind of system would you have if you became a separate country?

Mr. Loubier: Mr. Speaker, the hon. member's question reflects the tendency of these people to evade the issues. Today, the issue is not Quebec's sovereignty. We are talking about their government's budget process. We are talking about their government's inertia. We are talking about the flabby approach of the Minister of Finance, who has spent the past year—I want to say this because it is true—colouring the Conservatives' blue book purple because they are even more conservative than the Conservatives and telling us we are in the red.

So the issue is the consultation process that is going on now. The issue is the measures this government is taking at the expense of the most vulnerable in our society. Sovereignty is not the issue.

However, I would like to answer a small part of his question. Look at how the sovereignist movement has operated in Quebec for the past 30 years. It has not operated on the basis of a rightist philosophy, like our Reform Party friends have done since they were elected a year ago. It has not operated on the basis of a philosophy that is very close to the right, which is the approach being taken today by the Liberals. It has operated, from the outset, in accordance with the views of Mr. Lévesque. It has operated on the basis of a profoundly democratic society that is intent on the well-being of its most vulnerable members and that wants to provide for a fair distribution of our collective wealth, and I think that once Quebec is sovereign, we will have some really exciting projects.

As soon as we get out of this system, we can go ahead with some very exciting projects to create full employment, increase our collective wealth and regional development and give people new hope and dignity. We will provide real projects to help people recover part of that dignity, without pretty speeches like the Prime Minister gave us when he referred to people who had lost that dignity as beer drinkers.

[English]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I am curious about a couple of comments made by the hon. member. One was with respect to business subsidies. He said that in many cases subsidies are made to businesses that are uncompetitive.

Supply

I guess he is implying that it is okay to make subsidies to businesses that are competitive. In that case, it is kind of redundant in my judgment. I have to wonder whether the member, given his remarks, can justify any subsidies to business at all.

Is the hon. member so committed to deficit reduction that he would give up his MP's pension, should he ever be lucky enough to get that far, given the Bloc's stand? Would he go on record today saying that he is opposed to MPs pensions as they stand now, especially considering his stand on things like family trusts which he would argue confer special privilege?

Obviously that is what MP pensions do. Let us hear what the member has to say on that issue.

(1205)

[Translation]

Mr. Loubier: Mr. Speaker, about the \$3.3 billion budget for subsidies to business, during the year we have been here, we have asked the Minister of Finance to put everything on the table and allow a parliamentary committee to look at federal government spending in a very thorough and specific way. We have always included the \$3.3 billion in subsidies to business, in order to scrutinize what type of subsidies were involved and who the beneficiaries were. Did they really have a structural impact on the economy enabling us to face the challenges of internationalization and international competition?

We never received a reply from the minister in this regard. But, as you said, logic dictates that a normally competitive business should not need subsidies. However, we are now faced with radical economic changes.

The mere fact that the latest GATT agreement signed last December will bring about tariff reductions of about 75 per cent over the next six years is already a lot to deal with.

Although tariffs between the most industrialized countries already averaged five or six per cent, it still makes a difference, especially when, according to most experts, the value of the Canadian dollar remains very high despite some drops in recent months.

We are again in a situation where the slightest tariff protection can compensate for the fact that Canadian businesses are not as competitive, probably in part because of the Canadian dollar.

I submit to you that a normal, competitive business should not be subsidized. Often, all these subsidies to business do is generate competition between Quebec or Canadian firms because one received a subsidy while the other did not. I think that this system must be totally revised. I would say to you that most of this \$3.3 billion should go.

[English]

Mr. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, I want to return to my opening question. The member who is the finance critic for Her Majesty's Loyal Opposition criticized some of the areas in the tax design with which he did not agree. By the way, I share his views in a couple of the areas.

However, he is here to lead his province out of Confederation. He stated that in his speech. That is his democratic right, but Quebecers and Canadians would like to know what type of tax regime, tax design, tax system Quebecers will have in this new country that they are designing?

It is very important for the member, who has this lead role, to tell Quebecers what this system is. We would also like to know what this system is because it might contain a couple of ideas we could implement now. Specifically, what will the tax regime look like in this separate Quebec?

[Translation]

Mr. Loubier: Mr. Speaker, we would have a normal tax system for a normal modern industrialized country. We would surely have a more equitable system that would not favour only the very, very, very high incomes. I am not talking about high incomes in the definition we have. I just gave you the example of family trusts, with an average of \$47 million in assets and as much as half a billion. It is not right that these people pay no capital gains tax year after year for 80 years.

As we have shown from the beginning, sovereignists care about tax fairness, and I suppose that in a sovereign Quebec such treatment would be called into question. The same goes for the 3,400 Canadians who did not pay a cent of income tax to the federal treasury last year, even though they had a very high income. I think that we would also try to correct that effectively.

I would remind you—I know that I have only a minute left—and you will tell me that it is not related to the question, but it is related to the question, quite a bit in fact; I would remind you that sovereignists care about the collective well-being. We have also shown that we want to reduce the contribution of big corporations and big lobby groups to the financing of political parties as much as possible. That is why the Parti Québécois, just as the Bloc Québécois, is financed by the people.

(1210)

That is why a sovereignist government in Quebec, unlike the Liberal government in Ottawa, is not subject to undue pressure and influenced by gifts, in some cases, from lobbyists for very rich Canadian families with assets of \$47 million to half a billion that are not taxed for 80 years.

This already gives us a good idea that the prime concern of a sovereign Quebec will be the majority of the people, not an elite who provides the funding, as it does for the Liberal Party of Canada, so that this government has its hands tied and the

Supply

Minister of Finance does not put the real tax loopholes in his paper but goes after the tax breaks affecting middle- and low-income people.

So this gives you some idea of what sovereignty would mean for us.

[*English*]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, on behalf of the whip of our party and pursuant to Standing Order 43(2), Reform speakers will be dividing their time.

In speaking to the resolution before us, presented by my colleague from St. Albert, we must recognize its focus and concern. The major focus is a request that the government look at balancing the budget. Instead of meeting targets that leave major deficits, it must look at balancing the budget and bringing the deficit to zero. That is what we are focusing on today, indicating to the government that there is some urgency in working toward that kind of target.

The other thing we make reference to in this resolution is a plan which the government could implement. We are requesting the government not hide behind the 3 per cent that it set for Canadians, that it will reach supposedly and hopefully in three years. We are saying it is owed to Canadians that we should go further, that the red book plan should be extended to a point at which it details and outlines programs within departments, the priorities which will be set with regard to social spending, the projections with regard to growth in the economy that will move us to the most important target, balancing the budget.

No government can sit and wait beyond one term to reach necessary objectives. The way the government is moving at the present time it is saying to Canadians: "We are going to leave you at the end of our term with at least a deficit of \$25 billion". It wants to go back to the people at that point and say: "We did our job. We reached our 3 per cent". That is hiding behind the real problem, which is a truth that must be revealed. I hope the discussion on this resolution today reveals some of that truth.

Today is the anniversary of all of us being elected to the House of Commons. At this point we all have more confidence as to our purpose, our focus and the reason we are here. As finance critic, I have been given the responsibility of dealing with the finances and the budget of Canada.

One of the motivations and the reason I left my responsibilities in the Alberta government, moved to seek the nomination for the Reform Party, got elected and came to the House of Commons was a very focused purpose. When I lived in the city of Edmonton a number of young people from the University of Alberta were in my home day in and day out. Those young people were good, quality students with very excellent averages and tremendous abilities.

They said to me day after day: "We are going to get an education. We are going to be qualified to do something. But what is there out in the Canadian community that will offer us a chance to perform as we wish, to use our talents and our abilities? Will there be a job available?"

(1215)

I examined that discussion and thought about it. I said to those young people that I thought there was only one place where we could resolve the problem we have, that is in the House of Commons and in the federal political arena. That was one of the reasons for making the decision to come to this assembly. I am here now and I believe the job must be done.

What do I believe? What do I believe is the secret or the road to dealing with the problem? Much of it is set out in the rhetoric and comments in the document presented in the finance committee called "Creating a Healthy Fiscal Climate". A lot of good objectives are established by the Minister of Finance and the Government of Canada. They want to work toward balancing the budget. That is a good objective. They also say that some very immediate things must be done. They set out a relationship between bringing the deficit into line, bringing it to zero, dealing with the debt and balancing the budget. In turn if those things are dealt with they will bring about growth in the economy and job opportunities for Canadians.

That is the sequence I agree with. I was very disappointed, I must say, with the red book plan of the government. In the campaign a year ago it was clearly stated by the candidate in my constituency, and I am sure by other Liberal candidates and those who were elected, that they were going to create jobs for Canadians. That is the wrong approach to job opportunity. Government cannot create jobs. It absolutely cannot create jobs.

The government initiated a program of infrastructure for Canadian municipalities in a variety of jurisdictions in Canada. Certainly there were jobs made available to Canadians. Those jobs were short term, for six months, a year or maybe two years. They were jobs made available to Canadians. They were not jobs created by the economy that would be there for a long period of time, would be self-supporting and would be part of the private sector or the private economy of our country. If those kinds of jobs are created they are long term and will benefit our country. Certainly the Government of Canada will benefit by increased revenues into its coffers to take on its responsibilities.

In this term of office, between now and the next election, we have the opportunity to reach the goal of bringing the deficit to zero or near zero. The government must be more aggressive. I looked back on this year's performance of the Prime Minister and of the Minister of Finance. I thought about that last night and I asked myself how I could describe what they were doing. Why is it that the Prime Minister on his first anniversary is high

Supply

in the polls, at 60 to 70 per cent in terms of popularity? That is very high. Why is he so popular?

If we re-examine what is being done there is not very much being done in Canada, not very much in terms of the government. There are a lot of studies, a lot of reviews and a lot of procrastination. The only concrete thing I can see is with regard to infrastructure. That was put forward by the minister. It is implemented and it is there.

How do I describe it? We have what I would call sort of a pied piper syndrome in Canada at the present time. We have this popular leader who is leading us down the road while playing a beautiful piece of music. The people of Canada are saying: "Things are okay. It is all right. Things are going to work out". A nice song is being sung but they are not focusing on the problem.

(1220)

The deficit is being ignored because of the comfort zone being given to Canadians by our Prime Minister and the Liberal government. Some day they will wake up to the fact that the pied piper is taking us down the road. I recall my father telling me the story many times. The pied piper led the children into the river and they all drowned. My father had another innovation where they went into a cave and a heavy rock rolled over its entrance and the kids were lost to the families of the town.

The same thing is going to happen here. The people of Canada are being led down the road to where they will fall into the debt hole. We are going to have a crisis because we are going to fall into the debt hole and the government is not dealing with it. That was said in the document presented to the finance committee called "Creating a Healthy Fiscal Climate". Page 25 of that document states very clearly what the circumstances are. This is the government's document. The Minister of Finance presented it to the committee on October 18, 1994.

It says that by fiscal year end 1994-95 the net federal debt is expected to be \$548 billion. It also says that if program spending remained roughly in balance with revenue, compound interest alone at today's average rate of about 8 per cent would cause the debt to grow by almost 50 per cent, to more than \$800 billion within just five years. That is before the turn of the century, before the year 2000. It goes on to say that by then the annual interest payment would be about \$64 billion or \$20 billion more than this year's forecasted debt charges. Can we imagine \$64 billion out of the budget? Our budget now is \$127 billion in terms of revenue, and \$64 billion will be paid out of it. That is how serious it is.

The Prime Minister is getting all the laurels, all the credit, but he is leading us into a debt hole and into a crisis. The government must come up with a plan and give the people of Canada

some details on how we are to be led out of this grave and difficult situation.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I want to make one short comment and then ask a question.

I think the member is not being reasonable on the infrastructure program. During the establishment of infrastructure the job time might be for three, six or nine months but the actual completed infrastructure provides an environment. As the Parliamentary Secretary to the Minister of Finance said, the new transport system from the airport in Winnipeg will be there for 30 or 40 years. It will allow for the economy in that sector to move forward in a more efficient and productive way in terms of exports to the southern United States.

However I want to ask the member a question about the deficit and the debt. As the Parliamentary Secretary to the Minister of Finance said in his remarks this morning, if our interest rates were to go up by half a point it would cause an added burden of approximately \$3.5 billion in service charges. Obviously we have to create an environment where we can stabilize our interest rates and create a system that would put downward pressure on interest rates, which subsequently would allow us to have a lower cost in servicing the debt of the country.

Does the finance critic for the Reform Party believe a tax system that is fair and promotes entrepreneurship could reverse capital flows that are currently leaving the country? By capital flows reversing and coming back to Canada a downward pressure could be put on interest rates. Does the finance critic believe that comprehensive tax reform could create that possibility?

(1225)

Mr. Speaker (Lethbridge, Ref.): Mr. Speaker, I thank the hon. member for his questions.

In terms of the infrastructure question that he raises, if a government must invest in some type of job opportunity or in some infrastructure project maybe jobs are created as a side benefit. However, if our country has good infrastructure such as roads, et cetera, the private economy has a good base from which to work. That is a very proper function for government and I agree with it.

The point I was making with regard to infrastructure is that it is not the solution to the problem. It is very short term. It is not a long term solution. We cannot keep borrowing money and investing it. Somewhere the hole gets a little too deep and we get into trouble.

I will deal with last question the hon. member raised.

Mr. Mills (Broadview—Greenwood, Lib.): With regard to the downward pressure on interest rates and tax reform.

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Mr. Speaker (Lethbridge, Ref.): A fairer tax system would have a reflection on interest rates. What has to go along with that is certainly the deficit reduction we are talking about to deal with confidence in our country.

A number of investors in our country right now are looking at us. Those who judge our credit as a country are asking if we have dealt with the deficit and saying if we have not it looks like it is getting out of control. Then our interest rates go up and we have some problems. It is not only a proper tax system that deals with a rise in interest rates. It is certainly a question of whether the government has shown the will and dealt with the matter of the deficit.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, it is an honour to rise today to participate in debate on the motion brought forward by the Reform Party requesting that the government bring down a plan of action.

I was going through my files today on this very subject and found a headline that caught my eye: "Slashing the Deficit in Just Two Hours". This was the heading of a column in the June 13, 1994 edition of *Maclean's* magazine by Diane Francis. She has a plan. I might not agree with all the things in her plan, but at least there is a plan and there are topics that can be discussed.

We are here today to find out some ideas and put some thoughts on the table about how we can reduce the deficit and the debt. As we all know politics is the art of possible. Let us try to make things possible by reducing the deficit and the debt. For far too many years the country has been living off its credit. Like other spendthrift debtors there comes a time when they finally have to pay the piper. They either quit spending more than they earn and begin to repay their debts, or the banks foreclose on their homes, seize their cars and they are bankrupt.

The bank is getting ready to foreclose on our mortgage, to repossess our car and to cut up this nation's credit cards. Finally the country and its government have to wake up and face this reality. No longer can it be ignored. The finance minister has finally heard this message and I congratulate him for having the courage to admit it in his statement.

The Reform Party was catapulted here one year ago by common sense Canadians. We have been trying to get this message across to the government from the first day of this Parliament. Decades of spendthrift management and extremely poor decisions have entrenched programs and attitudes that have led the nation to spend its birthright and mortgage its future. We must for our children's sake get this mess under control.

(1230)

The finance minister has said that each one of us must decide which government services we personally can do without. No longer can Canadians take refuge in the attitude that someone else can pay, that someone else's services can be cut. We must let Canadians prioritize our spending, prioritize our programs, something again that the Reform Party and its members on this

side of the House campaigned for rigorously during the last election.

Governments have often sought to supply services through crown corporations because it was felt these were necessary, that these services could not be provided by the private sector. Perhaps at one time this was true. Perhaps there was justification for pouring funds from the public purse into these uneconomic businesses, but it is an expensive proposition and one that has stifled competition.

This philosophy has also cost this country greatly in dollars and lost opportunities. Over the years crown corporations have contributed mightily to our monstrous national debt and high taxes which have stunted growth and discouraged innovation in this country. There comes a point when these crown corporations no longer fill any real need, when inertia is their prime reason for being. We can no longer afford this.

Today we are a nation of some 28 million people. Times have changed. Our needs have changed. Yet still we ladle public money into ventures best left to the private sector and in the process we smother competition and eviscerate the entrepreneurial spirit. The people of this country have been led down a perilous path.

The plain and simple fact is that goods and services are provided more efficiently, more effectively and with better quality by the private sector in a competitive environment. Why then do we still maintain crown corporations and agencies that meddle in the free marketplace on the strength of huge dollops of money from the public purse?

Even at a time when there was justification for government owned broadcasters which gobble up close to \$1.2 billion a year, how can it be justified today? For instance the CBC was created so that Canadian culture was sure not to be lost, but things have changed. Technology has changed. An example of that is the private cable companies.

Private cable companies across this nation supply community access channels. In my own riding of Okanagan—Similkameen—Merritt, Shaw Cable provides access to a community channel for cultural programming, for interest groups to make programs. This is something we should look at. How can \$1.2 billion a year to the CBC be justified? Would this money not be better spent on educating and training our youth so that they can have productive futures, so that they will have no need for expensive UI programs or welfare?

We must set realistic priorities. We no longer have the luxury of wasting precious tax dollars on foolish spending. Of course the other side will criticize me by saying: "The hon. member is saying he is just going to cut everything". I want to make it very clear that is not what I am saying. I am saying that every single government department, agency, crown corporation and marketing board should be evaluated for its relevance in today's economic climate. If the same function is or could be provided

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by the private sector, that government body should be disbanded immediately.

Organizations such as the Canada Council defy common sense. When we are talking about shrinking funds for education and health care, how can we as responsible members of this place support any endeavour which is not necessary for the well-being of the people we represent, all Canadians?

Last summer the Minister of Transport announced a move to place more of our transportation system in the hands of the private sector. This is a positive change which will benefit all Canadians. The minister has recognized the fact that these services can best be provided by the private sector. The people of Okanagan—Similkameen—Merritt have supported this concept in town hall meetings across my riding. As well the same thoughts were heard at every one of the government's prebudget consultations earlier this year.

(1235)

In the prairies farmers are demanding that the Canadian Wheat Board be reformed and that producers be given the opportunity to sell their grain to whomever they choose. One producer who operates a small milling operation with its head office in Penticton has detailed years of interference with his business by the wheat board. This interference has severely limited his opportunity.

Let us explore this for a minute. The Canadian Wheat Board is an interesting topic. It is widely known that western Canada produces the world's best durum wheat. It is ideal for pasta products. I am not a farmer. I am a common type of person, but I must scratch my head in wonder. It would seem there is a tremendous opportunity in western Canada for someone to go into the pasta production business. It is also interesting to note that there is not one pasta producer in western Canada. Why is that? Let us look at some examples.

North Dakota, which grows about as much durum wheat as the province of Saskatchewan in a good year, has four prosperous pasta operations. This House should know about a real success story for the North Dakota growers in the village of Carleton. They built a plant without any state or federal government assistance. They have the most modern equipment. It runs 24 hours a day and has 240 employees. It processes 250 tonnes of wheat daily into highly valued privately packaged pasta products that are shipped all over the United States. There is more good news: expansion plans are under way.

Why then does western Canada not have a pasta producer? In western Canada, durum growers owning their own mill would be in the same position as if they were trying to sell their wheat product independently. They would be forced to sell it to the Canadian Wheat Board at the board's prevailing initial price.

Then their company would be forced to buy that wheat product back at the board's selling price.

Durum wheat growers could not legally sell directly to their own company in this country, nor could their company buy their own wheat. It is just ridiculous. In other words, any benefit durum growers who are also the investors in the private company would have in the pasta plant would have to be shared among all the wheat producers in Canada.

I am not saying that the Canadian Wheat Board is stifling competition in this country. Just a minute, maybe I am, but then again maybe I am not. What I am saying however is that we should put it on the table, discuss it and evaluate it. It appears this country is missing yet another golden opportunity.

My time is running out so I will close by saying it seems that the national economics elude the test of common sense every family must face when handling their finances. Canada's deficits are not insurmountable. Canada's deficit and debt are merely symptoms of an inept and cowardly leadership.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I will begin by commenting on the last point the member made on creating a value added pasta plant for our durum wheat. The member has brought a new insight to me. I will give him an undertaking that I will take his point up with the Minister of Agriculture and Agri-Food.

(1240)

I do not know the issue well and there may be some technical points which make this not as easy as the member describes it. However, I think the member has raised a very insightful point. Any time we can create a value added opportunity with a resource like this we should look at it.

This goes back to the point I wanted to make. In the last nine months this government has taken on a very thorough review of all crown corporations. If they do not meet the public policy objective that we all believe in then a lot of those crown corporations have had their budgets cut, some of them severely. It would be inappropriate to leave Canadians with the impression that we are not reviewing and evaluating all crown corporations.

In fairness to the member, he did acknowledge that the Minister of Transport has done a very good job in commercializing all the airports in Canada, privatizing and offloading them to local authorities. Some would even argue that he is moving too fast. I know the Reform Party feels quite comfortable with that. However, I caution members opposite that when we are dealing with a complex department like transport, which traditionally has galvanized the spirit of this country and helps pull this country together because it deals with rail, transport and sea, before we just cut and offload it we have to make sure we are doing it in a manner that does not fracture the very fabric of the country.

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Mr. Hart: Mr. Speaker, I appreciate the comments by the hon. member. Whenever we come up with value added ideas such as I have mentioned here today we should explore them at every possibility.

There is a misconception on that side of the House of what the Reform Party is saying should be done. We have said this very clearly but it has fallen on deaf ears at times that the items Canadians feel are the most important should be prioritized. It should look like a balance sheet. I know the hon. member has spent many years in business. It is very similar to what someone would do in their own business when they found that their outflow of money was larger than what they were bringing in.

Mr. Mills (Broadview—Greenwood): This is not a business.

Mr. Hart: The hon. member says that this is not a business. But Canadians are saying they want government to use common sense principles like the average person uses in Canadian society, whether it is in a business or whether it is when they are working out their family budget at home. These things have to be prioritized and then everything else should be put on the table.

What the Reform Party has been saying is the items which should be saved and protected for all Canadians are things like the federal funding for the health care system, federal funding for the Canada pension plan and for old age security where it is directed to those people who are most in need. We are saying that funding should be maintained for those areas and possibly more if need be. We are saying that education funding is a priority in this country.

There are about three or four items on the balance sheet that pertain particularly to things that should be saved. On the other side are the things that should be cut. Those things are the things we are talking about that are on the table.

The Acting Speaker (Mr. Kilger): Colleagues, there is a housekeeping matter I would like to dispose of.

I wish to inform the House that pursuant to Standing Order 33(2)(b), because of an earlier ministerial statement Government Orders will be extended by 32 minutes.

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, I welcome the opportunity to speak to this supply day motion. It allows me to review a very important policy paper concerning the government's economic strategy that the Minister of Finance presented to the Standing Committee on Finance just last week.

(1245)

Obviously the member proposing today's motion must have been occupied elsewhere when the Minister of Finance tabled "A New Framework for Economic Policy" on October 17. Perhaps the length of the document, 87 pages, was too much for him to absorb. He may still be waiting for the Cole's notes version. I know on their side of the House it is all about simple problems with simple solutions that pop into their heads, so they must be right.

If I appear a little sarcastic, frankly that is the only reasonable response to a motion that calls for the government to table "a clear statement of its vision of the role of government in the economy". That comprehensive statement has already been tabled. It made headlines across the country.

If the hon. member or any Canadian phones the distribution centre of the Department of Finance, the phone number is 613-995-2855, a copy will be provided immediately.

I suspect if the hon. member takes the time to study this document, which he has not apparently, he will appreciate its significance. Canadians have seen only too often what happens when a government implements policies without clear guiding principles. The result is like building a house without a blueprint. It is chaotic, it is costly and the roof leaks.

Canadians deserve to know the principles which guide the Canadian government. That is why this government has set out the framework for the economic policies we intend to build upon. This paper, "A New Framework for Economic Policy", is a clear statement of objectives that will guide what the government will do and what it will not do. It provides the very vision that the hon. member wants Canadians to debate.

Before I get into details, let me set the scene by describing the underlying principles of the framework. This government has one overriding goal: jobs and economic growth. While a strong economic recovery has taken hold, the fact remains that our unemployment rate is too high with Canadians paying a tragic price. That price includes lower government revenues and higher costs, problems that contribute directly to the deficit dilemma they are so concerned about and we are concerned about.

Sound economic policy and good social policy are linked. Sustainable social programs depend on a sound economy. Canadians need more jobs and better jobs. Jobs create dignity and wealth and enable us to sustain our commitment to social justice.

Common sense suggests, and the hon. member must agree, that a country that is to continue to care for its citizens must be a

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country that pays its bills. That means living within our means and creating jobs through economic growth.

The fact is the logic and approaches of the 1960s simply are no longer good enough in a 21st century arena. We cannot afford them and we will not succeed with them. Previous generations responded to the challenge of their times by building the physical and social infrastructure of Canada. We have a similar challenge and our own responsibility to create the infrastructure for our times and for that of our children, the infrastructure of ideas and innovation.

It is innovative combinations of people, capital and ideas which will place us at the cutting edge of economic change and growth. Working people harder and making government meaner is not the key. Working smarter and making government more effective is what Canadians want and need. To work better and smarter the very nature of government itself must change. The time is long past when governments can or should do everything.

We need a partnership that gives responsibility to those who are best able and suited to do the job, be it government, business, labour or the volunteer sector. That requires a government that knows where its true potential lies and what its real limitations are.

There is a difference between Liberals and the member who sponsored this motion. We believe government has a role to play as catalyst, as facilitator setting goals and monitoring performance. I believe government should get out of the way but not stand aside. That is Liberalism for the 1990s.

Like countries everywhere Canada must adapt to the powerful trends that are shaping the global economy, the global financial market, the dynamic growth of economies in the Pacific rim and parts of Latin America, South America, and the impact of information technology. Each of these has dramatically increased the competitive stakes. The bottom line is clear, to become more competitive Canada must become more productive.

Productivity is about how well ideas, workers, resources and investment are brought together in a country's economy. Productivity is about ingenuity, about better management, paying attention to the common sense of workers. Productivity growth is the basis for a better standard of living for every Canadian.

Some Canadians fear that productivity is a code word for fewer jobs, greater hardship. They are mistaken. History shows the compelling relationship between productivity and employment. Between the fifties and early seventies productivity growth was high, averaging 2.3 per cent. During those decades unemployment was low and incomes rose at a steady pace. The picture changed from the seventies to the nineties. Productivity dropped by more than half, unemployment soared and the growth in incomes slowed to a virtual halt.

(1250)

How do we improve productivity? First, we improve skills. We must become more innovative and provide a welcoming climate for investment. We must remove the disincentives we have created for business and individuals, disincentives that hold us back because they encourage dependence or block opportunity.

There is another critically important imperative for a more productive, prosperous Canada, as our framework paper emphasizes. We must get our fiscal house in order.

Let me turn now to the objective for jobs and growth the government has set out in "A New Framework for Economic Policy". There are five key areas which we must focus on. I will be interested to hear if the hon. member opposes any one of them.

The first is helping Canadians acquire skills, the skills to get jobs, keep jobs and find better jobs. The facts are clear. Jobs for people with high school education or less are shrinking while jobs for those with beyond high school education are growing. In fact projections show that almost half the new jobs created during the nineties will require more than 16 years of education and training combined.

I should add that there is a particular element of this challenge that engages small business. They do not have the resources that large firms have to help employees acquire the new skills that the information age demands, much less basic abilities in literacy and numeracy. Small business depends on a public education system that is doing its job.

In terms of education, the challenge in Canada is not money. We spend more on education than just about every other country. What we need are better results. Individuals, employers and government must co-operate and share responsibility in improving education and training.

The second part of our framework is encouraging Canadians to adjust to change. Economic progress depends on a willingness to embrace new opportunities. It is our view that protecting and subsidizing business is almost always the wrong way to go. For that reason the government may change the entire approach to subsidies.

Equally, we believe regional economic assistance should focus on genuine opportunities such as tourism that have great potential to be self-sustaining. Government should focus on winning industry sectors, not specific enterprises. Government has not been terribly good at picking individual winners.

At the individual level the existing unemployment insurance program must be changed. It is bad economic policy today and bad social policy. We intend to take measures to bring it back to what it was, insurance, and to create programs that foster job readiness.

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Further, we believe high payroll taxes are nothing more than a tax on hiring. We have taken steps to reduce UI premiums and will do more in the future.

The third element of our framework is getting government right. Our attitude is straightforward. It is time to make choices. We must eliminate or reduce lower priority activities and target scarce resources to the highest priority programs, helping those in need, ensuring that people get the training and the opportunities they require.

We are also trying to drain the swamp of federal regulations which costs Canadian businesses tens of billions of dollars each year. Regulatory reform has the potential to increase productivity, stimulate investment, create more cost efficient government. We have reviewed more than half of the 3,000 regulations on the book. We have eliminated more than one quarter and left another one quarter in place. The rest are in the process of being revised and examined.

Providing leadership in the economy is the fourth objective. While the private sector creates jobs, the government has a clear role in creating a healthy economy which gives the private sector the confidence to add jobs.

In our knowledge based economy success depends on skills and innovation. The government can contribute by gathering and disseminating information and ideas about technology and new markets. As well, it can play an important role in bringing businesses together, something that is critical in an economy where many new firms are small and highly specialized.

One priority is to do more to harness science and technology in order to improve productivity and growth. Government can help by building better links among industry, universities and government labs. It also has a particular role in making sure small business benefits from the latest know-how in the high technology sector in particular.

Trade is another area where government involvement is essential for success. Today more than ever Canada is an exporting nation. It is vital that more companies become exporters and that we look beyond our traditional markets to the emerging economies of Asia, Latin America and eastern Europe. Here the government can help by providing more information and ensuring that small business has access to export financing. We must work toward an end to export subsidies by foreign countries. Until that day we must do what is necessary to ensure that our exporters can compete with foreign competitors.

(1255)

The fifth and final objective is absolutely essential to the others. We must create a healthy fiscal and monetary climate. If we do not, as the finance minister told the Standing Committee on Finance, we will fail at everything else. That is why we have staked out a firm commitment to bring the deficit down to 3 per cent of GDP by 1996-97, effectively cutting it in half from its present level. That is why we have also made it clear that this

deficit target is an interim step in meeting the ultimate goal to eliminate the deficit completely.

It would be absurd to claim that a single policy paper has all the answers to secure Canada's economic future. Other papers on specific issues are being completed. I suggest that no government in recent memory has demonstrated our commitment to providing Canadians with factual, accessible information on its economic principles, its strategic agenda and the fiscal situation.

Examples include not only the framework document, but its companion financial update entitled "Creating a Healthy Fiscal Climate". There is also the first ever annual financial report of the Government of Canada that was released earlier this fall as suggested by the Auditor General. To me and I hope to all Canadians the evidence is clear. Our government has a vision of the role of government in building a more prosperous nation.

The hon. member opposite would better serve his mandate and the interests of the entire nation by providing meaningful alternatives, if he has any. Motions calling for statements that already exist do nothing but pass our time. Let us dismiss this motion and get on with the real business of future building.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I appreciate the hon. member's speech. I did not hear him comment too much about the fact that given the government's current plan for budgetary spending, our debt will grow by \$100 billion in three years and our deficit will still be \$25 billion a year after three years. These are the government's projections. Our annual interest bill will go from about \$40 billion to \$50 billion a year. This is in spite of a time of economic growth in Canada. At the end of these three years we may face a recession given the cycle of business and the international marketplace.

Would the member comment on whether he thinks the current 3 per cent of GDP deficit ratio is acceptable in light of those statistics?

Mr. Campbell: Yes, Mr. Speaker. It is not only acceptable, it is achievable. It is an interim step on the way to addressing what I know the hon. member opposite wants to address, the overall deficit and debt problem. We are starting down that road in the right direction with an achievable target and we are going to get there.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I see that the Liberals have one more member of their olympic low hurdles team thinking that 3 per cent is just fine.

I listened with great interest to most of the dissertation of the hon. member for St. Paul's. A good deal of what he said about what the legitimate role of government should really be would find favour on all sides of the House as we are searching around now with yet another study to find out what the legitimate role of government should really be.

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The reality was however that it was 10 minutes of platitudes disavowing 35 years of Liberal history. That is the route. That is the reality. It was 10 minutes of platitudes disavowing 35 years of Liberal mismanagement of the economy that got us into this mess.

My question to the hon. member for St. Paul's is this. After nine years in opposition, one year in government, is it not time that the government came out with specific responses to specific problems rather than yet another consultation? Does the hon. member opposite consider it the legitimate role of government to pick winners and losers in the marketplace? This is a very simple question. Is it the legitimate role of government to pick winners and losers?

(1300)

Mr. Campbell: Mr. Speaker, with respect to the member's last question, no, and I said as much in the speech. We should pick winning sectors and that is what we are going to be doing.

With respect to the member's suggestion that we are disavowing Liberalism or the Liberal viewpoint or policy of the last 35 years, absolutely not. We still put the Canadian people first and foremost. As we attack the debt and deficit, which must be addressed, we keep the Canadian people clearly in focus.

Unlike members opposite, we know how complex the issue is. We know that Canadians want to have a say in what we are doing. Many have asked to testify before the finance committee in the prebudget consultations—we are oversubscribed already—and I for one welcome hearing what they have to say.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I hear that the hon. member opposite is proud of the \$275 billion that the Liberal government contributed to this wonderful national debt.

If they are going to blame the Conservatives for a portion of it we really believe that these members should take their share as well.

My question for the hon. member is when it comes to the deficit and to balancing the budget, which they claim now after they have listened to the Reform Party long enough, what sense of urgency does the member opposite have to getting to a zero deficit and a balanced budget? What sense of urgency does the hon. member have in getting to a balanced budget?

Mr. Campbell: Mr. Speaker, I do not know where the hon. member got his lead into the question. I do not know if he was listening to the debate or not.

However, on the second part which was the urgency of getting to a zero deficit or balanced budget, clearly that is set out in the documents that I was discussing in my speech earlier. The 3 per cent figure by 1996–97 is clearly stated and has been stated on numerous occasions by the Minister of Finance as an interim target. We are going to hit it. We are going to get there and then we will move on.

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, I will not be quite as harsh with the hon. member for St. Paul's as my colleagues.

I would like to ask him a couple of direct questions. I am reading from a speech given by the transport minister. That is my big concern. It says U.S. rails have higher labour productivity than Canadian rail, 64 per cent higher actually. I appreciated the comment that we are going to become competitive.

The other excerpt I would like to read is this: "Rail has more than 200 separate kinds of actions or decisions that must be approved by the National Transportation Agency". Then he goes on and says: "In Canada, the approval process for conveyance can take up to six months. In the U.S. approvals are granted in as few as seven days".

How is the Liberal government going to make us competitive with these kinds of hindrances? These have been injected into our system during the last 25 or 30 years. All of a sudden are we going to do it in a six-month period? I have been after the transportation agency to stop the back-tracking. It has been almost a year and we have not been able to stop that yet. What action can we take?

Mr. Campbell: Mr. Speaker, I thank the hon. member for his question. That is precisely the kind of example that we are looking at in transportation policy. The Minister of Transport is conducting reviews that are precisely addressing those impediments to business, productivity and competitiveness that I was speaking about earlier in my comments.

These reviews are going on throughout government. We are getting on with regulatory reform. We are getting on with social policy reform. We are addressing this in the context of prebudget consultations. All of that is under way. I know the hon. member is impatient and I do not blame him.

Canadians understand that we do not fix problems overnight. I know he has some colleagues who think it is all simple problems, simple solutions. We will do it, we will wrap it up tonight and it will all work out tomorrow morning.

However, on this side of the House we know things are complex. Canadians want to speak to us. We want to listen and we want to do the best for all Canadians.

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Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I rise today to address our motion requesting the government table a clear, detailed plan to show how and when it intends to balance the budget.

For years the Reform Party has been saying that the deficit and the debt and the interest costs to service that debt together constitute the single most critical problem facing Canada today.

We have been saying this loud and clear for the past year in the House as well. As the debt clock continues to tick its way into the second half of a trillion dollars, we are increasingly aware that the old way of doing things in Canada simply does not work any more. The Liberals are standing firm on their policy of status quo federalism while the Bloc Quebecois continues to push its separatist agenda.

(1305)

Reformers believe that these two approaches do not cut it for Canada. There is another option for a new and better Canada and we would like to invite people to have a look at what we intend to build on our side of the fence. Like a house, Canada is mortgaged to the tune of \$534 billion. The interest payments on this mortgage alone eat up one-third of our tax dollars, leaving less money for social programs and for government services. That is why there is a need to balance the budget.

Even in the red book the Liberals have pointed out the dangers of continual deficits in the \$30 billion range. What have they planned to do this year? Simply add \$39 billion to the debt. By the end of the first three years of their mandate they will have added another \$100 billion to the debt.

The time has come to build a home that we can live in comfortably without adding further to our mortgage. We must start by having a foundation of responsible spending and set priorities so that we can afford things that are really important, like strong walls and a good roof instead of wasting money on frills like gold bathroom fixtures and swimming pools.

Our building plan trims the size of the federal government, carefully prioritizes social spending, and cuts out frills like multiculturalism funding, subsidies for businesses and special interest groups, the gold bathroom fixtures to which I was referring.

On this note I would like to focus attention on where and what to cut in the area of special interest groups. As many of you know, the Reform Party does not court special interest lobbies and is opposed to the subsidization of such groups with government funds. The reason for this is straightforward. Political interest lobbies have a singular political purpose and that is to advance their own agenda. We feel strongly that taxpayers should not be shouldering the cost of their activities.

The National Action Committee on the Status of Women for example receives about \$5 million a year of taxpayers' money

while claiming to represent the interests of all women in Canada. What have Canadian women received for this money? Calls for pay equity, which pushes the country away from embracing hiring practices based on merit and not gender, demands for a national day care system when the majority of parents would prefer to raise their children themselves, given a better tax situation.

The fact is that based on recent polls more than half of Canadian women have not even heard of NAC. NAC has about 2,000 card carrying, money donating supporters. They claim higher totals but this is because every member of the YWCA is automatically added as a member of their organization.

These 2,000 supporters are a stark contrast to the women's group called REAL Women which has over 40,000 members, collects no government subsidies and gets its money from the people it purports to represent.

The fact is that when the government subsidizes political lobby groups it subsidizes only some and not others. Mr. Speaker, through you to the finance minister, cut funding to NAC.

On another front the Canadian taxpayer is paying millions of dollars annually for union leaders to understand the importance of the Canadian labour movement. The total handouts by the Department of Labour during the period of 1989 to 1992 to unions was almost \$18 million. If unions would dedicate their members' dues to union business rather than political action they would not need handouts from the taxpayers. Mr. Speaker, through you to the finance minister, cut funding to unions.

As a businessman I have seen people take advantage of government subsidies and grants, not because they need to but because the money was served on a gold platter. Here it is, take it. It is called incentives. Staggering sums continue to be ladled out in handouts to businesses despite the fact that national business groups have called on the federal government to stop giving them money. This money usually comes from giant slush funds known as the Atlantic Canada Opportunities Agency and the Western Economic Diversification Agency. The 1994-95 estimates have almost \$1.3 billion being funnelled through these agencies on pork barrel programs.

Mr. Speaker, through you to the finance minister, cut funding to pork barrel agencies, including his own federal office of regional development, a \$400 million program in the province of Quebec.

I have a question. Why Olympic Saddledome renovations when Calgary needs \$60 million worth of sewer repairs? The infrastructure program simply puts Canadians \$6 billion further into debt and the jobs they create are over when the money runs out. Mr. Speaker, through you to the finance minister, cut out infrastructure immediately and quit tempting Canadians with my grandchildren's money.

Supply

(1310)

The government is tilting the playing field, giving financial assistance to just those groups it wants to hear from. The idea that the government is looking out for the interests of all Canadians is just a smoke screen. It is only a select few that count.

A perfect example of this will become apparent in the next couple of months with the much talked about consultations across Canada on social and economic reforms. The government favoured special interest groups have already been given their advance notice to prepare their presentations while ordinary citizens have been left to their own devices.

The game goes on and it is habit forming, so much so that the government even continues to give money to groups to lobby for things that the general public actually agrees with. Here is a good example. I do not smoke and the majority of Canadians do not smoke. The health minister and her department clearly want to put an end to smoking. I do not have a problem with that but can someone tell me why we paid \$200,000 to the Non-Smokers' Rights Association to tell us what we already know? Incidentally, the Non-Smokers' Rights Association has just 300 paid up members. That is not what I would call significant public support. Mr. Speaker, through you to the finance minister, cut funding to the Non-Smokers' Rights Association.

The simple truth is that we are now on the verge of losing our home to foreign creditors. We simply cannot continue to give borrowed money to people who have no proper claim to it.

Direct government subsidies to business distort the marketplace and punish success in order to subsidize failure. Money is taken from successful people in businesses and reallocated to unsuccessful people and unsuccessful businesses in the name of job creation. In the same way that government subsidies to business distort the economic marketplace, subsidies to political lobby groups distort the political marketplace of ideas.

In a true democracy this is intolerable. That is why the Reform Party believes that people should be free to express their views but use their own financial resources. That is why we are against special interest funding. If an idea has merit and is deserving of public support, that idea will rise on its own with financial assistance from the people who support that view. If not, then the idea will fade away as it deserves. Let the people speak rather than the subsidized lobby groups.

It is time to cut spending and stop giving money to those who do not deserve it. It does not take months of consultation, task forces, studies and commissions to understand this fact. The Liberals, three years prior to becoming the government, wrote studies and went across the country. The Prime Minister asked them too. They have already consulted with people and they still do not know what the people are saying. I do not know when they will get it.

People at the grassroots level are saying quite clearly that they will no longer subsidize special interest activities with their hard earned tax dollars. Gone are the days of needless government frills and fancy fixtures.

Mr. Speaker, through you to the Minister of Finance, if the government wants to start cutting it can start right here. Cut spending on special interest groups and save taxpayers a half a billion dollars. Cut spending and stop direct business subsidies and save taxpayers \$1.3 billion.

Mr. Speaker, through you to the finance minister and to the Liberal government, let us build a mortgage free home that we can all afford and pass on to our children and our grandchildren with pride.

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I listened with great interest to all parts of the speech of the member opposite and I have a couple of comments to make and a question to ask.

At the beginning of his speech he talks about, and quite rightly, our grave concern about interest payments. He suggested that if we were responsible, somehow we should be able to eliminate it overnight. It is inappropriate that we should be incurring more debt and more interest payments tomorrow, the next day or the day after. However, I want to make it clear both to the member and to the people out there in the audience that to accomplish that tomorrow would mean we would have to cut \$40 billion out of government expenditure. The member opposite is suggesting that we cut \$40 billion out of the federal budget tomorrow.

That is an unreasonable approach. We want to cut the \$40 billion but we are going to do it over a reasonable period of time with reasonable policies that protect individual Canadians while we are doing it, not overnight.

Mr. Hermanson: That is the Tories all over again.

Mr. Ramsay: We have been listening to that for nine years.

Mr. Mitchell: The member across suggested a number of ways he thinks we can do it. Let me enumerate some of them. He talked about the fact that he wants to eliminate day care. To him daycare is not important. Let us sweep it off the table. That is not of any interest to anybody.

(1315)

According to the member pay equity is not important. Let us sweep that off the table. That is not something we want to have anything to do with.

We do not want anything to do with unions or with economic diversification in the areas of this country that are hard hit economically. No, we do not want to help any of our disadvantaged regions. That would be something we would not want to do.

Supply

Finally, he talks about special interest groups. He mentions that we do not want to fund them. He suggests that we should not have to do that because they would pay for it themselves. I agree there are occasions where I would like to see somebody who is able to afford to make a case to the government pay for it themselves, but not everybody has the financial resources to do that.

If we use the member's scenario, the rich would have an opportunity to present to Parliament and an opportunity to make their voice heard, but the poor would be shunted aside because they would not have the money to be able to do it.

I do not think that is the kind of representation we want to encourage as a government. I bring these points up to the member opposite and suggest that he might want to re-evaluate and take a second look at some of the suggestions that he is making to the hon. finance minister.

Mr. Silye: Mr. Speaker, I find it extremely humorous that I have to re-evaluate. We have proposed for the last three years to balance the budget over a three-year period. It is through a combination of spending cuts and growth in the economy. If the hon. member opposite and all of his frontbench cabinet ministers would listen, the Reform Party policy is the following: We would cut about \$18 billion, \$19 billion, \$20 billion over a three-year period in various ways, shapes and forms, listening to the people. When we get in we would expect those cuts, especially making those cuts in the first year of our mandate—which the party opposite did not have the political will to do—would help to stimulate the economy.

It is not \$40 billion in one year. Is that very clear, Mr. Speaker? I know you understand it, but through you do the members understand that? It is not \$40 billion in one year. It is \$18 billion to \$20 billion over three years and the rest comes from growth. I hope I have put that to rest and that I have been quite clear.

I am letting something affect me which as a professional football player I was told never to do. I am developing rabbit ears. While I am speaking to you, Mr. Speaker, I am hearing noises from the members opposite. We are not supposed to hear that. We are supposed to give our speeches and answer the questions. I am trying to do that.

Do we have any time left on this?

The Acting Speaker (Mr. Kilger): Just a little.

Mr. Silye: I will entertain another question if the members opposite have the courage to ask me.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to ask one very short question. I still do not believe we sit in this Chamber to put all of our energy toward helping those people in our society who are advantaged. I believe that a good part of our responsibility is to make sure that those people and regions in our country that are disadvantaged from time to time get our attention and our support.

I would like to ask a very simple question of the member. Does he believe in that fundamental view, yes or no?

Mr. Silye: Mr. Speaker, yes I do. Not only do I, but there is a comment I would like to make with all respect to the hon. member who asked me that question. He has made a suggestion to his government and he has been making suggestions to the Canadian public for the last few years.

Nobody with any intelligence or any brains over on the government side even gives this man the time of day or the attention that his ideas and suggestions deserve. After we make the proper cuts that are required, after we find out what the government needs to spend, whether it is \$100 billion or \$80 billion, then get rid of the Income Tax Act and replace it with a flat tax, a proportional tax. Our tax is a little different than what he is proposing, but we would definitely support him. He is not being listened to. He must be about the most frustrated member. He is not a backbencher and he cannot get the attention of the government. I would be embarrassed to be sitting on that side of the House.

(1320)

The Acting Speaker (Mr. Kilger): Far be it from me to fuel any more cynicism than there already is in this place at times, but some might say that was kind of a long question. In any event, resuming debate.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, for those Canadians who are watching this debate on television I would like to read again the motion that has been put forward today to the House for debate by the Reform Party:

That this House requests the government to table a clear detailed plan to show how and when it intends to balance the budget including a clear statement of its vision of the role of the government in the economy in order for the people of Canada to debate the plan and vision.

There are a few things we need to point out about this process that Reform's motion suggests and proposes. One is about this whole question of public debate and consultation.

I have been rather amused to hear the government keep playing the violin about consultation, talking to the people, wanting Canadians to draw up a blueprint for reform of social programs, which is the area I am involved in the most, but not having anything to debate.

Supply

If we have a debate there is a proposal, a question, some sort of statement and people take the pro and the con and they debate it. How can we debate a nothing? There is no debate.

This government has made a fetish out of debating and consultations and put no meat on the table, put no clear proposals on the table, no question to be debated. It is just: "What would you do about social program reform? What would you do about budgets?". People are going to come from all over the map on that type of question.

What we have suggested in this motion today for debate is that the people of Canada be given a plan and a clear vision to debate. The government should come forward and say: "After talking to all of our experts, after examining all of the options, after examining all of the facts and figures and knowing all of the cost benefit of what we might do and what we might not do, we think we should do this. However, because this is a democracy, because we want to truly represent the people who are paying the bills and whose futures are going to be affected by this plan, we are now going to you the people and we are saying this is our best judgment about how we should attack and address this problem. But we want to know whether you are willing to support it, given all the information that we can make available to you and given sufficient time for you to examine our proposal".

That is what consultation is. It is not just: "What do you think?". We definitely need leadership from people in charge, a plan and a proposal and some direction, vision and purpose. We need to get that out for debate.

We do not have that from this government. That is one of the things that is sorely lacking. I am afraid quite frankly that the Canadian public will become very cynical, very disenchanting and very disrespectful of this whole business of consultation. It is going to become a dirty word. What it means is just pooling our ignorance, just "whatever you think". That is not good enough.

Consultation has to be focused on something concrete, something specific and something with some vision and a plan. Therefore I urge this government not to debate the notion of consultation with this kind of open ended, whatever you think, throw it at us. Let us show as parliamentarians and leaders, particularly those members who are representatives of the government party, that there is some leadership, a plan and a focus and that we are going somewhere so that we as Canadians can say: "Yes, we agree. We support that. It makes sense to us", or "No, we would like to see changes". At least we would know what we are talking about.

There has been a lot of talk about balancing the budget. Goodness knows our party has been talking about it for seven long years. They say seven is the perfect number. I hope it is because some time or other you would like to see this vision of a balanced budget coming to fruition.

(1325)

We have been labelled as hackers and slashers, wanting to gut social programs, and all of the negative things that can be thrown at people who have one very sensible, very common sense proposal, and that is that we live within our means.

Why on earth would representatives, leaders and public officials want to borrow from the future? We do not want to mortgage our country. We do not want to lay the burden of our spending on our children. Why would that be such a difficult concept to accept? We do not know.

Why would it be such a difficult concept for the government to accept? We do know because it is still believed that governments can scoop up our national wealth and reallocate it in a way that is beneficial to Canadians. If the last 30 years have not demonstrated that that is a foolish and fallacious notion, then I do not know what will convince people.

If you had done something for 30 years, if you had scooped up billions and billions and billions of dollars of our national wealth and had it spent by bureaucrats, politicians and social engineers and then seen the mess we are in today, you would have thought that someone would stand up and say: "Gee, maybe this isn't working. Maybe we should do something different".

No, Mr. Speaker. What do we have from this government? Instead, the same old cant about "Well, maybe we just need different programs. Maybe we just need to spend it differently. Maybe we just need to do this or that or the other thing".

Maybe what we should do is run this country like any sensible business or household is run, that is living within its means, and letting people have the freedom to define their own futures, to look after themselves and their families, to help each other and their communities instead of this notion that somehow the state, mother government, the bureaucracy, the central planners, the wise men from the government can do everything.

It is not working and it is time that we acknowledge that. It is time that we started to say that we can do better in this country. We can do better than giving billions and billions of our hard earned dollars to government, politicians, bureaucrats, programs, and social engineering experiments that are simply making the situation worse.

When we talk about balancing budgets we are simply talking about taking the money that we have and using it with some common sense. We are talking about taking the money that we have and using it for what needs to be done, not what governments and bureaucracies and industries of different sorts think should be done with it.

This talk about balancing the budget is going to be just so much talk until something is done. I remember as a brand new, some would say very green, parliamentarian sitting in this chamber in February and listening to the finance minister. One thing that the finance minister said struck me very powerfully.

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He said: "We are no longer going to nibble around the edges of our deficit." I thought, wow, this is great. What happened at the end of the day? He cut just over one billion from spending. A lot of people said that was by smoke and mirrors, sleight of hand and kind of mixing and matching the numbers. When you are spending \$160 billion and you cut it just over a billion, is that not nibbling around the edges?

Canadians are sick and tired of governments and politicians who say one thing and do another. It is time that this government and this House got a grip on this country, started using some common sense, started using some principled behaviour in the way they manage this country and its wonderful resources, and started balancing their spending.

I urge this House to strongly support our motion today.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, like many thousands of Canadians I listened intently to this speech and I would like to use a western analogy: Where's the beef?

(1330)

All we heard was an outright condemnation of the existence of every system in place, everything we have worked for in Canada. I have not heard any solutions or proposals from the Reform Party. They are actually condemning the consultation process which has been put into effect.

The opposition held a number of failed electronic town halls across Canada to try to gauge the population, but to its surprise a number of things came out of that. Often the population in Canada was in total disagreement with its own policies.

Reform members tell the Government of Canada that it is not doing its job. I have seen what happened on their side over the past few months. Every time they have tried to consult the population in their fashion they failed.

Mrs. Ablonczy: Mr. Speaker, I am very pleased to respond to those terrible distortions of what is happening with the Reform Party.

I am amused and in disbelief that member of government, a parliamentary secretary, would ask: "Where's the beef?". The government has had no beef for one full year after working away. It has no beef at all in its social program reform. It has no beef at all in a plan to balance the budget or even get it down to its feeble target of 3 per cent of GDP. I would have thought the parliamentary secretary would be standing up telling Canadian people where their beef is, not demanding that a third party supply him with the beef.

If the member wants to see some beef, perhaps he should look at the plans put forward by the Reform Party and tabled in the House. For the benefit of the government perhaps he should get a report on the consultations of our party with his finance minister to try to give him a bit of hand holding in coming up with a sensible plan to do what he is supposed to do. Those concrete proposals were put forward by a brand new third party of 52 green, untried MPs, and the government still says: "You tell us what to do".

This party is going to have a plan ready to give the Canadian people and to run the country in the proper way after the next election.

The member talked about town hall meetings. It is interesting to note that just last evening the Liberal Party imitated Reform's electronic town hall by trying to get out and consult with the people. We have led the way in public consultation and in innovative ways to get the true input of Canadian people. We are delighted the government is catching on that this needs to be done, but I certainly think it is inappropriate for the member opposite to suggest that somehow our electronic consultations are not working when his party is aping them or imitating them. That does not quite make sense to me.

I might add the consultations that have been done with the Canadian public have given valuable input not only to our party but to the governing party. I hope he is paying attention to what is being said in those consultations.

Mr. Gagnon: Mr. Speaker, the fact of the matter is that a lot of Canadians are not listening to the Reform Party. We have seen it in terms of the percentage of the popular vote it actually has according to recent polls.

I would also like to raise other things. How about regional economic development? That seems to be an area where the Reform appears to be really lacking. I am from eastern Canada. I am from a very rural part of Quebec. The fisheries industry has gone down. There is no longer any fish. We are having problems. We cannot find the various resources we once took for granted. What do we do?

What do we do with these people? What do we do with the 50,000 people of Newfoundland and the maritime provinces who were laid off? Do we just tell them to go away, it is their problem, there is no fish and we cannot do anything? After all this is a compassionate society, is it not? This is why the government has to make sure we address the issues and the needs of all Canadians, but especially those who are having a harder time than other Canadians.

To say that it is inappropriate for me to make comments, the fact is that we know the results of the Reform Party. People have

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passed comments and judgments on the way your people look at policy and on the way you people look at governing Canada.

(1335)

The Acting Speaker (Mr. Kilger): Order. I hate to intervene when anyone has the floor but again I must remind all colleagues on both sides of the House to make their interventions through the Speaker and not directly to one another.

I would ask the hon. parliamentary secretary to wind up his question so the member for Calgary North can give a short rebuttal.

Mr. Gagnon: Mr. Speaker, in summary, I am still waiting on this side for concrete proposals from the opposition instead of its usual rhetoric that everything done by the government never works.

Mrs. Ablonczy: Mr. Speaker, it always makes me a little concerned when I hear members say things like "you people". It is so easy to hang facile labels on people, to somehow suggest there is something not quite acceptable about a group. That is called bigotry and it is called labelling.

[*Translation*]

Mr. Gagnon: Mr. Speaker, I am not a bigot and I have never used those words in reference to the Reform Party. I was only alluding to the form and substance of that party, which is not necessarily reflected in its policy.

[*English*]

The Acting Speaker (Mr. Kilger): I was listening very attentively to the debate. Clearly the member used the word bigotry but in no way in any instance referred to anyone in the House being a bigot.

I would remind all of us to be conscious and selective in the words used in vigorous debate. I would ask the hon. member for Calgary North to conclude her remarks.

Mrs. Ablonczy: Mr. Speaker, I urge hon. members opposite to look at proposals, ideas and suggestions without labelling people or attacking people who make them and suggesting that somehow proposals are invalid because of where they are coming from.

It is not helpful to the debate. It does not help us work together as parliamentarians to solve the very real difficulties in the country. I suggest that we need to spend less time on attacking each other and more time on attacking the difficulties that face our country and coming up with concrete and positive solutions together.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to begin by picking up on some of the remarks the member made in her speech. It is very important for Canadians and for the Reform Party to understand that the Government of Canada cannot be run in the same way as a business.

The Reform Party mentioned earlier that I have had a little business experience and I would like to deal with that. The fact is that I have had a little business experience. In business the preoccupation is with earnings per share per quarter, and profit and loss is the bottom line. The bottom line for the board of directors of the House is not profit. The bottom line that we are responsible for is the people of Canada.

My colleague comes from an eastern part of the country, a rural region. He spoke earlier with passion because he has been sent to this boardroom to speak for his people, not unlike my colleague, the Minister of Fisheries and Oceans, who has to come to the Chamber and speak for the people of his region who right now are going through a hell that very few of us in the House can imagine. If the House becomes preoccupied with cuts, cuts, cuts and eliminating the deficit entirely, who will speak for and who will look after Canadians who are truly disadvantaged and in real pain?

(1340)

When General Motors decides the earnings per share per quarter are a little low it lays off 1,000, 2,000 or 10,000 people. Who picks those people up? It is the programs designed by the men and women in the Chamber. General Motors does not pick them up.

I had the privilege of working for two years with one of the most successful companies the country has ever produced, Magna International. Its latest report was published about two weeks ago. It made pretax about \$400 million and paid about \$140 million in taxes. Its net profit was about \$240 million. In the middle to late seventies Magna was one of those companies the taxpayers of Canada supported. It developed computer aided design and computer aided manufacturing that allowed it to be one of the greatest companies in North America, one of the greatest exporters. Today that small company employs 20,000 Canadians.

In debate in the House on better public policy we cannot focus on just cuts, cuts, cuts; lean government; efficient government; and wasteful government. I am not going to support waste. No one in the House would. We all want lean government but we must have a caring government, as my colleague from New Brunswick said earlier. She said that it could not be a mean government.

What concerns me about the debate today is that there is not enough focus on growth. We have tried with concrete activities in the last year not to focus just on deficit and debt. We have also focused on growth.

We said in opposition and during the campaign that small business was the greatest hope for driving this economy and putting Canadians back to work. We said the 900,000 men and women who own and operate small businesses across the country represent our greatest hope for putting Canadians back to work. The government acted immediately in the industry committee to work on their greatest difficulty, which was access to capital. We heeded; we were told by them.

We consulted them in opposition and they said that if we became the government we had to have the courage to challenge the financial institutions because as small businesses they needed access to capital not just on the debt side but also on the equity side. We did that. I am happy to say that we did it with the help of the Reform Party and with the help of the Bloc. We recognize that. We acknowledge it publicly. It is concrete action that we took.

When members of the Reform Party stand today they should not be shy in acknowledging that a specific action has taken place that affects the business lives of about 300,000 small businessmen and women who employ possibly millions of Canadians. Do not just focus on the negative, do not just get caught up in opposing for the sake of opposing.

(1345)

Since coming into power we have taken specific action on the information highway. In terms of that activity we are probably one of the most advanced countries in the world. It allows us to hook up, network and interact with companies all over the world. This is a tremendous aid to our export activity. The results are shown in the hard numbers. These are not Liberal numbers nor are they Government of Canada numbers. These numbers are acknowledged by independent agencies. Our exports have increased dramatically in the last year and no one can deny that.

We should be looking at those export numbers. We should be encouraging them even more because we cannot reduce the deficit and attack the debt unless we get those 1.5 million Canadians back to work. We are not going to leave them hanging. Jobs have been our central focus before the campaign, during the campaign and in our first year as government. The facts are that over 300,000 Canadians have been put back to work not by us directly but by assisting in creating some hope and an environment where we were serious and were focused on a direction.

I did not pull those numbers out of the air. They are real numbers reported by independent agencies. I am not standing here saying that we are satisfied with those numbers. We are not satisfied. How could we possibly be? However, progress has been made by this government in the first year of its mandate.

There is another thing this government has decided to push. The Prime Minister is in Vancouver today announcing our renewed focus on tourism activity in Canada. After the forestry and automotive sectors tourism is our greatest job creator. There is not one member of Parliament in this House who would stand up and speak against tourism.

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We have taken action on tourism. From a piddling little budget of \$13 million in the Department of Industry for tourism for all of Canada, the Prime Minister today will announce that we are going to make tourism a priority sector. He is announcing a further \$50 million for partnerships with the private sector.

As every member in this House will stand up and say, tourism can generate a return in less than four or five months, once we get out there and market it and tell people to come to Canada. And it is not just for tourism, it is for trade shows and conventions, activity that will support other business opportunities. Sometimes people think tourism only concerns a family on holiday but it is more than that. Tourism is making sure we get our share of trade shows and conventions. This government has taken specific action and the Prime Minister will announce that commitment in Vancouver today.

I have been around this town. I have been an assistant to a prime minister and this is my second term as an MP. I watched the Tories when they governed here. I sincerely believe our government has been one of the most effective and hardest working governments I have ever seen in this town.

This government is making decisions almost at the speed of light. I know it is never fast enough and I will be the first one to admit that. There is a transition period and it takes a little bit of time. Many in the Reform Party are business people. You do not just go in and take over a business and make all your decisions in the first month or the first quarter. You have to get a handle on things. We have been able to get a handle on things very quickly. The numbers are starting to go in the right direction, but is it enough? It is never enough, but we will press on.

(1350)

There is another thing I want to take on today in challenging the Reform Party on its motion. One of this government's commitments has been to support Canada's export activity. I cannot remember when another government has done so much as this one in terms of selling products and services abroad, especially in the Asia-Pacific region and the eastern European countries. We must be one of the most export oriented governments Canadians have ever seen.

In reflecting on one of the reasons that our exports have so dramatically improved, we can trace a lot of this export activity back to Pierre Trudeau's multiculturalism policy of 1971. I will explain this to the Reform Party. In 1971 when Pierre Trudeau stood in this House and said that we were going to have a policy in which no culture was less than or greater than another culture and we were going to encourage people to retain and promote their cultural heritage, this was something no other country in the world was doing. The United States had its melting pot theory and we did the opposite.

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Today there are Canadians who have retained their language and culture of origin. We have a trading advantage into every part of the world because of that facility with language and culture that no other nation on earth has. A close analysis of our trading activities abroad will trace a lot of that success back to that multiculturalism policy, the very policy the Reform Party wants to strike and cut saying that it adds no asset value to Canada's balance sheet.

I suggest to member's opposite that multiculturalism is not about dancing, it is not about books. It is about turning Canadians into assets for Canada's balance sheet. Those people who have been able to use their links and their roots back to their country of origin have provided tremendous success for our exports side.

My point is that in this last nine months we have acted aggressively on some very specific issues. We appreciate the constructive tone of the members opposite during the debate over the last year. There have been times when they have not just opposed for the sake of opposing and the debate has been very constructive.

In many respects I am quite comfortable with some of the Reform Party's thrusts, especially in the area of tax reform. As I said earlier, there are only a few years to get things accomplished in this Chamber and the greatest catalyst for making things happen in this place is a constructive opposition.

I say sincerely that if it focuses, the Reform Party has a chance to act as a real catalyst for tax reform in Canada, which is the one thing we have not yet taken on. Even though we have accomplished all these other things in the last year I hope the Reform Party will not give up challenging us on tax reform.

(1355)

Mr. Ian McClelland (Edmonton Southwest, Ref.): I thank you very much, Mr. Speaker, for the opportunity to comment on the dissertation of the hon. member for Broadview—Greenwood this afternoon. I want to acknowledge the fact that this hon. member does have a very real interest in the debate today. It is not just a matter of his having to be here to speak about it. I am sure the hon. member is here because he wants to be here and he is doing what is in his heart to do.

During his dissertation the hon. member mentioned that when a company takes over a business it had better take its time to find out what is going on before doing anything. It is a good idea, if you can afford it. However it would seem to me in my experience that before a business decides to take over another business, those taking over the business have a pretty good idea of why they are doing it and what they intend to do.

The analogy of course is that this government in getting ready to accept power had nine years in the wilderness. It has had one year in power and what has it accomplished? I would suggest

precious little. I am afraid I have to chalk up one more member of the Liberal olympic low hurdle team. If you make the hurdle low enough, anyone can stumble over it.

I ask the hon. member for Broadview—Greenwood should all social programs in Canada be based on want or need?

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I am going to answer the last part of the member's question first. Of course we have always based any government expenditure on need and not on want. As I said earlier in my remarks, governance is not to be focused on those who are advantaged. It should be focused on those who are disadvantaged.

I challenge the member's approach to taking over a company. He mentioned that you have a pretty good idea of what you are taking over. Generally speaking that is the case but I can say to the member, and he knows this, that when we took over there was close to \$7 billion on the deficit that had never been talked about during the election campaign.

If the member was—

The Speaker: Order. The hon. member will have more time after question period to share his views with the House.

[*Translation*]

It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*Translation*]

INFRASTRUCTURE PROGRAM

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I want to point out that, one year ago today, this government received its mandate from Canadians. Since then, numerous commitments have been fulfilled, including the Canada—Quebec infrastructure program, which has resulted in the implementation of several projects.

Thanks to federal contributions of some \$90 million, this year the city of Montreal was able to start urban infrastructure projects of over half a billion dollars. On top of improving the residents' quality of life, these infrastructure projects will result in the creation of some 4,800 new direct and indirect jobs, during the construction work itself as well as in the following months.

During the first year of its mandate, the government strived to create jobs, restore confidence and rebuild the credibility of the federal administration. Contrary to the Parti Québécois government—

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The Speaker: I am sorry to interrupt the hon. member. The hon. member for Verchères has the floor.

* * *

UNITED NATIONS

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, the United Nations is celebrating its fiftieth anniversary. The Bloc Québécois takes this opportunity to highlight the work of this organization, which is a source of great hope for many peoples and nations.

Whether it is by helping developing countries, promoting human rights, or preserving peace in the world, the UN strengthens international unity, which is currently a major priority.

The United Nations is also at a crucial time in its history. It must undertake a major reform of its structure. It must also face new challenges, including the emergence of numerous new players with whom it will have to deal with from now on.

We present our sincere congratulations to the United Nations Association in Canada and to all Quebecers and Canadians who have helped build the UN and make it so respectable.

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[English]

REFORM PARTY

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, one year ago today Reform defied the odds, confounded our critics and thrilled our supporters as 52 of us were elected to the House of Commons.

Canadians saw in Reform the fresh wind of change. They saw men and women just like themselves who believed in what they believe in. Live within your means. Protect honest citizens. Listen to the people. In short, use common sense. That is exactly what they told us.

That is exactly what we intend to do. While the government wrestles with change and fights it every step of the way, we embrace it. While it takes tiny steps and as my hon. friend says, sets the hurdle very low, we stride ahead. While it breathes each other's air, we say: "Crack open the doors and let the fresh breeze of Reform blow in".

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AMERICAN HELLENIC EDUCATIONAL PROGRESSIVE ASSOCIATION

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, I rise in the House today to thank the Canadian Order of the American Hellenic Educational Progressive Association or AHEPA for honouring the Prime Minister and the members of Parliament at a banquet last night.

At this event, the Prime Minister was presented with the order's highest honour, the Socrates Award, for promoting democratic ideals and institutions and exemplifying the finest traditions of leadership.

As a Canadian of Greek origin, I am proud of the honour that has been bestowed upon my Prime Minister and moreover, of the many accomplishments and contributions that AHEPA has made to Canadian society.

[Translation]

This association recognized the contribution made by the Prime Minister in his more than 30 years of public life. Canadians also recognized the merit of the Prime Minister by electing him one year ago today to lead this government.

Congratulations to the Prime Minister and to all Liberals.

* * *

STATUS OF WOMEN

Mr. Ronald J. Duhamel (Saint-Boniface): Mr. Speaker, in the red book, the government indicated that it wanted to improve the standard of living of all men and women across Canada. Women and, of course, children.

In my riding we have an agency called Network which does advocacy work in economic, social, political, educational and cultural areas, for instance. It has some advice for the government, and I would like to quote: "The federal government has announced its intention to amend the Alimony Act; since the vast majority of alimony recipients are women and their children, these women call upon the minister responsible for the status of women to pressure the government to find an equitable solution that takes into consideration the real needs of women and children".

Mr. Speaker, I support this proposal.

* * *

[English]

BREAST HEALTH AWARENESS MONTH

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, October 25 marks the first anniversary of our election victory. At that time we said that women's health issues would receive proper attention.

The proclamation of October as Breast Health Awareness Month will raise awareness of one important health issue for women. Each year more than 16,000 Canadian women develop breast cancer. It is the most common type of cancer in women and their leading cause of cancer death.

New initiatives on breast cancer have been implemented by the federal government in four main areas: funding for breast cancer research, support of prevention and screening activities, treatment and care, and support, advocacy and networking of women with breast cancer.

S. O. 31

Breast Health Information Day was successfully held in my riding of London West.

(1405)

Events have been organized for this month across the country to help Canadian women and their families become better informed about the issue. I urge Canadians to attend and support these activities wherever they may be in Canada.

* * *

[Translation]

COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I am pleased and proud to draw the attention of the House to yesterday's results in the Saint-Jean by-election. The election has confirmed the mandate given to the sovereignist government of Quebec.

The election was mainly about the future of the Collège militaire royal de Saint-Jean. The verdict is clear, in that the people of Saint-Jean see the agreement initialled by the Minister of Intergovernmental Affairs and the former Quebec Minister of Education as a bare minimum.

The Government of Quebec therefore has a mandate to improve on this agreement by ensuring that the CMR maintains its military avocation. The federal government will have to go back to the drawing board, and we urge it to respect the decision of Saint-Jean's voters and reverse as soon as possible its decision to abandon officer training at the Collège militaire royal de Saint-Jean.

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[English]

PARLIAMENTARY REFORM

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the Liberal government has done nothing in the area of parliamentary reform in its first year in office. The thinnest part of the Liberal red ink book is a chapter on integrity and parliamentary reform. Once again the Liberals set low standards for themselves and failed to meet them.

The red ink book talked about giving MPs a greater role in drafting legislation. It has not happened. Whenever a committee begins to show any independence, government members are whipped into line.

The red ink book talked about giving committees greater influence over government spending. It has not happened. Committees could not reduce the estimates by one dollar.

The red ink book talked about parliamentary review of order in council appointments. That has not happened either.

The red ink book also promised to change the outrageous MP pension plan. In good Liberal fashion, they have talked about it, they have studied it, but they have done nothing. They will not even allow conscientious MPs to opt out.

That just about sums up the Liberal's first year: All talk, no action, just broken promises.

* * *

CONFECTIONERY MANUFACTURERS ASSOCIATION

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I am honoured to speak today on this, the first anniversary of the Liberal Party's great election victory of 1993.

On a different note, as Hallowe'en approaches it is fitting that we pay tribute to the members of Canada's Confectionery Manufacturers Association. This industry has annual sales in excess of \$1.4 billion, exports of more than \$235 million and employs over 70,000 Canadians.

The confectionery caucus consists of MPs who have confectionery manufacturers in their ridings. We in Lanark—Carleton are very fortunate to have a Hershey Canada facility in Smiths Falls which employs over 600 people.

I encourage all my hon. colleagues, their staffs and families, to come trick or treating at our first annual "Hillowe'en" party tomorrow evening at the National Press Club.

On behalf of all attendees at this event the Confectionery Manufacturers Association of Canada will be making a donation to the Children's Wish Foundation.

* * *

[Translation]

SMALL BUSINESS IN QUEBEC

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.): Mr. Speaker, this is Small Business Week, and I would like to draw the attention of the House to what is being done by the Federal Office of Regional Development—Quebec.

I want to take this opportunity to mention the strong commitment of the Government of Canada and, more specifically, of its various economic departments that are involved in job creation in Quebec. Federal departments are the key to, and the strategic allies of, growth in Quebec's small business sector.

The Federal Office for Regional Development will also give more assistance to businesses in developing and conquering new foreign markets, like China, for instance. Too bad Mr. Parizeau will not be on the trip!

We must realize that the Federal Office for Regional Development and the Government of Canada support the extraordinary culture of entrepreneurship that we find throughout Quebec and Canada as a whole.

The development and continued support of small businesses in Quebec is a priority for the Government of Canada.

* * *

[English]

PIPELINES

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, earlier this year an application was put before the National Energy Board to convert an aging oil pipeline that runs across southwestern Ontario to natural gas. A number of my constituents of London—Middlesex appeared before a hearing of the NEB to object to the potential environmental risks this conversion posed to their land.

In hearings such as this, property owners are up against large companies with unlimited resources to prepare their applications. Affected landowners have no choice but to spend their own money to cover legal fees and expenses in preparation for an NEB hearing.

In all fairness, access to intervener funding would ensure a more level playing field. I urge the government to amend the National Energy Board Act to provide the NEB with the authority to award intervener funding to landowners who are forced to intervene in such proceedings.

* * *

(1410)

[Translation]

BLOC QUEBECOIS

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, today marks the first anniversary of the Bloc Quebecois in the House of Commons.

Some hon. members: Hear, hear.

Mr. Leroux (Shefford, BQ): One year ago, Quebecers gave a resolutely sovereignist party a mandate to protect their interests at the federal level. This is precisely what we have done by fighting cigarette smuggling and obtaining a reduction of taxes, by opposing the closure of the military college in Saint-Jean, by supporting the poor, by questioning the government on the activities of the secret service, and by forcing it to repay the costs of the referendum on the Charlottetown accord.

S. O. 31

From issues of defence and social justice to the need for responsible fiscal policies, the Bloc Quebecois has won battles on several fronts.

The message given to us by our voters is clear: Keep on going! This is exactly what we intend to do.

* * *

[English]

LIBERAL PARTY

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, as this freshman Liberal government prepares to graduate into its sophomore year, our party feels that the time has come for a pop quiz. Backbenchers, feel free to participate.

Have the Liberals eliminated the gold-plated MP pension plan?

Some hon. members: No.

Mr. Silye: Have the Liberals introduced long overdue social reform?

Some hon. members: No.

Mr. Silye: Have the Liberals cut spending?

Some hon. members: No.

Mr. Silye: Have the Liberals introduced legislation to make our streets safe?

Some hon. members: No.

Mr. Silye: Have the Liberals ended patronage appointments?

Some hon. members: No.

Mr. Silye: Have the Liberals ruled out once and for all the taxation of personal RRSPs?

Some hon. members: No.

Mr. Silye: Have the Liberals cracked down on those abusing our immigration system?

Some hon. members: No.

Mr. Silye: Therefore, should the Liberal government not listen more to Reformers' suggestions?

Some hon. members: Yes.

Some hon. members: No.

Mr. Silye: Mr. Speaker, for the benefit of the government, the current national debt clock is \$535,664,978—

The Speaker: I think we got into the question and answer period a little bit early.

* * *

LIBERAL PARTY

Mr. John Solomon (Regina—Lumsden, N.D.P.): Mr. Speaker, on this important date, Canadians have a right to ask: Is today

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the first anniversary of the Liberal government or is it really the tenth anniversary of the Mulroney Conservative government?

Why? The Tory Prime Minister put his friends in the Senate. The Liberal Prime Minister is putting his friends in the Senate. The Tories ran an annual deficit of \$40 billion a year. The Liberals, the same deal. The wealthy friends of the Conservatives received tax breaks through family trusts. The wealthy friends of the Liberals receive the same deal. Tens of thousands of profitable corporations paid no profit tax but found lots of cash to give to the Tory Party and to the Liberal Party.

Under the Tories, prescription drug prices have risen 12 per cent. Under Liberals they have risen 12 per cent. The Tories cut UI benefits. The Liberals have cut deeper the UI benefits. Liberals, Tories, same old stories. Mr. Speaker, can you see the difference? I cannot.

* * *

INFRASTRUCTURE PROGRAM

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, to the Prime Minister and my hon. colleagues, one year ago today we were elected to serve Canadians.

During this year the federal government has kept its promise of good government. One of the red book promises, the infrastructure program, has paved the way to considerable investment and job creation in my riding of Provencher.

This year I have been to Pine Falls, Steinbach, St. Agathe, St. Malo and Emerson in my riding, to name a few of the 40 communities I serve. Throughout this time the people of Provencher, even those people who did not support us, have had many good things to say about our government and our Prime Minister.

I want to take this opportunity to thank the good people of Provencher for their support. I look forward to seeing and serving them again in the upcoming year.

* * *

[Translation]

LIBERAL PARTY

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, I am proud to rise in this House to mark the first anniversary of the Liberal government. The year has been filled with many important achievements.

There is not enough time to list all the initiatives of this government, particularly in Quebec. More than 20,000 jobs were created, thanks to the national infrastructure program. The Secretariat of the Commission for Environmental Co-operation in North America was also set up in Montreal. The issue of cigarette smuggling and the future of the military college in Saint-Jean were settled in a matter of months. Those are just a few of this government's achievements.

(1415)

I especially want to congratulate our Prime Minister, the Right Honourable Jean Chrétien. Thanks to his leadership and integrity, Canadians are regaining confidence. I also wish to thank my family for its patience and support. Hon. members are all aware of the sacrifices made by their spouses and children so that they can have the honour of serving this great country of ours.

* * *

[English]

NATIONAL PARKS

Mrs. Elsie Wayne (Saint John, P.C.): Mr. Speaker, I do not know if I am supposed to thank the people in Saint John for my being here or not. Anyway I am here.

Recently it was brought to the attention of the House that the federal government plans to switch admission fees on entrances to Canada's national parks from vehicles to individuals. That means if there are five individuals in a car each one will have to pay to enter the national park. The fact is that these new user fees can actually be viewed as nothing more than a deceptive tax increase.

The Liberal government should change course from proposed fee hikes and adopt a straight shooting approach to cutting the deficit, not the sneaky little approach of back door tax increases.

The premier of the province of New Brunswick has quietly increased over 1,000 different fees and taxes since 1987. The people of New Brunswick have caught on. I urge the government to learn from others and reverse this new tax on admissions to our national parks.

ORAL QUESTION PERIOD

[Translation]

COMMUNICATIONS SECURITY ESTABLISHMENT

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, yesterday the Official Opposition asked the government many questions about the illegal espionage activities attributed to the CSE in recent revelations on the CBC and from former spy Mike Frost. The government systematically hides behind the CSE's obligation to obey the law.

Does the Deputy Prime Minister not admit that no law prevents a foreign power from intercepting telephone calls from Canada and that no law then prevents the CSE from picking up the information thus collected, so that the CSE can legally do indirectly what it cannot do directly?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as the Prime Minister and the Deputy Prime Minister have already

said, I must assure the House that the CSE is not authorized to target Canadians, including political parties.

[English]

With respect to the specific aspect of the hon. member's question, we do not believe it is in the national interest to talk about the administration and the methods employed by CSE.

[Translation]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, things are becoming more confused instead of clearer. The minister refuses to confirm that foreign governments spy for Canada and in the same breath, he says that the CSE does not spy on Canadians. So how can the minister explain that the CSE has a large data bank with information on thousands of Canadians?

[English]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have said a number of times that the Privacy Act has to be obeyed by all Canadian agencies and that includes the CSE.

The databank at the CSE is exempt from the provisions of the Privacy Act. That does not obviate the fact that all activities of the Communications Security Establishment follow the law explicitly. This has been affirmed by the former privacy commissioner, Mr. John Grace.

At the present time the privacy commissioner is conducting an ongoing audit to update him and his agency with respect to the activities of that particular organization as it applies to the Privacy Act.

[Translation]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I did hear the minister say that an audit is under way in the CSE to determine what the CSE did in recent years. If I understood the answer correctly, I would like the minister to confirm it for me and to tell us at the same time when this audit report will be released in the House of Commons?

(1420)

[English]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I believe the privacy commissioner is an officer of the House or reports through the statute to the House of Commons. There was an audit done by the former privacy commissioner. It is done every number of years.

There is one that is ongoing. In the fullness of time I assume the present privacy commissioner will have the same opinion

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the former privacy commissioner, Mr. Grace, had which is that the operations of the CSE fully conform to the privacy act.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, on the same subject. Serious allegations have been made about the existence of a section called "French Problem" within the CSE. In response to the questions the opposition has been asking in the past few days, the government hides behind official secrecy and flatly refuses to answer, saying that the CSE reports only to the Prime Minister.

Can the Minister of National Defence at least tell us if the government checked if a section called "French Problem" existed in the past?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I stated in the House that it is not our intention to discuss recent operations of the CSE.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, since the Office of the Prime Minister is the only link between the people targeted by a so-called "French Problem" section and the CSE, if the government did not look into this, who can find out and reassure people that they were not spied on?

[English]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Prime Minister, the Deputy Prime Minister and I, as the responsible minister for the operations of the CSE, have given those assurances.

* * *

THE ECONOMY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I point out that this is the first anniversary of the election of 52 Reformers to Parliament, which is worth celebrating.

Some hon. members: Hear, hear.

Mr. Manning: On this day last year the federal debt stood at \$489 billion. After one year of so-called Liberal restraint the debt now stands at \$535 billion, an increase of \$46 billion. For all the talk of deficit reduction and spending restraint the government has put Canada deeper in debt than it has ever been before.

My question is: Will the Deputy Prime Minister admit that the government has wasted this last year in its mandate by not acting vigorously enough to reduce spending? Will the government commit to a more vigorous spending reduction program in its second year before it is too late?

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Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Government of Canada was elected one year ago today with an overwhelming mandate to create jobs.

Some hon. members: Hear, hear.

Ms. Copps: I am happy to report that we have delivered on that promise of jobs: 327,000 new jobs created since February; manufacturing shipments, the strongest six-month growth since the start of the survey in 1981; real growth, 6.4 per cent, far outstripping the performance of any other of our G-7 partners; and business confidence, up to its highest level since 1979.

Some hon. members: More, more.

The Speaker: I think this is going to be a long question period.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Deputy Prime Minister labours under a delusion with respect to job creation. Until recently Liberals have claimed that job creation is primarily stimulated by government spending. Now the finance minister and others are saying what Reform has been saying all along, that debt, taxes and government overspending kill jobs and that deficit reduction and lower taxes are what stimulates private sector job creation.

(1425)

Will the Deputy Prime Minister now admit that by creating \$6 billion of additional federal, provincial and municipal debt through the federal infrastructure program the government has killed more long term jobs than it created? Will the government commit to a Reform job strategy based on deficit and tax reduction?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Prime Minister stated in the House and repeated it again yesterday to all Canadians that he has a reasoned, reasonable approach to deficit reduction.

What he did say yesterday and what we want to repeat in the House is that if we followed the leader of the third party's recipe for deficit reduction it would drive the country back into the recession the Liberal Party is finally pulling us out of.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, we told members of the government months ago that social programs had to be overhauled. Now they are staggering in that direction. We told them that immigration levels were too high. Now they are talking about reduction. We told them that the spending cuts in the February budget were not sufficient and now they are making repairs.

The government has been forced toward Reform positions in the social and fiscal areas. Can we now count on the Liberal government to steal the rest of our platform, in particular our

democratic reforms such as free votes, referendums, citizen initiatives and recall?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the only thing that has been staggering in the last 12 months has been the staggering number of people who have fled the Reform Party because they finally see the Liberal Party as the party that delivers.

If we talk about productivity, as a result of the government the unit labour costs show the best performance in 40 years for Canadian products. We have the highest rate of growth in employment and the strongest growth in output of any of the G-7 countries.

The unemployment rate has fallen from 11.4 per cent to 10.1 per cent. This is not strong enough and we want to keep going. We think the infrastructure program has contributed to the improvement in the confidence of Canadians.

* * *

[Translation]

JOB CREATION

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

A year after the election of the Liberal government, we have come to realize that its employment strategy simply amounts to setting up an infrastructure program that creates only temporary jobs, reducing access to unemployment insurance and passively benefits from the economic recovery. Considering population growth, we are still over 800,000 jobs short of the pre-recession level.

Does the Deputy Prime Minister realize that her government's approach to job creation is coercive, reducing access to unemployment insurance and UI benefits and to forcing the unemployed to re-enter the labour market and try to find jobs which simply do not exist?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I thank the hon. member for her question. It gives me an opportunity to say, I am sure with some great satisfaction, to her and her constituents that as a result of the efforts of the government the unemployment rate in her riding has gone from 12.1 per cent down to 9 per cent.

If we keep it up, at that rate she will have no unemployment by the end of our term.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, how can the government be so smug and proud when there are still

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over a million unemployed workers in Canada, not counting all those who have precarious, very short term jobs?

(1430)

How can the Deputy Prime Minister pretend that her government has restored hope and dignity for the unemployed, when in Quebec alone, 22,000 unemployed workers had to resort to welfare after the 1993 cuts in unemployment insurance, and since then, her government has never stopped forcing those who are no longer eligible for UI benefits to live on welfare?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, in response to that question I want to pose this one: How can that member make the statement she just did when she and her party continually oppose every effort of this government to invest in better training, better job creation, better development? They are against any attempt to reform. All they want to do is keep people on unemployment insurance, keep people on benefits. They do not want people to have jobs. That is their position.

* * *

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, today the *Financial Post* reported on a memo from the government's finance department which concluded that this government's immigration policies are worsening the unemployment crisis. It said that current levels which are twice as high as any other nation on earth are not creating jobs but creating competition for them.

Will the minister of immigration heed the conclusions of the finance department and dramatically reduce immigration levels?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, some of the thoughts contained in that report are by no means new. We heard those representations being made during the eight month consultation. Next Tuesday the government will be presenting its plan for 1995 in large measure based on the things we have heard and discussed with Canadians. I ask the member to wait until Tuesday and render an opinion then.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, for a year now this minister has been telling Canadians that high immigration levels are okay, even when unemployment is high. We have said there is a level at which immigration hurts the economy and the finance department agrees with us.

Will the minister wake up to the facts, show some political will and cut the numbers? Will he do what is right for Canadians and not just for the immigration industry?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am not sure the member read the entire document. To say that it agrees entirely with Reform Party policy is exaggerating one great leap.

Immigration generally has been a positive force for Canada. On page 74 of the red book it is stated very clearly: "We will continue to support an immigration policy that balances our demographic and economic need with our capacity to settle and absorb immigrants". In other words it means a balanced program which we do have and will continue to have after November 1.

* * *

[Translation]

TAXATION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question is directed to the Minister of Finance.

During the last days of the federal election campaign, the Prime Minister promised to reduce the deficit without raising the taxes of Canadians during the first two years of his mandate.

Last week, however, in another about-face by this government, the Prime Minister referred in no uncertain terms to the possibility of raising taxes, contrary to his campaign promise.

How can the Minister of Finance account for the fact that exactly one year after it came to power, his government has already reneged on its commitment not to raise taxes and that the minister himself is feeding speculation about the possibility that his government will tax RRSPs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the Prime Minister has said repeatedly, in no uncertain terms and as recently as yesterday, that we are firmly committed to bringing the deficit down to \$25 billion in 1996-97.

The Prime Minister also said that we wanted to proceed mainly by cutting spending, but if we had to change this, we were prepared to do so because the main objective is to avoid the burden of higher interest rates.

The Prime Minister also made it very clear that he wanted to close tax loopholes, a process we started in the last budget.

(1435)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the government talks about eliminating tax loopholes, but not the right ones, only those that benefit people on middle

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incomes, not those that benefit the very wealthy Canadian taxpayers that the minister is protecting in his Budget and his pre-budget consultations.

Why will the Minister of Finance not admit that you do not change the rules halfway through the game and that he will have to stop these damaging speculations by telling the House quite clearly that he will not tax RRSPs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I have said repeatedly that I want the consultation process referred to by the hon. member to be successful, and in that case, the Minister of Finance cannot afford to comment on specific suggestions.

The hon. member said that we were attacking the middle class. In fact, in the last Budget we eliminated flip flop deals by large corporations and multinationals. We eliminated the preferential tax rate for large corporations. We eliminated the \$100,000 capital gains exemption. And we introduced new rules for foreign affiliates. We made promises and we acted on them.

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[English]

INFRASTRUCTURE PROGRAM

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, in the past year boccie courts, the Saddledome and a canoe hall of fame have all been funded under the guise of infrastructure. By the minister's own figures we have only seen 7,000 long term jobs created. However in the same time and in spite of government interference the private sector has created over 300,000 long term jobs.

When will the minister admit that his program has not lived up to the promise of jobs, jobs, jobs but indeed has dug the debt hole deeper?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we have delivered on this program as we promised in the election campaign that ended a year ago today with our successful election.

We said we would respond to local needs and local priorities as established by municipalities. That is exactly what we have done. We have done it right across the country with the support of all the provinces, and do you know what? We have done it on reallocation, not on increasing the debt of this government. Most of those municipalities and provinces have done the same thing.

In the course of this program we have put 100,000 Canadians back to work. We anticipated most of these projects would put people to work on construction in the short term but they would

also create spin-off jobs which will put still another 100,000 Canadians back to work.

With over 7,000 permanent jobs that have been created so far, this program has been a great success.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, 100,000 short term jobs means one day or one week for some workers. Yet every Canadian family is paying \$800 for this program.

How does the minister justify those few jobs at such a high cost to our taxpayers?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I suspect that many of these jobs are going to be longer term than the member's job.

When it came to the projects in his riding of Simcoe Centre, which included an arena and a library, the hon. member not once protested any of them. The member was sent memorandums asking to respond if he had any disagreement. He responded to absolutely none. He supports all the projects in his area.

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[Translation]

SOCIAL PROGRAMS

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of Finance. For the past year, in his efforts to cut spending, the minister has targeted unemployment insurance benefits and transfer payments to the provinces for social assistance, post-secondary education and health. The federal share of these social programs amounts to \$32.6 billion.

Why is the Minister of Finance making cuts in these social programs which represent \$32.6 billion when it could instead reduce its operating expenditures, business subsidies and further reduce the defence budget which all together amount to \$34.5 billion?

(1440)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I beg to differ. The member is very precise, but unfortunately inaccurate.

In the last budget, we cut government operating expenditures, we cut business subsidies, but we did not cut transfer payments to the provinces. We gave notice to the provinces that in 1996-97 we were going to freeze transfer payments at the 1993-94 level. I must say that the provinces were really thankful to be given ample warning.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, the Minister of Finance seems to be saying that the provinces were really happy to learn that there were going to be cuts.

After one year in power, does the Minister of Finance recognize that he has reached a dead-end with respect to the election promise to do away with the GST, since several provinces are refusing to go along with his proposal to create a 12 per cent national sales tax which is nothing more than the GST in disguise?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, indeed, the provinces were very happy to be treated with some decency for the first time in more than ten years and to be given ample warning, contrary to the previous government which just made cuts without any warning.

I must add that we have been having extremely productive discussions with the provinces on the GST and that we will continue to do so, since, unlike the Bloc Québécois, we want this country to work.

* * *

[English]

FIREARMS

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is directed to the Minister of Justice.

Port Perry, my home town, was the sight of a gruesome bank robbery this last Thursday. Three police officers and two civilians were shot.

Port Perry and Durham want to know if the minister is going to require mandatory sentencing for the possession of illegal firearms.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as the hon. member will know, there are already sections in the code that create offences in relation to illegal firearms, some of which provide for extended maximum sentences. The member will also know that the whole firearms policy has been under review by this government intensively in recent weeks.

I will be introducing proposals in the coming weeks before the House of Commons that will deal among other things with illegal firearms entering Canada and the sanctions in the criminal justice system for those persons who use firearms in the commission of crimes.

* * *

COMMITTEES OF THE HOUSE

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, my question is for the finance minister about a promise that he has not kept.

In the red ink book on page 92 it states that committees will be given greater influence over government expenditures and individual members of Parliament will be involved in an effective prebudget consultation process.

Oral Questions

Since the minister is a co-author of this red ink book, will the finance minister keep his promise and allow committee chairs to request that officials—

The Speaker: Order. The question itself and the way it is being phrased now, the government is not responsible for committees. Perhaps the member could rephrase his question.

Mr. Silye: Would the Minister of Finance agree to allow members, if requested by motion of the opposition parties or by motion of the party opposite of the government, to have department officials appear at a committee to review—

The Speaker: I think I will pass this until tomorrow.

* * *

[Translation]

MANPOWER TRAINING

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister claims that the Government of Quebec does not understand the federal proposal for manpower training. Indeed, it is the minister himself who does not want to understand and who refuses to accept the Quebec consensus expressed at the employment forum which brought together all stakeholders from the business, educational and labour communities in 1989.

Does the minister not realize that what he is offering Quebec perpetrates confusion between the federal and provincial governments and in no way reflects the general consensus in Quebec? Does the minister realize that he is the one who does not understand Quebec?

(1445)

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, last week, as you know, my colleague signed an agreement with the Mohawk band to have them become partners in setting priorities for human resource development. It was not a question of transferring funds but helping them to set priorities. The Quebec minister responded by saying: "Why can Quebec not have the same thing?"

I want to point out that we have already offered the province of Quebec much more in terms of responsibility for managing human resource programs than we have offered to all the other provinces. We said to all the provinces that we would invite them to take planning responsibility for close to 60 per cent of federal manpower expenditures, that we would transfer the full responsibility for deciding on training programs under the CEGEPs and community colleges, that we would ask the provinces to take the responsibility of setting up a single window, guichet unique, and we would also look at sitting down with provinces and talking about transferring certain federal

Oral Questions

programs as they relate to education, such as stay in school programs and other areas.

In other words, the offer that we made to the province of Quebec, as we made to all the provinces, goes way beyond the proposals that have been made to the particular Indian bands across the country.

I hope now that we have clarified that matter we will get a positive, co-operative response from the Government of Quebec.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the minister is confusing this with his evaluation of the administrative agreements which he proposed to 10 native Indian groups. According to former minister André Bourbeau's estimate, his stubborn refusal to transfer federal responsibilities will waste more than \$750 million in the next three years and maintain the present confusion which penalizes Quebec's unemployed. Is he aware of that?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I am afraid I am not the one who caused the confusion. We made it very clear. My deputy minister has written to his counterpart in the Government of Quebec again underlining that we are quite anxious, willing and open to sit down with the Government of Quebec and the governments of other provinces to negotiate based upon the proposal that we have submitted for manpower training just as we are prepared to co-operate on helping to support strategic initiatives, helping to support new child care initiatives and helping to support a changeover so that we can develop a way of assisting on the very active and very useful program in Quebec, APPORT, which is a social assistance program.

In all these cases we have indicated time and again that we are prepared to co-operate with the province of Quebec to find new ways of solving problems. That stands in stark contrast to members of the opposition whose only position is to defend the status quo. They do not want to make any changes at all. We are the party and the government that wants to make the changes. It is about time they joined in.

* * *

THE ECONOMY

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, as we have heard, today marks the first anniversary of the election of the 35th Parliament. While we have seen nothing but foot dragging on social reform, deficit reduction and replacement of the GST, we have seen some minor promises upheld.

My question to the Deputy Prime Minister is why has the government decided to put funding of special interest groups by way of reinstating the court challenges program ahead of much more urgent and wide ranging promises such as meaningful deficit reduction?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, probably the greatest legacy of the first year of the Prime Minister's government is that Canadians are starting to believe in the public process again.

Part of that public process means living up to your promises. The decision of the Government of Canada to reinstate the court challenges funding was a direct result of a promise made not only in the red book but a direct promise by the Prime Minister because of his belief that it is important that every Canadian have the right to have their rights defended under the charter.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, last night the Prime Minister stated he wanted people's money to be used productively.

(1450)

Will the Deputy Prime Minister explain how spending tax dollars to sue the government thus triggering the spending of even more taxpayers' money can be described as productive?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Liberal Party and the Government of Canada believe in human rights and fairness. We think that the court challenges program at a cost of approximately \$3 million annually is a great investment in the right of Canadians to have their rights respected under the law.

The court challenges program is a good investment. It is a smart investment. It is a wise use of Canadian taxpayer dollars.

* * *

TECHNOLOGY

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, I congratulate the President of the Treasury Board who last night delivered the keynote address to open Technology in Government Week.

Technology costs money. How is the President of the Treasury Board going to make use of information technology to improve services to the Canadian public and at the same time reduce the cost of these services to the taxpayer?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I thank the hon. member for his question. The real credit for Technology in Government Week goes to the many public servants who are on the leading edge of bringing information technology to better use for the benefit of the taxpayers of this country.

Oral Questions

Just a few months ago I released a report called *The Blueprint for Using Information Technology in Renewing Government Services* with a vision of making government services more affordable, more accessible and more responsive to the needs of the public.

There are a number of flagship projects in this regard that we are going to carry out. Indeed, it is not only going to reduce the cost of government but it is going to improve the services that are provided to the taxpayers of this country.

* * *

[Translation]

COPYRIGHT

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage. The minister recently indicated that, in all likelihood, the bill on the second phase of the copyright reform will not be tabled before the beginning of next year. Yet, that reform has been long awaited, over six years in fact.

Will the Minister of Canadian Heritage confirm that the tabling of this bill is postponed to 1995, while he had pledged to present that legislation before the Christmas recess, and will he tell us why?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the hon. member is confusing two different things: The basic decisions regarding the object of the bill which, as I said, will be made by the Canadian government before the end of this fall, and the actual tabling of the bill, which requires a substantial amount of work by the Department of Justice.

I did not contradict myself. We are on schedule. We are on course and we are following our timetable.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, are we to understand that the postponement of the copyright bill is due to the struggle between the Minister of Canadian Heritage and his colleague, the Minister of Industry, regarding the issue of neighbouring rights?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, there is no postponement. The hon. member misunderstood what I said. I think that she wants to look like she is trying to protect the artists. But I will tell you: She can try all she wants, people will not be fooled.

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[English]

JUSTICE

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, my question is for the Minister of Justice.

For a year now Canadians have been pleading with this government to make changes to the criminal justice system. Canadians want a tougher Young Offenders Act, they want serious offenders off the street and behind bars and they desperately want a life sentence to mean life.

(1455)

Will the Minister of Justice reassure the people of Canada and tell this House today that tougher and more certain sentences will be put into place for all criminals and for all age groups?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in the year that we have been here and in connection with the justice agenda we have not only introduced specific changes to the Young Offenders Act which are now before the committee on which he makes a very constructive contribution, we have also asked that committee to undertake a complete review of the Young Offenders Act to ensure that we still have the best model of juvenile justice in this country.

In addition to that we have introduced comprehensive changes, improvements to the sentencing provisions of the Criminal Code and we have passed through this House of Commons an omnibus amendment to the Criminal Code with over 100 changes to modernize and make criminal law more effective.

Beyond that response through legislation with my colleague, the Solicitor General, this government has also created the national crime prevention council recognizing that crime prevention is a very important part of making our communities safer. That balanced approach is succeeding and is going to succeed further in making our communities safer.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, the minister speaks of making changes. How about Allan Kinsella and Serge Damien who escaped from the Bath institution who should have been held in a maximum security prison and should not even have had a hope of parole for 25 years?

Will the minister tell this House whether or not he would support the repeal of section 745 of the Criminal Code and therefore make life indeed life?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I made my position clear some months ago.

The government's position on section 745 is crystal clear. We introduced an amendment to section 745 to provide plainly that whenever an application is brought under that section that the court is obligated to hear from the families of the victims.

That is the change we propose in section 745. It is contained in Bill C-41 and that is the policy of this government.

*Supply***HUMAN RIGHTS**

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs concerning his meeting with the home affairs minister for India tomorrow, Wednesday, October 26.

There are many Canadians who are concerned about human rights in India. The human rights report and the Asia watch report have both detailed violations.

Does the minister intend to discuss these with the home affairs minister for India when he meets with him tomorrow?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I congratulate the hon. member for monitoring human rights violations, not only in India. I know she is doing this in other parts of the globe.

Members of this House will be happy to know that yes, the Minister of Foreign Affairs will be addressing this with the minister visiting Canada. Canada is taking advantage of its good relations with India to make continual representations to that country regarding our concern about the human rights violations.

At noon today members of the New Democratic Party, the Reform Party, the Liberal Party and the Senate met with a representative from Amnesty International concerning these human rights violations. I think all members will be happy to know that Canada has made representations for Amnesty International to visit other parts of India, not only Bombay, but Punjab, Kashmir, et cetera.

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BILL C-91

Hon. Audrey McLaughlin (Yukon, N.D.P.): Mr. Speaker, my question is for the Minister of Health. Last week the Prime Minister opened the National Health Forum by stating: "Canada's health care costs must be cut or medicare could be destroyed". Today we saw a study that showed that drug prices have increased 11.6 per cent.

What is the minister's position? In opposition it was opposition to Bill C-91 which hit the consumer with increased drug prices for provinces and territories and the federal health care plans. Does this Minister of Health want to save Canada's health care plan and if so, will her government rescind Bill C-91?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, there were a number of questions there. I do not know which one to start with.

First, the Prime Minister stated that we must preserve the principles of medicare that were put in place by the federal government many years ago. We have to effectively and efficiently spend our dollars in order to guarantee those principles.

(1500)

Second, the report that came out today definitely concerns the increase in terms of usage of newer drugs, not necessarily just an increase in prices.

Again, we must look to ensure that the drugs we use are the most cost effective.

The Speaker: Order. I would hope that we will continue as we have since the beginning of this Parliament and have the courtesy of not only listening to the question, but also having the courtesy to listen to the answers.

* * *

POINTS OF ORDER

ADMISSIBILITY OF QUESTION

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I rise on a point of order under Standing Order 37. I believe the question I was asking was fully in order. Yet the Speaker—

The Speaker: Order. I would advise my hon. colleague with all respect that in the view of the Chair the question he posed was out of order. I asked him to rephrase it.

If the hon. member would care to pursue this he can either address himself to the clerks for the specific rule in question or I would invite him to speak with me in my chambers. This point is closed.

GOVERNMENT ORDERS**SUPPLY**

ALLOTTED DAY—THE BUDGET

The House resumed consideration of the motion.

The Acting Speaker (Mr. Kilger): The Parliamentary Secretary to the Minister of Industry had approximately six minutes left on questions and comments.

Are there any further questions or comments for the parliamentary secretary?

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I appreciate the fact that you have acknowledged I had some time left in answering the question from the Reform Party.

The question had to do with the comparison the Reform Party tries to make quite often that running a government is very much like running a business. Of course I do not agree that running the Government of Canada is like running a business at all.

The member said we should have had a pretty good idea when we took power about what was happening with the books and records of the country. The member knows that when we took

Supply

over the books and records, there was close to a seven or eight billion dollar difference in the real numbers.

I really believe the Reform Party should acknowledge that. It should likewise acknowledge that our very aggressive handling of the deficit and the debt is something for which we should be given some marks.

(1505)

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, I rise today to speak to the motion tabled in this House by my colleague from Saint-Albert. The hon. member for Saint-Albert sits on the Public Accounts Committee, which I chair, and I want to let him know that I share his point of view on the sorry state of our public finances and on the finance minister's inability to resolve Canada's public finance crisis.

I also agree with him that the government should table in this House a detailed plan to show how it intends to balance the budget as well as its action plan schedule. The Bloc Québécois, however, does not agree with the ways advocated by the Reform Party to balance the budget. The Bloc Québécois does not share Reform members' vision of the role government should play in the economy either.

In our opinion, the government must not only create a healthy competitive climate encouraging people to develop skills and do their best, but also protect society's poorest and most vulnerable and help them get out of the vicious circle of poverty and dependency. Where are we as taxpayers today, a year to the day after the election of a Liberal government? The two papers tabled last week by the Minister of Finance simply note the deterioration of Canada's public finances.

The minister merely describes the state of government expenditures and revenue without proposing any vigorous action plan to correct the situation and substantially reduce the deficit. Yet, the red book, which all ministers misquote almost daily to save face in response to the questions asked by the Official Opposition during Question Period, contains many promises, and I quote: "The basic elements of our approach include fiscal responsibility and fairness, deficit reduction, and a balanced and stable monetary policy".

The deficit forecast for this year is still close to \$40 billion, more precisely \$39.7 billion, while the forecast for next year is \$32.7 billion. Even if the Liberal government met its target of reducing the deficit to \$25 billion in 1996 and 1997, it would add \$97.4 billion, almost \$100 billion, to the \$500 billion-plus debt already accumulated.

Even if the government met its goal of 3 per cent of GDP in 1996-97, it would still raise the debt to over \$600 billion. Is that the deficit reduction promised by the Liberals in the red book? It

is more and more unlikely that the government will succeed in keeping the deficit below the \$40 billion level this year and below \$33 billion next year.

The government recognizes at last, but a bit late, that the increase in interest rates, which was partly offset by the recovery this year, will entail additional cuts of up to \$4.7 billion in 1995-96 and \$9 billion the following year if it is to reach its objective of a deficit of no more than 3 per cent of the GDP before the end of its term.

Can we honestly talk about fiscal responsibility as the government promised in the red book? According to us, it looks more like chronic irresponsibility. In such a context, the red book looks more and more like a jumble of wishful thinking prepared just to seduce some disillusioned constituents throughout the election campaign. In that same red book, they also talked about fiscal equity.

Well, let us talk about it. The government's budgetary approach is based on the social security reform, that is on cutbacks in transfers to provinces and in social programs that will merely penalize welfare recipients and students, the unemployed and the elderly. The overtaxed middle class, which historically served as the milking cow for government taxation, is not reassured when even the Prime Minister talks about a possible hike in taxes, as opposed to what he promised during last year's campaign, and when the Minister of Finance is juggling with the idea of taxing RRSPs.

Naturally, this government lacks imagination in the fiscal area as in all other areas of management. They also promised a stable and balanced monetary policy. Interest rates have increased since spring and should increase some more during the coming months because you have to reduce the deficit if you want to relieve the upward pressure on interest rates and give more flexibility to the Bank of Canada so that it can, in turn, lower interest rates. So goes the vicious circle of indebtedness.

(1510)

We in the Bloc Québécois agree that government finances must be overhauled to reduce the risk premium Canada pays on interest rates, mainly on foreign loans. The government's budget policies should aim for a far more substantial reduction in the federal deficit. The Liberals are not on the right track and will not be able to keep their campaign promise of a balanced and stable monetary policy.

The red book says, and I quote: "A number of government programs and tax expenditures—some of which have been identified by the auditor general—are inefficient, poorly managed, or motivated by purely economic reasons. Just as we are proposing new measures to grow the economy, we will examine such programs with the objective of reducing waste and inefficiency and promoting economic growth. Expenditure reductions will be achieved by cancelling unnecessary programs,

Supply

streamlining processes, and eliminating duplication. This effort will take place in partnership with provincial governments”.

How ridiculous this sounds when we read it again today, a year after the Liberals came to power. Ridiculous, especially when we compare the red book with the two instruction manuals it spawned last week: *A New Framework for Economic Policy* and *Creating a Healthy Fiscal Climate*. Upon reading these two documents, which list a set of principles and indulge in a lot of wishful thinking and which are to be used for consultation purposes, we realize that, for the government, social security reform remains the cornerstone of deficit reduction and of improving the state of government finances.

According to the Minister of Finance, improving the state of government finances will be achieved, as we said earlier, through cuts in unemployment insurance, student loans and social security. The jobs and growth strategy, says the minister, is based on the following main themes: encouraging Canadians to adapt to change; rethinking the role of the state; putting the economy on the right track; and creating a healthy fiscal and monetary climate by reducing the deficit to 3 per cent of GSP by 1996–97, the ultimate objective being to balance the budget.

Aside from a few very general principles, the government’s new policy framework merely reminds us once again of the red book’s objective which is still to reduce the deficit to 3 per cent of GDP before the end of the government’s mandate. There are no concrete proposals for meeting this objective, aside from a number of haphazard budget cuts.

Given the sorry state of Canada’s finances and the resulting prohibitive foreign debt, the Liberals’ target of \$39.7 billion in 1994–1995, again barely under the \$40 billion mark despite the strong economic recovery, strikes the Bloc Québécois as overly cautious and irresponsible in view of the size of the problem.

In order to point up the reduction in the deficit, you will recall that the Liberals overestimated the deficit in 1993–1994, the last year the Conservatives were in power, at \$45.7 billion. The real deficit that year, however, was \$42 billion. Without a change in policy, the government told us, the projected deficit that year would have been \$41.2 billion. In our view, the minister’s deficit reduction objective is still not high enough.

In a context of economic recovery, with Canadians willing to do their part, what kind of leadership is it to lower the deficit from \$41.2 billion to \$39.7 billion? This is a paltry \$1.5 billion—it is laughable, really. The minister is not even certain that his timid attempts to improve the situation will achieve their purpose. As he told us last week, these two documents will be submitted for consultation. I, for one, have always believed that the government was elected to make decisions and to manage. The Liberals are trying to change the art of governing. For them, it seems to mean consulting.

Not only has it set its sights too low, but the Liberal government is erratic and hesitant when it comes to specific measures to eliminate an uncontrolled debt that has become uncontrollable under their leadership.

To reduce the deficit, the government must find enough manoeuvring room to meet its budget goals, which we find, as I said earlier, a little too ambitious based on the following measures. The government promised to tackle waste, duplication and mismanagement in order to reduce operating expenditures. Yet, year after year, the Auditor General finds numerous cases of waste and mismanagement. Many of his recommendations are not acted on. What about program assessment? Program expenditures now exceed \$120 billion, while most federal programs evaluated cost less than \$250 million.

(1515)

No large-scale program has been evaluated yet, either in government departments or Crown corporations. On what basis and under what criteria will the minister responsible for reviewing all government programs conduct the promised review? Will this review integrate the Auditor General’s recommendations? We do not know any more than that.

You will agree with me that the measures proposed by the Minister of Finance to create a healthy financial climate are not exactly innovative and ambitious. As the Bloc Québécois already said, the minister only describes the government’s balance sheet without proposing any concrete measure to reduce the deficit.

The reform of social programs remains this government’s framework to reduce the government deficit. Although the government made a commitment not to increase taxes, the minister says in the document that “broadening the tax base is preferable to raising tax rates”. What does this position mean for the future?

In the same document the minister says that given the scope of the measures needed to meet its deficit-reduction goals, the government must contemplate tax initiatives. This means that we must expect new tax increases at some point.

Tax breaks on retirement savings, or RRSPs, represent almost \$15 billion, \$14.9 billion to be more precise. The Liberal government must be tempted to eliminate RRSP deductions, which would reduce its annual deficit by 37 per cent in one fell swoop, without any additional streamlining effort. RRSPs account for 55 per cent of all the government’s tax expenditures including the credit for charitable donations, the tax credit for research and development, the exemption for injured workers’ compensation, and the largest, making up 55 per cent of the total, is RRSPs. How tempting to eliminate just one, that one, which would affect only one group of taxpayers. Only one group of taxpayers would be targeted and in one fell swoop more than half the tax expenditures would be eliminated.

The government is preparing us for this type of cut that will affect mainly the middle class. When he says that he must consider tax initiatives, the minister is surely thinking of RRSPs.

No offence to the member for St. Albert, with whom I agree, but the government has no detailed plan on how to balance the budget and will not table such a plan, nor does it have a timetable and a clear vision of the government's role in the economy.

To conclude, I will add that this government does not seem to want to keep its commitment not to raise taxes, it is vacillating and only as a last resort did it admit that it had to make more cuts to achieve its future budget objectives.

This government prefers to re-examine government programs instead of tackling the machinery of government as such. This government promised us "jobs, jobs, jobs" in the 1993 election campaign. Today, it tells us only about cuts and reducing the deficit. Its rhetoric varies depending on the prevailing circumstances, you will agree.

This government observes and consults. It gives the people no concrete measures except for cuts in social programs and in transfers to the provinces. It is counting on the economic recovery in order to avoid making painful decisions, which will be even more painful because of its indecision.

This government no doubt has a work plan that it is developing in secret while its leading lights consult left and right. Even the Prime Minister is consulting the health stakeholders to define the health care system for the next century in the absence of the provincial premiers and health ministers.

In the end, the *Toronto Star's* allegations are being confirmed: the shortfall of the next two fiscal years will be recovered through made up for with cuts in social programs. That is what this government's political agenda boils down to. I believe that Quebecers and Canadians deserve better.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I listened very carefully to the interesting comments made by my distinguished colleague, the hon. member for La Prairie. I want to ask him if he finds it normal that a government running a country on the verge of bankruptcy tolerate having accounts receivable of \$6.4 billion and a revenue minister who does not do much to recover that amount?

(1520)

Does the hon. member finds it reasonable that a government on the verge of bankruptcy play war games and spend \$2 million in just 48 hours?

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Does he find it reasonable that the parliamentary restaurant, on the sixth floor of this building, incurred losses of \$2 million last year presumably because its clients, including senators and others, would leave without paying their bills?

Does he find it reasonable that a government running a country on the verge of bankruptcy would have an agency such as the CSE, which has over 1,000 employees and an annual budget of 250 to 260 million dollars? These people are not all spies but, seemingly, several of them are.

Does the hon. member find it normal that this same government accept the fact that large amounts of money in family trusts are exempt of normal taxes?

Since my colleague used to be an alderman in his home town, I also want to ask him if he agrees that the federal government should follow the example of municipalities and table a balanced budget? If the government insists on playing Santa Claus, it should not do so at the expense of future generations. Instead, it should have the courage to raise taxes. It is easy to be generous when you know that it is the third or fourth generation down the line which will have to pay for the goodies handed out now.

Finally, does he find it normal that a government borrow, often from foreign countries, to pay the interest on the deficit for the current year?

There are several questions. I would appreciate it if the hon. member for La Prairie could answer most of them.

Mr. Bélisle: Mr. Speaker, I want to thank my friend from the Bloc Québécois for this array of very relevant questions.

First, I would like to tell you that I agree completely with what you said, especially concerning the accounts payable. Naturally, the Canadian government was often compared to a business; thank God it is not a private business, because if it were, either a small, a medium-sized or a large business, it would have gone bankrupt a long time ago.

What you said about the accounts payable is also true for the accounts receivable. How many millions if not billions of dollars in taxes are not collected by the Canadian government? As Chairman of the Standing Committee on Public Accounts, I can say that our committee has the opportunity to analyze the recommendations made by the auditor general. Year in and year out, the Auditor General says the Canadian government lacks rigour in the collection of accounts receivable, meaning taxes, as well as in the area of accounts payable.

You talked earlier of the restaurants here, on the Parliament Hill. Recently, I read that these restaurants do not even make enough money to pay their staff. This is absolutely absurd. Basically, this is a sign of the laxness that the Canadian government has been guilty of for many years. In previous years, in collective bargaining, the Canadian government, as an employer, never stood up to the labour unions. And we are now

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in the absurd situation where the revenues of the restaurants do not even cover their manpower costs. The restaurants on the Hill do not even make enough money to cover the fixed costs, let alone the variable costs.

You also talked about the \$2 million it costs the Canadian government to play war for 48 hours. You were surely alluding to the William Tell competition that was mentioned here last week. Clearly, the whole defense policy must be reviewed. The Department of National Defence has a \$12 billion budget. We have seen the government try to close bases here and there in Canada. That is not the Bloc's position. We think that the defence budget should be reduced by at least 25 per cent, which represents about \$3 billion. The government just has to say no to these war games and to other decisions made by the generals. We know that, historically, in Canada, as in the United States and many other countries, oftentimes it is not the Minister or the Prime Minister who runs the Department of National Defence but the generals.

(1525)

When the generals submit their budgetary requirements each year, they ask for a lot of what I would call military hardware to play war games. As far as I know, the Second World War ended in 1945. It is true that Canada was involved in the Korean War. It is also true that we have sent troops to several countries as part of a multinational force in the 1970s, the 1980s and the 1990s, but I do not think that it justifies a \$12 billion budget today. It is us, taxpayers, who have been paying year after year for this military hardware to please the generals and other army leaders. I think the time has come for the civilians to regain control of this \$12 billion defence budget.

An hon. member: The municipalities.

Mr. Bélisle: Municipalities, yes, I certainly agree with you, since I was a municipal councillor for 11 years in Ville Saint-Lambert, in my riding, on the South Shore of Montreal. They never had a deficit in Saint-Lambert or in any of the neighbouring towns or anywhere in Quebec, for that matter. If a town runs a deficit in one year, the deficit is transferred to the following year's budget. If this principle were applied by the federal government, it would not have a \$500 billion deficit today.

The Acting Speaker (Mr. Kilger): The hon. member for Longueuil, for a brief question.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I have the following question for my colleague and it is that for the past 20 years the government has been living on credit and has borrowed nearly \$1 billion for every million people we have in Canada. Does this not prove the federal system does not work, that it is very expensive and that instead of blaming the government,

perhaps we should blame the system? The Conservatives did not do a better job, the Liberals before them did not, and today's Liberals are not doing a better job either. So there is a problem, and the problem is not the government as such but the federal system, which does not work. Does the hon. member agree?

Mr. Bélisle: Mr. Speaker, I agree wholeheartedly with the hon. member for Longueuil. The government's financial bankruptcy—its cumulative debt of more than \$500 billion which goes back to the end of the seventies—proves that Canadian federalism does not work.

If you will allow me to use the following metaphor, it is as if Canada were a large multinational corporation with 10 branches in 10 different provinces or countries, and for more than 30 years, there has been constant squabbling between the branches in the provinces and the central government in Ottawa or somewhere else, and they can never agree on how to do things.

In the private sector, to keep the shareholders happy, they would have made the necessary decisions right away and either decentralized or created other independent corporations for these entities. What we are asking as Quebecers is to have an independent entity so that we are politically autonomous, which would not preclude administrative agreements or agreements based on an economic union with the rest of Canada.

[English]

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, I appreciate the opportunity to participate in this debate.

I would like to start by thanking the third party for giving us yet another opportunity to crystallize for the Canadian people the differences that exist between the Liberal philosophy toward the role and responsibilities of government and the Reform philosophy in that same regard.

It was a year ago exactly today that the Canadian people elected 177 Liberal members to this House. I believe they did so because they believed and had confidence in our philosophy; one that said that it is important and necessary for the government to take fiscal management responsibilities seriously, that we must reduce the debt and the deficit. The Canadian people also agreed that there is more to the role of the Canadian government. They agreed with us that part of the role is to help create jobs and develop economic growth.

(1530)

Contrast that with the Reform Party members who, as I saw them today in question period, were very happy to elect 52 members from one region of the country, a very important region but one region. Their strategy is very telescopic, very single-minded, and says that the role of government is really to

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get into power, slash and burn, cut the debt and deficit, fold up the tents and get on with it, get out of town.

Every once in a while I wonder what it must be like to be a constituent in a Reform member's riding. I think of the young people who come to see me in my constituency, young people who have graduated from university and have been unable to get that important first job. They cannot get unemployment insurance and the alternative is welfare. They come to my office and we talk about the Canadian Youth Services. We talk about wage subsidies. We talk about different strategies whereby the government can impact and assist the young people in their search and their finding of a job.

I do not know what it must be like to be a Reform member and be unable to talk about these strategies, to talk about a government providing these kinds of opportunities and actions that do in fact help get Canadians into the workforce, contributing and productive in our economy.

We are here talking about the deficit and it is important. I have a few words I want to share in that regard. Many suggestions have been made about eliminating the deficit. Unfortunately, a significant number of those suggestions, including some made by hon. members in this House, are not based on a sound grasp of the facts.

This afternoon I would like to discuss some of these misconceptions. Let me begin with a remedy much favoured by certain members of the opposition, eliminating social benefits for higher income Canadians. Of course there are some potential savings here but they are much smaller than is often claimed. Why? To begin with, many social programs already target benefits on the basis of need or income. The guaranteed income supplement is an example. So are spousal allowances, the child tax benefit and the GST credit. Other social benefits are reduced or recovered as income rises. Old age security, for instance, starts being recovered at about \$53,000. Unemployment insurance is recovered at about \$58,000 and the age credit at about \$26,000.

There is also an unfortunate truth faced by anyone who wants drastic cuts to elderly benefits. The fact is most elderly Canadians are at the lower end of the income scale. Almost three-quarters of our elderly have annual household incomes below \$30,000. About half of all elderly benefits go to those who receive the guaranteed income supplement. That means individuals with incomes under \$15,700 and couples under \$23,800. In short, the notion that rich Canadians collect huge sums in social benefits is simply a myth and a mistake.

Another common belief about our social programs is that much of the social security spending goes to cheats but that too

is a myth. Cheating is not the culprit behind the high cost of social programs. Chronic dependency is.

The rules for governing unemployment insurance for example have unwittingly encouraged chronic use, fostering dependency on certain industries and regions. This is precisely the kind of problem that calls for a careful rethinking of the way we structure our spending. What will be achieved by a draconian slash and burn approach? Does Reform believe that thousands of jobs will immediately appear for workers in depressed regions once they are forced off their UI dependency?

Another silver bullet solution held out by Reform members is to slash government operating costs. They see Ottawa as a fat city and the public service as an easy target for the resentment of heavily taxed Canadians. Yes of course the reduction of operating costs is an important goal, one to which our government has demonstrated a commitment, but it can never be the principal source of the savings needed to address the deficit problem.

The net cost of running the government and delivering programs represents only about 12 per cent of the total federal budgetary spending, about \$20 billion. That is a lot of money but it is less than half the 1993-94 deficit. Even the most drastic cuts, even the absurd extreme of laying off every public servant would come nowhere close to solving our deficit problems.

(1535)

Other facts speak loudly too. The cost of government has been repeatedly restrained in recent years including restraint measures in the last budget. In fact we have implemented 16 specific expenditure reduction exercises over the past decade of which 12 had a direct impact on operating budgets of the government departments but operating costs exist for a reason whether the mythmakers want to believe it or not. It is futile to repeatedly cut back operating costs in isolation from the programs that give rise to those costs.

There are other suggestions for eliminating the deficit that do not entail spending cuts at all. Some of these too are based on mistaken notions. For example we are often told that the government should sell off crown corporations. There may be good reasons for privatizing crown corporations but reducing the deficit is really not one of them.

The impact of privatization on deficit is extremely limited. That is because crown corporations are already recorded as government assets. As a result the only situations in which the deficit would be reduced by privatization are those where the assets could be sold for more than their current book value. I doubt whether there are many such cases at this time.

We also hear that the government could drastically reduce the deficit by lowering interest rates. People who hold this view forget that interest rates are not set by the government but by investors. The Bank of Canada can influence short term interest

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rates but it cannot dictate long term rates or the cost of borrowing in international markets. Who would buy our bonds if we offered uncompetitive rates?

Occasionally the argument is still made that the government should increase the money supplied to finance the debt but history has shown time after time that this is a bogus and a bankrupt solution. Printing money to pay down the debt failed miserably. That is because it ultimately fuels inflation because people realize that their money is worth less. The ultimate result is that printing more money to solve your fiscal problems leads directly to higher interest rates and higher debt servicing costs. In the end the problem has not been solved. It has been worsened.

So far I have focused on a number of proposals for deficit cutting that are based on what we might call myths. My purpose in doing this is not to accept a defeatist attitude because the deficit must be wrestled to the ground and this government has and will do just that. But you cannot defeat the deficit with shallow snake oil solutions founded on illusion. What we need as I said earlier is a careful rethinking of the role of government and the way we spend. It is precisely what the government is doing.

As the finance minister has said the time of nibbling away at the margins is over. The government's comprehensive strategic approach is reflected in a new framework for economic policy that was released last week. It is also reflected in the comprehensive reform of our social security system that is already under way as well as the ongoing reviews of science and technology, defence and foreign policy, and small business policy.

I want to focus this afternoon on the federal program review. To my mind this is precisely the kind of meaningful selective approach to cost cutting that has been absent from deficit reduction exercises in recent years. It is precisely why earlier efforts have not succeeded.

What is program review? It refers to a fundamental review of all federal programs and activities besides the major statutory transfer payments to provinces and people which are being reviewed separately as I mentioned.

It includes examining grants and contributions, tax expenditures, cost recovery and overhead. The goal of this review is a more effective, smaller and affordable government, one that concentrates on its core roles and responsibility.

Each government department and agency has been asked to review and assess its activities against six guidelines. These guidelines are as follows: First, does a program area or activity continue to serve the public interest? Second, is there a legitimate and necessary role for government in this program area or

activity? Is it really ours to control? Third, is the current role of the federal government appropriate or should the program be transferred to the provinces?

(1540)

What activities or program should or could be transferred in whole or part to the private or voluntary sector? If a program continues how can its efficiency be improved? Finally, is the program affordable in light of the current fiscal situation?

As a result of this review some programs and services will be streamlined and some may be eliminated, particularly those that can be provided more efficiently by the private sector or that overlap with services provided by other levels of government.

Some of the changes resulting from the review will be announced in the 1995 budget. Others will be implemented over several years. The end result will be a smaller and more affordable government, but that government will continue to protect the most vulnerable in our society.

The federal program review is only one facet of the government's efforts to put our fiscal house in order. I have spoken of it at some length because I believe it provides an excellent example of the kind of approach that must be taken to deficit reduction; an informed, thoughtful and efficient approach, one that contrasts sharply with the draconian knee-jerkism proposed today by some hon. members.

I have had the opportunity to utilize this kind of approach with the private sector and it has worked very effectively to improve productivity, to help companies focus on what they should focus on. The strategy that I am proud of is part of our Liberal philosophy. It suggests that we understand that there are things that we cannot deny and that is that straight across the board cuts do not recognize differences in individual needs of Canadians and our institutions.

I would like to make one final point. In his presentation last week before the Standing Committee on Finance, the Minister of Finance emphasized that the government has clear principles to guide it in making the decisions necessary to achieve its deficit target. The minister said, for example, the deficit reduction measures should weigh on the side of program spending cuts over revenue increases, that selective, strategic cuts are to be preferred over across the board cuts and that the most vulnerable in our society must not be left behind.

The minister also made it clear that the government would not be making its decisions alone, that it wanted to hear from Canadians. I believe that the open, democratic consultation process that the government has put in motion is exactly what is needed if we are to put an end to the glib solutions and nibbling away at the margins.

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I have every confidence that Canadians will recognize the importance of and contribute significantly to the kind of thoughtful approach our fiscal problems in Canada need.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I thank the member for her intervention. I thank her for indicating that this motion gives her party the opportunity to crystallize Liberal policy. That is exactly what this debate is about.

We would like to know what the Liberals really plan to do. We would like to know what the government process is going to be. We would like to know how they are going to reduce the spending she has talked about.

Despite the pejorative comments that have been made by the member about the Reform policies, there are still questions about what the Liberals are going to do. These questions are raised by this member's speech. She has discussed crown corporations. Should we privatize crown corporations? The question is also can we afford to continue subsidizing crown corporations at the rate at which they are being subsidized today?

She talked about the open consultation process. There is real doubt in my mind about this process. It seems as though people are being told: "Look how hard it is to cut expenditures". Nobody in this House believes it is easy, but to say to people: "Let us see how you can do it if we cannot" is not really a consultation process. There is nothing being put before the people for them to work with. Just to say how difficult it is and "can you show us how to do it" is not a consultation process.

(1545)

The question still is how will the government reduce the deficit. That is what we are asking. We are not asking more questions about if, when and may. How will the government reduce the deficit? How will the government regain control of the financial position of our nation?

That is the question I put to the member, not to decry about other policies, not to say the member has not told us how to do it. What is in mind? The government has been waiting for years to take power. The problem has grown in complexity and intensity for those years. By the time all the processes are finished the problem will be advanced that much further. We will likely need to have more consultations.

How will the government reduce the deficit? What is its vision? That is what we are asking.

Mrs. Stewart (Brant, Lib.): Mr. Speaker, I thank the hon. member for his questions. There are many in his intervention.

I think our process is very clear. I would refer him to the lilac book, as the member for Capilano—Howe Sound called it. A very clear set of documentation was presented by the Minister of Finance last week. He talked about our commitment and our role in economic development. He talked about our responsibilities in terms of fiscal management. He identified very clearly the

areas that Canadians can address and look at as they make their considerations and deliberations on how we should manage the process.

In talking about the process of consultation I feel it is an exceptionally important part of the way we want government to behave and manage itself in the 1990s and into the 21st century. Canadians all through the course of the election campaign talked about feeling divorced from the government process, about the fact that they were never consulted or asked; things were just done to them. We are doing our best to change that. Through the formal consultation process, the process that will be held by the finance committee, Canadians will have a real opportunity to participate.

I would suggest as well that each individual member has the opportunity to participate at the grassroots level in his or her riding; to take documentation that has been presented and prepared for us by the Ministry of Finance and share it with individuals, with groups and with people in their ridings; to help work one on one with people to understand the issues; to discuss the strategies and the possibilities; and to bring that information to the standing committee, to the House and to the minister directly.

As for the question on whether or not the minister and our government will make the decisions, we will make the decisions. They will be very clear at the time of the budget. Prior to that the critical point is to talk to Canadians. We are talking about the need to make changes, the type of which we have never seen before. These issues will impact on each and every one of us and each and every Canadian we represent. They have every right to be consulted; they have every right to contribute.

In my role as a member of Parliament I have a responsibility to get that information from them and I will do that. The member should not be mistaken: our minister has made a commitment to reach our deficit targets and he will find them in the budget.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened to the member's remarks and I was shocked by her referring to "chronic use of unemployment insurance" as if implying that people who are on UI, year after year, or rather frequently, are doing it on purpose. I could not help but think of the peat bog workers in Rivière Ouelle, or the hotel and inn employees in Rivière-du-Loup, or the forestry workers in Saint-Jean-de-Dieu and wonder what they must think of what is going on in this government.

This government, which was elected to create jobs, has not been giving much hope to people in the regions. It has been telling them: "We are going to create a two-tier unemployment insurance system which will penalize those who use it often; at the same time, we are going to reduce the investment tax credit which allowed regions to create permanent jobs and seasonal workers to go on from seasonal jobs to regular jobs, all year round". By reducing the investment tax credit, the message the government is giving them is this: "It is your own fault if you

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are still on UI. It is your problem and it is up to you to solve it". The government gives them a contradictory message.

(1550)

In the outlying regions, people are reacting to the fact that the government is getting ready to cut transport subsidies in an unfair manner, without even looking at the economic impact. For the past 50 or 60 years, in eastern Quebec and Atlantic Canada, there has been a tradition of transport subsidies which could disappear without anyone knowing the impact it will have if the rules of the game, of the market, are not respected. People who work in these areas and who will be hurt by these decisions are wondering what is going on in Ottawa, and why decisions which are detrimental to regional development are made.

The other example is the government's withdrawal from transport, airports, harbours and railways. It is getting out of all these areas at the same time and people are asking me what a radio personality was asking me the other day, which is: Who is going to stop all this? Who is going to get a handle on this? I would like the member to tell me how she would cut wasteful expenditures and increase revenues since, in her remarks, she talked a lot about higher revenues and what we could all do to do our fair share. Would she consider taxing family trusts and thus bring some degree of fairness to our tax system?

[English]

Mrs. Stewart (Brant): Mr. Speaker, again a number of important questions were asked in that dissertation.

I want to make clear that neither my government nor I is pointing a finger at forestry workers or seasonal workers and saying it is their problem. Quite the opposite. We are suggesting that we recognize the system is at fault and the system needs to be repaired.

In response to the issue of dealing with subsidies and making cuts to agencies and other organizations, we are clearly and actively using a consultative approach to understand precisely what the hon. member is suggesting. We recognize that making cuts for the sake of cuts is not appropriate. We have to understand that when we make subsidy cuts there will be a response. Every action creates a reaction and we have to think them through before we slash and burn holus-bolus. It is not our strategy. It is not our philosophy. We will not do that.

Finally, we have to recognize that we are going through significant change. Government is going to change. Canadians will be dealing with change. We have to accept the difficulties there. Part of doing a credible job, a good job, is to involve Canadians in the process. I believe we have struck a perfect strategy to reach that goal.

ROUTINE PROCEEDINGS

[English]

COMMITTEE OF THE HOUSE

FINANCE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. There have been discussions among the parties and I think you would find unanimous consent for the following motion:

That the Standing Committee on Finance, or any of its subcommittees, be authorized to adjourn from place to place within Canada during the week commencing October 31, 1994 and that the necessary staff accompany the committee.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion by the parliamentary secretary. Is there unanimous consent?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—THE BUDGET

The House resumed consideration of the motion.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I am pleased to rise and join in the debate today. Here we are one full year to the day into our mandate. That is certainly cause for reflection but that is all, for we have barely moved from the status quo of doing nothing. Little has been achieved in addressing the deficit and debt problem. As I stand here I do not see myself slashing and burning, folding up the tent and saying let's go home as my hon. colleague from Brant suggested in her earlier remarks.

The presentation I would like to make today is focused. It speaks of an ideology that all Reformers carry, that is recognizing that we as a nation have difficult choices to make. We are burdened with a federal debt that is more than \$535 billion. This bone crushing yoke demands more than \$40 billion a year in interest payments. If we do not make some tough decisions today we will soon be unable to deal with it at all.

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(1555)

This is not fearmongering nor is it self-serving as some Liberals have been wont to say. Rather it is the tough talk needed to make every Canadian realize the magnitude of the problem we face. We in the Reform Party take pride in our approach, bringing difficult issues out into the open, addressing the problem and developing solutions.

The challenges that face us today as legislators are really quite unique. We have the privilege to participate in the changing of our nation. We recognize that this great country still in its youth is growing, changing and finding its own identity. Part of finding its identity is to throw off the old mantle of programs that worked in the past when the nation was young and to establish new and stronger programs that will take us further into its next phase of maturity.

The first step is recognizing that Canada now does too much for too many people and can no longer afford to do that. In attempting to be everything to everyone we have gone bankrupt. Our challenge is to determine what we need to do, to do it well, and to encourage individuals to assume responsibility for non-essential services.

I have always focused upon priorities during debate. I believe today is no different as I look at the choices we must make as a nation and as a people. We in the Reform Party care about preserving Canada for the future for our children and their children. We envisage a country that takes care of those not able to do so in order that they may be able to contribute to the well-being of their families. We envisage a country that educates its children, ensures that they can get jobs, contributes to the well-being of Canada and thereby focuses on its future.

There is no one in the House who lacks compassion at heart, and that is contrary to the somewhat pejorative suggestions of my colleague from Brant. Coupled with that compassion does come a practicality.

There has been no better contributor to our nation's ill health than the federal deficit and debt. The Liberals would have Canadians believe that the Tories are completely responsible for the debt problem, but in reality the Tories did not have the political will to address the problems created originally by the Liberals.

Let us consider these Liberals and their accompanying huge deficits while in power: in 1981, \$14 billion; in 1982, \$15 billion; in 1983, \$28 billion; in 1984, \$32 billion; and in their last budget in fiscal 1984-85 year, a deficit of more than \$38 billion.

A combination of three things needs to happen to make the finances of government more manageable. We need to spend less. We need to spend what we have better and more efficiently. We need to lead by example in government. Therefore I have decided to focus my remarks today on a particular area, that is the Department of Canadian Heritage and all its funded organizations. It is possible to find \$1.6 billion in savings there.

Let us be specific. If the finance minister wants to find cuts he can begin with what was once the department of multiculturalism. Multiculturalism is too costly. Canadians, especially first and second generation Canadians, do not support it. Multiculturalism funding serves only to disunite Canada by sectoring off parts of society instead of encouraging them to embrace their new nation. The responsibilities for race relations and cross-cultural understanding should be transferred to the Human Rights Institute and its accompanying appropriations should be discontinued.

The community support and participation program funnels millions of dollars into special interest groups and serves as a tool to garner votes for the government. Its funding should be discontinued. The heritage language and cultures program provides grants to special interest groups and promotes the disunity of the country. Its appropriations should be discontinued.

These arguments also apply for the community development program, the voluntary action program, the Canadian Multicultural Advisory Committee, the multiculturalism secretariat, the human rights program, the Canadian studies program and the open house Canada program.

(1600)

These programs provide a service only to those who use them. These are the taxpayers who should support them, privately and independently. The minister will save some \$50 million by cutting funding to these programs.

The single largest benefactor of the Department of Canadian Heritage funding is the CBC. This organization has enjoyed receiving parliamentary appropriations that have continued to grow on an annual basis. It now receives \$1.1 billion a year from Canadian taxpayers. This creates an imbalance in a free market setting.

Yet the CBC continually comes back with cap in hand year after year for more money, for supplementary appropriations. It continues to say to the government and the Canadian public: "Oh dear, we just cannot fulfil our mandate without more funding".

Every year it gets an increase and every year it continues to be dissatisfied. At what level of funding will the CBC say it has enough to do its job? The CBC is the epitome of government waste. Do not tell me that it has a mandate to promote Canadian unity while it remains completely unaccountable to the Canadian public.

It is not subject to the Access to Information Act or to the Privacy Act. Further, it is exempt from sections 1 through 4 of part 10 of the Financial Administration Act, which makes the corporation also financially unaccountable to the Canadian taxpayer. These two factors give the CBC a further special status, giving it an even greater competitive edge.

We are looking at ways of cutting spending in government to make government better. The CBC should be required to do the same. The Minister of Canadian Heritage has recommended

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that Canadians pay a new entertainment tax to generate revenue for the CBC. Canadians are already taxed to the hilt.

The finance minister said we do not need new taxes, we need to spend what we have more efficiently.

The Minister of Canadian Heritage has stated publicly that he favours partial privatization of the CBC. The government should order this forthwith.

While we are on the topic of efficiency, let us look at the bloated government bureaucracy in desperate need of downsizing. The Minister of Canadian Heritage is also responsible for the Public Service Commission. In light of the recent report in the Ottawa *Citizen* describing how seven people double dipped after receiving their severance packages, it is clear that there is much housecleaning that needs to be done.

The government should immediately adopt the auditor's recommendation and ensure that these seven people are appropriately punished for abusing the public trust. That is what this is all about, the public trust. This means in the very least recovering the amounts given in those golden handshakes with interest and the removal of those individuals from any positions they hold.

Going after these people is not going to save much money but it will send a clear and unequivocal message to the Canadian people and their public servants that the days of the abuse of public trust are gone.

Consider also as examples of government waste the following: the 13 members of the historic sites and monuments board who chalked up over \$78,000 in travel expenses in 1993 and the 31 members of the National Advisory Council on the Status of Women, government appointed people, who spent more than \$133,000 travelling.

The government does have a unique opportunity. There is consensus in this House that we need to cut our spending. What we now need is consensus on where to cut and how quickly to do it. I challenge the finance minister and the Minister of Canadian Heritage to take a good hard look at those programs currently funded by government and choose only those that the Canadian taxpayers will support.

It is the Canadian taxpayer after all who we are here to serve. I ask the government to support this common sense motion made today on behalf of all Canadians.

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, I would like to challenge the member for Calgary Southeast's assertions at the beginning of her speech to the effect that this government has no recognition whatsoever of the need to cut the debt and to deal with the deficit.

I cannot believe the member has not been listening to the statements of the Minister of Finance either in this House or outside the House that clearly indicate—surely she must give some form of recognition—that this government has recognized the problem of the debt. I have heard the Minister of Finance

say over and over again that we cannot allow this debt to accumulate at the rate it is. He uses the same figures as the member uses. It seems to me that the difference is that we recognize the debt. We recognize that we cannot go on paying \$40 billion a year in interest rates. When that represents the huge proportion that it does of the Government of Canada's annual spending of \$160 billion it is totally intolerable. However, I have heard the finance minister say that before.

(1605)

The difference between us is whether we go at this as a surgeon goes at a problem or whether we go at it the way a butcher would butcher an animal waiting to be slaughtered. That is the difference between the government and the approach which the member takes.

I sat and listened to her talk about the CBC, which I do not have time to comment on. I heard what she had to say about the heritage department and multicultural programs. I also heard her talk about the language programs whereby the multicultural and heritage language groups enable Canadians to maintain their languages.

I would suggest to the member that she speak to the trade critic in her party and find out the evidence we in the foreign affairs and international trade committee have heard about. There is a need for Canadians to be knowledgeable about other cultures and particularly the value which cultures such as the Chinese, the Koreans and others can bring with their own language and their own culture to advance Canadian interests. These are Canadian taxpayers spending money so that Canadians will benefit. We will receive tremendous benefits out of this in a future multicultural world that we are going into.

If we cut the programs the member suggests, I suggest to her that Canada will be less rich in a future world which will require more knowledge, more language and more competence among Canadians in the very areas she wants to cut out with her meat cleaver approach to deficit reduction.

The Speaker: I do not know if there was a question there. There was surely a comment. Would you like to address the comment?

Mrs. Brown (Calgary Southeast, Ref.): Mr. Speaker, I find it rather offensive to have comments that I have made today referred to as butchering. Something in my mind finds it rather repulsive when I think of the word butchering. I stood here and said that there is not a person in this House who does not have a compassionate heart, not one. I believe that as I stand here.

What we are involved in is a debate. Sometimes I find responding to the Liberals like playing dodge ball with a bunch of grade threes. Having said that, I would like to say that when I was growing up in my household, it was a multicultural household. My grandparents were from Norway and from Yugoslavia. While I was growing up the motto in our family was you pay for it as you go. All I am asking is that if you are going to use a

program or you want access to a part of Canada's heritage you pay for it yourself.

I am not saying anything about not coming to understand your country or coming to understand anything else about others who live here, but you pay for it yourself. That is how I grew up. I can stand here and speak from some experience in that regard because I saw my family do that. It paid as it went.

I have to tell the hon. member that there sure as heck was not very much money there sometimes either to do that but we all survived and survived very well, thank you. I have a great deal of compassion for others in this country who do come from other places in this land.

The last thing I want to say to the hon. member is that I am going to let the numbers do the talking. The federal debt accumulated in 1974 since Confederation was \$25 billion. The total federal debt as of now at \$535 billion—plus represents a 20-fold increase in 20 years. The total provincial debt is \$186.5 billion. To say that we have to go slow and nibble at the edges, slash and burn, that is not what we are talking about here. We are talking about some rational decision making and some hard choices. Believe me Canadians, the ones I talked to in my riding, are certainly ready for those kinds of actions to take place.

[Translation]

The Speaker: I give the floor to the hon. member for Longueuil. We have about a minute and a half.

Mr. Nic Leblanc (Longueuil, BQ): For me?

The Speaker: For both of you.

Mr. Leblanc (Longueuil, BQ): You will have to give me the floor another time, Mr. Speaker, because I have so much to say. I just want to say that I agree to a great extent with the member for Calgary Southeast.

(1610)

But there is something I do not understand. For example, she did not talk about the efficiency of government management—she made a point of the fact that when we pay for a service, we must realize that we are actually paying for a service, but when it comes from Ottawa, people think that the money comes from somewhere like heaven, they do not know where it comes from. People keep making demands and getting things and do not know where the money comes from until they realize that Canada is broke.

That is what she did not mention and that is why I ask her if she agrees that radical decentralization would make people realize why they are paying and I ask her whether she agrees with me. If they realize what they are paying for, perhaps they will spend with less abandon.

I sincerely believe that we will have a prosperous future by decentralizing and making individuals responsible. That is what

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we want to do: decentralize. We want Quebec to be sovereign because we believe that the federal government is too centralizing. It centralizes so much that it makes good management impossible. That is why we want to go so far. That is what even the Reform Party is not able to understand and the Liberal Party has not understood it for a very long time.

[English]

The Speaker: Resuming debate. The hon. Secretary of State for Parliamentary Affairs. Excuse me. You will forgive a rookie in the Chair. I missed one. Excuse me, Alfonso.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I think you are doing a fine job. I am also a rookie. You are an experienced parliamentarian. I appreciate this opportunity to address the House this afternoon.

The resolution before the House requests the government to table a clear, detailed plan to show how and when it intends to balance the budget, including a clear statement of its vision of the role of the government in the economy in order for the people of Canada to debate the plan and vision.

We need that plan if we are to change the present course from government overspending to working within our means. To effect that change or any other change three things are required.

First, we must recognize the problem. As Andrew Coyne said so clearly in the *Globe and Mail* yesterday, the deficit is not the problem anymore. It is the debt. It was fine to aim for a balanced budget ten years ago, but \$300 billion in debt later is simply inadequate. That is the problem, the debt and not the deficit.

The second thing that needs to be done to effect change is understand the implications of what will happen if we do nothing to solve the problem. Third is accepting responsibility to do what is necessary.

These are sound principles that all people who have anything to do with the change agree on and all sides of this House agree on. The grey book is full of sound principles but it falls short by failing to provide a means by which principles can be made practical. It is time that the government took control of accepting its own principles and put them into action, not just talking about them but showing the courage to act upon them. The key lies in knowing which principles are crucial, which principles will meet the challenge of reducing spending and create a dynamic economy.

First, knowledge and technology are the new natural resource. Second, translating knowledge and technology into practical, revenue generating services will provide jobs. Third, Canadians will require training and to continue to learn throughout their lives the skills necessary to harness the new natural resource. Fourth, regional development will be redefined and by doing so will redefine government relationships with industry where industry determines its requirements and is self-funding and lessens the reliance on government resources. Fifth, we need to

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incorporate the global world into our marketplace and develop our exporting capabilities.

(1615)

As associate industry critic for the Reform Party, I believe much of this responsibility will fall to the Minister of Industry. The Department of Industry will be integral in the development and implementation of the new natural resource. However the department has not yet adequately set its focus to accomplish that. It must do so before it will be able to set a responsible budget, and it will need to do that in consultation with the Minister of Finance.

We hope the program review currently under way will result in some answers. A noble start has been made in the recent science and technology review across Canada. If the Minister of Industry and the Minister of Finance truly recognize that knowledge and technology are the new natural resources of the country then we can reasonably expect to find answers to creating jobs and to reduce spending.

Industry must take the lead in job creation. The beauty of knowledge and technology based industry is that they are globally capable, prompting an expanded marketplace and a demand for a greater workforce. Industry in this way will generate employment.

Better implementation of research will foster development and Canada will begin to find practical ways of translating good ideas into revenue generation. With an increase in production and the revenue to support it, Canadians will be employed. Best of all, government will be able to reduce its expenditures.

With the creation of this new natural resource there will be no requirement for government to prop up industries and regions which have lost their economic livelihood through the depreciation of traditional resources. The new natural resource and knowledge and technology based workforce will no longer be indigenous to a particular part of the country. The have not status of some of the provinces will no longer exist. St. John's as well as Vancouver will be able to participate and benefit from the ability to farm the resource of knowledgeable people.

Costs to the government of \$803 million in regional spending could be eliminated. Regional support which was created to lessen a reliance on traditional resources will no longer be required except on the very smallest of levels to assist industry through transition. In fact, the very notion of regions may well disappear and the restriction of provincial boundaries will be transcended out of necessity.

Industry will assume responsibility and take its rightful place as the generator of jobs and the patron of a sound fiscal environment. It is but one solution but a very important one. It will signal change, but a change that is essential and necessary.

It will help government meet its main objective of reducing spending, creating employment, and ultimately fighting the debt. Only government can set the wheels moving in this direction but it must commit to these objectives and it must provide a plan.

As members in an employed society, Canadians will enthusiastically help to make that change. It can be done. I know it can be done. But we need the conviction of the government to do it, and we need it now.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I congratulate the member for Okanagan Centre on his speech. Once the passions are defused from the House of Commons, I often hear very constructive suggestions from all members of the House, including members of the opposition.

I would like to ask the member a question concerning his formula for prosperity. Would he not agree that what we need to have is a strong central government to implement the kind of programs that he is suggesting?

Mr. Schmidt: Mr. Speaker, I appreciate the question. The simple short answer to the question is yes, we need a strong central government. We also need strong decentralization so that the decisions that affect the people directly and immediately are as close to the people affected as possible. In many instances it requires that the local government and the provincial government play a very significant role.

We must remember it is the central government which creates the environment for the marketplace to operate, for industry to find its way, and for the lower levels of government to do their jobs more effectively so that there is not this duplication that exists at the present time and where there is not this predetermination to "fight for my turf and to get out of my turf". We need to co-ordinate these things and that would be my answer to the hon. member.

(1620)

[*Translation*]

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Canada's fiscal consolidation is an essential component of our economic strategy. We are fully aware that the ever-growing debt has a negative impact on our whole economy.

A growing debt leads to tax hikes, as we saw under the Conservative government, discourages investors, pushes up real interest rates, forces us to reduce spending on important government programs and translates into a large external debt. For some years now, a larger portion of our budget has been spent on interest charges than on programs. The interest we must pay is now the main reason why the deficit will not go away.

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That is why the government is determined to stop the gradual and rapid deterioration of Canada's public finances. Of course, our first goal is to eliminate the deficit and substantially reduce the federal debt. But, in the meantime, we set for ourselves an intermediate goal that we can achieve provided that we remain vigilant and that everyone shares the burden. Within two years, that is, by the 1996-97 fiscal year, we will reduce the deficit to 3 per cent of GDP, as we promised in the red book.

The last time the annual deficit was limited to 3 per cent of GDP was in 1974, 20 years ago. Of course, to achieve our goal, we must take measures that will affect everyone in one way or another. Attitudes must change. Innovation must be emphasized. The dependence of some groups and sectors on the government must be reduced. We will do it by working hard on two fronts, as we have done since we were elected a year ago today.

We will continue to stimulate the economy to create jobs and to increase our tax revenue; we will also continue to vigorously tighten our spending on all fronts and at every level. The engine of the economy is a dynamic private sector. Nevertheless, the government also has a role to play by showing leadership. In a knowledge-based economy, success depends on skills and the ability to innovate, two factors that can be influenced by government.

The government can play a complementary role to that of the private sector. It can contribute to the innovation process, especially in the early stages of research and development. It can also promote the diffusion of state-of-the-art technologies to small- and medium-sized businesses. The state can ensure access to markets for our exporters and help them get a larger share of emerging new markets. It can also help develop the export capabilities of small- and medium-sized businesses.

We feel it is important to keep the inflation rate between one and three per cent, in order to promote a stable economic climate. We fully recognize that we want to do a good job in that respect. In fact, our government made important decisions to that effect in the last year and the benefits are now starting to be noticeable. Indeed, over the last few quarters, businesses have seen their profits increase substantially.

(1625)

The recovery is also apparent in that consumer demand increased by 3.7 per cent in the first quarter of 1994. Confidence is slowly being restored. Investments are on the rise and jobs are created. From January to September of this year, more than 327,000 jobs were created. Most encouraging is the fact that almost all are full-time jobs. This has a significant impact on the mood of Canadians who are now beginning to sense a greater stability and are regaining hope.

This is not to say that all the problems have been solved. Far from it. Unemployment remains high, much too high. Interest rates, which are largely influenced by the U.S. economy, have maintained their upward trend in all industrialized countries. And, more importantly, our national debt continues to increase.

Obviously, the issue of public debt in Canada cannot be solved through economic growth alone. Some drastic measures must be taken to reduce spending and improve our taxation system if we are to succeed in reducing the debt.

Our main target remains spending control. In order for our country to become more productive, the state itself must be productive. It must learn to become more efficient to help make our economy more productive. In this respect, I think everyone will agree that we are doing everything we can to implement the principles of sound management and to streamline expenditures. We want to eliminate or at least reduce government activities that do not have a high priority and concentrate our limited resources on the most important programs.

Mr. Speaker, I know that you yourself are involved in this ambitious effort to streamline our operating procedures. In fact, the implementation of the Gagliano Plan has already saved the administration of this House millions of dollars. We have taken initiatives at many levels: we use new technologies to reduce inventory; we have eliminated redundant services; we are asking certain sectors to be more realistic in the way they reflect market prices. We are asking everyone who works on Parliament Hill to do their share to reduce spending. Not surprisingly, the level of co-operation is very high. This is largely due, I am sure, to the spirit of fairness and equity that you, Mr. Speaker, have maintained during this process of rapid change.

All members of this House have also had an opportunity to help streamline federal spending in the course of the many debates we have had for a number of weeks on the restructuring of federal departments. There again, the achievements are impressive.

Under the previous government, the cabinet consisted of 40 people, all heading large bureaucratic structures. Today, we are doing a better job with only 20 departments. The best part is that restructuring not only helps us save money but ensures that government services are more flexible, more efficient and more accessible to the public.

Unfortunately, not all members opposite are taking the battle against the deficit seriously. The Bloc Quebecois members shout and hit their desks with their fists to show more forcefully that they want to fight the deficit but, everytime we propose concrete steps to do so, they are against them, especially if the cuts hit close to home. You should cut, says the Bloc, but not in our backyard. Are they really serious?

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As to the Reform Party, their approach to deficit reduction is not only unrealistic, it is plain dangerous. If we listened to them, the country would be thrown into a recession which would last our lifetime. We must continue on the path defined by the Prime Minister and the Minister of Finance. We are going to carry on with our attack against the deficit and we are going to concentrate our efforts on job creation. Our goal is not only to increase the number of jobs, but also to contribute to the improvement of our standard of living and to the preservation of our principles of social justice.

(1630)

[English]

The motion before the House leads me to believe that the carpieces of the Reform members are not working. It is either that or they have not been listening to the Minister of Finance when he has spoken on the government's fiscal policy. It also appears they have not read the grey book "Creating a Healthy Fiscal Climate". Had they heard the Minister of Finance speak to the Standing Committee on Finance or had they read the document they would know that our ultimate goal is a balanced budget.

Yes, we absolutely share their realization that the vicious circle of rising debt and deficits must be broken. As the minister noted in his recent speech to the finance committee: "If we don't do the job, we will fail at everything else". We will win. We will not fail. Our party, our caucus, our cabinet and the Prime Minister are committed to reversing Canada's fiscal decline. I realize the Reform is also interested in reversing Canada's fiscal decline. However, unlike the Reform Party, we have presented a realistic strategy so the Canadian people will realize our objective.

The fiscal update book sets out the scope of action needed to achieve the government's fiscal goals. It provides an accounting of government spending together with a detailed description of the source of government revenues. Reform does not have a grey book equivalent. In fact it has nothing but soft generalities, blanket statements about reducing the deficit to zero, or borrowed prescriptions.

This document that the Minister of Finance presented to the finance committee contains the information necessary to begin a broad public debate on the choices to be made and the actions to be taken in the 1995 budget. Its intention is to help focus the 1995 prebudget consultation.

Let me say here that this is the first time in Canadian history that a government has opened the budget process to consultation. Before, the process was that the Minister of Finance would meet privately in his office with pressure groups whether they

were from business, labour or social groups. Only on budget night would we learn what were his positions.

A partial process was started right after the election last year. Through the reform of House procedures this year, we are able to have a process where every year the House finance committee will receive an economic statement from the minister and will go across the country to consult with Canadians and report to the minister. Then the minister can make his choice.

Let us not forget that Canada's fiscal position impacts on each and every Canadian, as will the action to bring our debt and deficit under control. That is why we are determined to work in partnership with all Canadians to determine and implement a solution.

The finance committee will hold nationwide public consultation on how to create an economy worthy of Canada's potential. The finance minister will be meeting with people from all walks of life to hear their ideas on issues. We want to know Canadians' budget policy views. They will assist us as we address the difficult choices which lie ahead.

In the grey book we have laid out some principles and values which will apply to the difficult choices which face us. I would now like to turn to those principles.

(1635)

Principle number one without doubt is that deficit reduction and debt control are essential parts of our strategy to create jobs through economic growth. Indeed there is no greater economic priority than to resolve this issue.

Our government will reduce the deficit and control the debt. Doing so will certainly lower taxes and interest rates. This will ensure economic growth through increased productivity and investment, sustained job growth, entrepreneurial vigour and consumer confidence. However, the debt and deficit cannot be reduced overnight. To do as the Reform Party urged during the election and balance the budget in three years would unleash substantial and lasting economic difficulties on all Canadians. It would also violate the other guiding principles laid out in the fiscal book.

For example, fairness must be a principle characteristic of any action we take to bring our fiscal situation under control. We must ensure that the most vulnerable in our society are not left behind. Expenditure reduction must not be an excuse to abandon those Canadians in greatest need. That is exactly what would happen under the Reform's draconian suggestions. They forget that transfers to individuals was the largest component of program spending in fiscal year 1993-94, over one-third of all program spending went directly to individuals. That includes elderly benefits, unemployment insurance, veterans pensions and allowances and transfers to Indians and Inuit.

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In all honesty I cannot find the words when I think of the conditions the most vulnerable would face if Reform were sitting on this side of the House. Deficit reduction would be a mere accounting exercise. Let us not forget it is not merely an exercise out of an accounting book. We are talking about people.

That will not happen with this government. Unlike Reform, we realize that deficit reduction has a significant impact on our broader economic and social goals. That is why in the grey book we have set priorities and made reasoned choices.

For example, we have announced an interim target of reducing the deficit to no more than 3 per cent of the gross domestic product by fiscal year 1996–97. At 3 per cent of GDP, economic growth will exceed growth of the debt. We will then have an extraordinary opportunity to move toward a balanced budget.

The question is: What actions do we take to get there? We believe that to hit our targets the budgetary action should weigh most heavily on the expenditure side. Canadians quite frankly are overtaxed. They know it and we know it. The government must do more with less. The bulk of our savings should come through cuts in program spending and not through higher taxes.

Of course, as the Minister of Finance noted, Canadians must realize that if they want to avoid more taxes they must be prepared to support smaller programs, including programs that benefit them directly.

That is why the Minister of Finance directed the committee to ask the specific question of Canadians who appear before it in the prebudget consultations: Where should we cut and by how much? Believe me, the minister is not looking for generalities. He gets enough of those from the Reform Party. He wants to know the trade offs, the details and specifics. He wants Canadians to put themselves in the government's shoes and make hard choices.

The minister also wants to know if Canadians believe that our economic assumptions are appropriate, if our growth assumptions and our interest rate assumptions are prudent, and the reason is simple. We believe it is essential that government make prudent assumptions to guide its economic and fiscal projections.

(1640)

In my experience, and I have been in this place for about 10 years, the Conservative government, Reform's Tory cousins, proved that missing fiscal targets destroys credibility and merely postpones the need for tougher measures in the future. However, meeting targets establishes and strengthens credibility for the future and is also considered reasonable progress.

This Minister of Finance believes in meeting targets. He will meet his targets and we will have a better Canada.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I listened very attentively to the speech by my hon. colleague, who described in a general way the monster that Canada's debt has become. I wish to point out to my hon. colleague that this monster was created by the Liberals and the Conservatives. The Liberals created this debt under the guidance of the hon. Peter Trudeau and raised it to almost \$200 million. The Tories then brought it up to where it is today and the Liberals, on regaining office, assure us that it will reach \$600 billion very soon. We fully agree that the debt has become a monster.

Second, my hon. colleague has just told us that we stand on the brink of bankruptcy, another statement which we totally agree with. I think that our comedians are often much better than politicians at describing some situations. A Quebec comedian, Daniel Lemire, is always saying that we should probably declare bankruptcy and start over under a new name. That is exactly what we will do soon.

The government is now saying that we must deal with this monster, that we are on the verge of bankruptcy and that they must and will make cuts. They will cut unemployment insurance, social assistance, transfers to the provinces, increase education costs, generalize the GST—they will give it a different name but charge it on everything. They will probably eliminate the only tax shelter available to the middle class, RRSPs, and tax retirement funds. All this is sending out a clear message: they are attacking ordinary people. The Bloc Québécois agrees that the debt should be tackled and that cuts should be made. This is not a problem. But we are against singling out ordinary people. That we disagree with.

While complaining about the lack of money and the huge debt problem, they easily find the billions of dollars needed to finance an unprofitable project such as Hibernia. While telling us there is no money left, they easily find the hundreds of millions of dollars they throw out the window every year, according to the Auditor General of Canada. They also give tax credits worth millions of dollars to the hon. Peter Trudeau and Brian Mulroney for returning their papers to the government, while telling ordinary people that tax credits will be cut.

My question is this: When cleaning stairs, one does not do only the bottom steps. I would like to know if my hon. colleague has ever cleaned stairs and if he realizes that he should start at the top and work his way down?

Mr. Gagliano: Mr. Speaker, first let me clarify one thing: I never said that Canada was on the verge of bankruptcy. It goes without saying that the hon. member opposite would love to promote that idea, because it would serve his cause, which is Quebec's separation and the destruction of our country. Of

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course we have financial problems. Every industrialized country in the world does. So, let us not start saying that Canada is going bankrupt. Canada is in the same situation as the all industrialized countries—If you want an answer—Did you not make a big fuss about proprieties of the House, about the need to be polite—

The Speaker: I wish to remind the hon. member that he must always address the Chair.

Order. We will hear the answer of the Secretary of State.

Mr. Gagliano: Mr. Speaker, I was trying to provide an adequate answer to the hon. member who made a rather long speech.

(1645)

We will not target only one group. As I said clearly, if we are to succeed in alleviating our financial problems, we must target every sector in our society. This is why the Minister of Finance and the finance committee are currently asking Canadians to tell them how they feel the problem can be solved and where cuts should be made to ensure fairness. Indeed, we want to be fair and the only way to do that is to ask sacrifices not just from one group but from all Canadians.

This has been the underlying principle of all the reforms announced by this government, even though the hon. member does not agree, for example, with the way we want to implement the social program reform. We can no longer afford to pay people to stay home. In fact, the Bloc Québécois headquarters in Quebec City also denounced that situation. During the election campaign, it criticized every cut made by the Quebec Liberal government. Now that the Parti Québécois is in office, it has decided that the Liberal government budget will remain untouched and that no changes are necessary.

We are all faced with the same problem and separation is not the solution. The problem will be solved by doing like the rest of the world, that is by working together and trying to find solutions and share those solutions. I am convinced that when the new Quebec government holds its referendum, Quebecers will vote to stay in Canada and they will continue, along with the rest of the country, to work to solve our financial problems, to put some order in government finances and to build a country in which they will be happy to live.

The fact is that in spite of our major problems, the United Nations just declared for the second time that Canada is the best country in which to live. I keep repeating to the hon. members opposite that there are millions of people in the world who would give everything to come to Canada. We are not bankrupt yet and I think Canada is still a pretty nice place to live.

[English]

Mr. John Harvard (Winnipeg St. James, Lib.): If you do not listen, you might as well be deaf. I would submit that the opposition benches are deaf, completely deaf. Their hearing has gone faulty.

I say that because we have said many times that the red book of the Liberal Party laid out a vision. For example, the red book made it very clear we would aim for and achieve a deficit of 3 per cent of GDP by 1997. The Minister of Finance, after the red book, after our election victory of a year ago, built on that vision by producing a budget. The budget reiterated our absolute unshakeable target of 3 per cent of GDP by 1997.

The finance minister laid out a strategy in the budget and it continues. Part of the strategy is an unprecedented set of consultations that will begin almost immediately. The minister through the medium of the finance committee will be consulting Canadians from coast to coast on how best to achieve the target of 3 per cent of GDP. Can there be anything more democratic? Can there be anything more consultative than that?

I wanted to lay that out because it seems that the opposition parties do not want to listen. Canadians are going to participate. Canadians are going to join in achieving the target of 3 per cent of GDP. That is my comment. If the previous speaker wants to respond to it, be my guest.

(1650)

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I listened to the previous speaker. The government always talks about when Canada is compared with other countries this is the greatest country in the world in which to live. Quite frankly, it is no contest. Canada is, when you compare it to other countries, certainly the best country in the world in which to live.

I would like to suggest a real test for the government. Compare Canada as it is now with its huge financial crisis, its huge deficit every year, its huge national debt, with how it could be if we had had responsible government running the country over the last 25 years.

I look over at the government and I see a mirror of the Tories. The Tories' plan was not to reduce spending but count on revenue growth to get us out of this fiscal problem. They merrily spent like drunken sailors and, guess what, revenue did not grow. We ended up another \$200 and something billion in the hole. The deficit climbed every year and the expected revenue growth simply did not occur.

That is what the government is counting on as well when it uses a figure of 3 per cent GDP by 1997. Theoretically by using that figure, the government does not have to cut costs. All it has to do is hope for the revenue growth to go up and it will achieve that percentage. But that is no accomplishment in thrift. That is no accomplishment in—

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The Speaker: Order. This brings to a close the time for questions and comments.

It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Davenport—Environment; the hon. member for Selkirk—Red River—Foreign Affairs.

Resuming debate. I understand that two speakers will be sharing the allotted time, beginning with the hon. member for Kootenay East.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, it is always helpful at the beginning of a speech to bring us back to the starting point. I would like to re-read the motion of the member for St. Albert:

That this House requests the government to table a clear detailed plan to show how and when it intends to balance the budget including a clear statement of its vision of the role of the government in the economy in order for the people of Canada to debate the plan and vision.

I would like particularly to draw the attention of the members to the phrase, only seven words, “its vision of the role of the government”. I have a vision of the role of the government, possibly in the same way that we have the role of management in any organization or the way a team works. We have leaders on a team.

I would like to suggest that we think back. I guess I am showing my age when I talk about Bobby Hull and Bobby Orr or people like that. We saw them as leaders and as showing leadership. When they were virtually physically disabled they were out on the ice. They were showing leadership. They were working at a deficit but they were showing leadership.

We heard a very interesting story from a member opposite. I apologize that I did not catch the name of the gentleman she was talking about in a member's statement this week. I believe it was the chairman of the board of Algoma Steel who has the personal opportunity to take \$400,000 through a bonus system as chairman. He is entitled to have \$400,000. He is turning it back. He is not taking the \$400,000 because he recognizes that if he is going to show leadership, if Algoma Steel is going to go ahead, then he must exhibit selfless leadership.

I suggest that the vision of the role of government in my mind is that of showing leadership. I believe that every member of the House from the Prime Minister to the independent has a direct responsibility to show leadership.

(1655)

How does this fit together with what we are presently undertaking under the direction of the Liberals? Take, for example, the human resources review committee that will be going out and around the countryside. Members of the committee will be discussing issues like unemployment insurance, welfare and how we are going to be helping our children with their university

educations. They are going to be listening to witnesses from organizations like this who are very concerned.

I have in my hand a note from one of my constituents. In part it reads as follows: “Numerous Canadians have lost their jobs over the last year. In most circumstances those who are terminated, laid off or fired do not remain on payroll”. Seems reasonable.

“Canadians assumed when they put their *x* in the box one year ago today, October 25, that those members who they booted out of the House would be off the payroll. Not so. Canadians will be delighted no doubt to learn that in the 365 days since they terminated their MPs the public purse has shelled out for their former MPs' pensions, travel expenses, retraining, moving and severance. Add it up.

I am confident that those Canadians who are lined up at the UI office awaiting their miserable little UI cheques for years of hard work in companies that have folded due to previous governments' mismanagement will be comforted in knowing that the members of the government who put them in that line-up are still on the public dole of another kind”.

This is the kind of hostility there is among the Canadian people. I make no excuse for it. I simply report it.

If all members of the House are really forthcoming they will agree with me that they have been approached by people in their constituencies; in their constituency office or accosted on the street or in the supermarket with sentiments of exactly that same kind.

It is the number one issue in my constituency. I have spoken about the Young Offenders Act. I have spoken about the deficit and the debt. But number one on the hit parade is the MPs' pensions.

I find it quite amazing that the vast majority of the people in the House, with the turnover of over 200 members being here for the very first time, are supporting what is the number one impediment, the number one wall between members of Parliament and the public. The public sees this whole thing as being completely unfair.

The member for Yellowhead rose in the House and also sent out a press release just the other day and I read in part: “The Yellowhead MP laid into the Prime Minister and his Liberal government today for turning a blind eye to the fast approaching national trough day.

On November 21, 52 current members of Parliament will qualify to dip into the lucrative MP pension fund once they no longer occupy a seat in the House. These pension payouts are estimated to cost the Canadian taxpayers \$53 million. Among the 52 MPs who will sidle up to the pension trough once they are out of office are—”. I am sure the Speaker would prefer that I do not go ahead and name people like the leader of the Bloc.

Supply

It goes on: ““Canadians find it absolutely unacceptable that the Prime Minister says he is dedicated to spending cuts when he continues to allow this kind of taxpayers’ abuse”, the member said to a round of cheers from his Reform colleagues in the House”.

I am rather curious. I absolutely believe it is a barrier between good government, in other words people believing in the members of Parliament, people believing in this place of power and authority in our country. If the number one impediment is simply the long awaited reforms that the Reform Party has been demanding about the MPs’ pensions, why in the world would the Prime Minister not have come forward before this point, particularly in light of the fact that the National Citizens Coalition is going to be launching an MP trough day campaign. There are going to be billboards all over the place.

(1700)

As the human resources committee goes around led by its chairman discussing issues like UI, welfare and how we are going to be funding university education, what kind of response is that chairman expecting when he sits in front of students who are going to be at an exceptional disadvantage perhaps as a result of the changes that are going to have to happen? What kind of response does the chairman expect from the public for his committee when he sits in front of people who are the disadvantaged and are presently on welfare when that member for Cape Breton Highlands—Canso is going to be drawing \$1.5 million by the time he is 75 years of age? I wonder how the university students will feel about that.

This is a critical, crucial issue to the entire vision of where the government should be going and how the government should be showing leadership. Therefore, I call on the Prime Minister and the members of his caucus tomorrow in caucus to demand of the Prime Minister that this issue once and for all be finally put to rest.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I have to say that I was quite surprised by the remarks of the member opposite. He knows as well as I do that the issue is not simply MPs receiving pensions or even significant pensions. The issue is one of double dipping, where an MP obtains money from the taxpayer—

Mr. Abbott: Not so.

Mr. Bryden: The issue is double dipping in my riding. I point out to the member, if I may, that behind him is the member for Lethbridge who is already receiving a pension of some \$63,000. I will also point out that the \$63,000 is from another level of government. I just want to say that the taxpayers’ dollars are the

same dollars no matter what level of government. I would like to know what the member has to say about the member for Lethbridge and the fact that he is double dipping right now.

Mr. Abbott: Mr. Speaker, first off I think it would be very helpful if we had from the member some kind of a definition of double dipping. However, I absolutely outright reject his comment about the fact that the issue is double dipping.

The issue is not double dipping. The issue is the fact that there are 52 more people who are going to be coming to the trough and this is the barrier. This is the problem.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I would like to rise and address this issue of double dipping which my colleague did not mention in his speech. He said the gold-plated MP pension plan is number one on the hit list that Canadian taxpayers do not like. I am here to verify that because that is the attitude in Calgary Centre.

The hon. member should realize that double dipping is when a member of the same government gets an appointment. Joe Clark was double dipping because he got an appointment while he was receiving a pension from this government. If Joe Clark wished to run for the provincial legislature of Alberta then he would be welcome to continue to receive his pension plan from the federal government and work as a provincial MLA. That is not double dipping.

Double dipping is defined as getting an appointment by the same government that you serve. That is where the conflict of interest is. There is no conflict of interest if you work for a provincial party and then leave that party to run for a federal party. If you then run for a federal party, you tell the people in your riding you are running federally. If those people in the province of Alberta elect you with one of the strongest majorities, that is not double dipping. That is not getting an appointment from another level of government. That is going before the people, laying it on the table and being duly and freely elected.

Personally, I am getting sick and tired of the whining of the government about double dipping.

(1705)

It says that it is going to do something about it. It has done nothing. I asked the Prime Minister in question period way back in January: When can we opt out of this gold-plated MP pension plan because many Reformers want to? He said: “Soon, soon, soon”. He has done nothing. It is all talk. Talk is cheap but the interest on the deficit and the debt is not.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, it is always a privilege to address the members of this House in debate.

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As the member of Parliament for Cariboo—Chilcotin, it is my duty and my privilege to represent the views and the concerns of the people in my riding. They are a diverse group but they share a common concern, the state of our nation's finances.

The Liberals have called upon the opposition benches, the opposition members, to provide them with some ideas. I hope they have been listening to this debate throughout the day. It is quite interesting to be over here and sort of be treated like a ping pong ball, to be asked to give ideas. Members do that and then they are slammed because the ideas are no darn good at all.

In the last federal election, Canadians were given three clear choices regarding the deficit. The Conservatives claimed they could outgrow the deficit in the hopes that economic growth would save the country's bottom line. The Liberals and the New Democrats said that they could contain the deficit focusing first on the campaign promises and paying the price some time down the road. Reform stood alone in saying that we must eliminate the deficit.

To prove our commitment, we set a target of three years to do that. We did it in a clearly outlined program of eliminating the deficit, zero deficit in three years. The people of the Cariboo spoke clearly on the matter. They wanted an end to sky high deficits, extravagant perks, government waste and yes, gold-plated pension plans too.

They did not want to outgrow or contain the deficit. They wanted it eliminated. The Liberals who do not share this view received a mandate to govern though I fear many opportunities to turn this country around have been ignored and have been lost.

A year has passed since the Liberals formed the government and our country is now a startling \$535 billion in debt. With a financial catastrophe ahead of us the government has to commit itself to new ways of thinking. We are asking in this motion for the government to describe that. It has to eliminate waste. It has to eliminate overlap, redirect programs and then the lavish services Canadians can no longer afford and no longer want.

One program that I am particularly concerned about is the Canadian International Development Agency. CIDA was formed in 1968 under an order in council to distribute aid and help the poorest of the world's people. Since that time, however, CIDA has grown into an enormous organization with over 1,300 employees only 250 of whom work overseas and an over \$2 billion budget. That is not much if one says it fast, but nevertheless it is \$2,000 million for its budget.

Despite its size and expense, it has no official mandate from Parliament. This agency according to the Auditor General lacks the focus and direction to either make a concrete difference in the developing world or build enduring partnerships.

Another report found that it is more influenced by the bureaucratic environment than it is influential in the policy process. It has no long term plan and thus tax dollars are being wasted on programs that according to the report are having little effect on those in need.

What I find most disturbing is the fact that CIDA's work is duplicated in many areas by numerous non-governmental organizations. Many of these organizations receive the bulk of their funding from CIDA and this in my view is both wasteful and redundant.

This agency is adrift and directionless, wasting thousands of millions of dollars in the process. I call on the government to bring a mandate for CIDA before this House as quickly as possible to give this agency a firm direction and bring it under the regular scrutiny of the House of Commons.

(1710)

The Reform Party has spoken out on CIDA proposing Bill C-250, an act to establish the Canadian International Development Agency. By formally establishing the agency and providing strict guidelines for its operation, Reform hopes to bring more control and accountability to CIDA. CIDA will then be able to focus on the tasks it must accomplish, leaving behind its heavy bureaucracy and saving Canadians a lot of money in the process.

I am more concerned though about one of the Liberal government's most glamorous projects, the celebrated infrastructure program. Reformers are committed to infrastructure; roads, railways, airports. They are all critical for the country. They tie the country together. They pull our communities closer together than ever before. They bring me as a member of Parliament from the isolated regions of Cariboo—Chilcotin to the federal heart here in Ottawa. Most important they keep Canada competitive in an expanding and competitive global market.

Investments in infrastructure must be seen as just that, investments. When starting a business, buying saving bonds or purchasing shares, people always have to consider the return on any investment. Governments can no longer spend money as they sometimes have in the past. The time for catering to regions or special interest groups is long gone. Governments today must invest in trying to help the most people with every dollar they spend, in other words getting the most bang for the buck.

That leads me to the infrastructure program. This program is rooted in the myth that governments can buy jobs. The vast majority of jobs created in this program are short term, the kind of jobs Canadians would pass on if given the choice. Their desire is for real long term positions with real opportunities, real chances for improvement and real hope. The infrastructure program gives Canadians false hope. The good news is just a flash in the pan, careful or you will miss it as it goes by. We are

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left with billions of dollars of added debt for our children and grandchildren to repay in the years to come.

The infrastructure program has lost control, coming on stream just as provinces start into municipal elections. Municipalities and provinces have taken advantage of the program to start on their pet projects even though a government news release said that any projects that are not infrastructure based will be refused.

What do any of the following projects approved have to do with infrastructure? A canoe hall of fame for Shawinigan, Quebec; boccie courts in Toronto; luxury boxes in Edmonton's Northlands Coliseum; rental cabins in Saskatchewan's Rowan's Ravine Provincial Park; an artificial ice rink for Gilbert Plains, Manitoba; duck and pond gardens for Winnipeg; removing overhead wires in Shelburne, Nova Scotia to film a movie. I could go on and on.

Infrastructure is supposed to be about roads and sewers. It is supposed to be useful, accessible and beneficial for all citizens in a community. How many people I wonder will be playing boccie in Toronto? How many will be able to afford a brand new luxury box at the Northlands? How many will be making use of the new cabins at Rowan's Ravine?

These are not infrastructure projects. They are pet projects. Their very existence goes against the words of those in charge of the infrastructure program, against the Liberal red book and against the promises of this government.

Then there is the issue of the program's cost. This \$6 billion has to come from somewhere. I can only think of two places; either through more debt which will be repaid by our children and grandchildren or more taxes. At a time when Canadians are taxed to the hilt and their governments are broke, this program pushes us even closer to the brink. As the finance minister himself pointed out on so many occasions last week, the debt is our biggest obstacle to long term security and prosperity.

Why the government is making the obstacle harder to overcome for the sake of boccie courts and cabins is beyond me. To close, I believe the key to eliminating our deficit is to focus. To succeed the government must commit itself to cutting the deficit, not to some ambiguous floating target, but to a simple number and that number is zero. It is only then that we can begin to start pulling ourselves out of the deep pit that we are now in.

(1715)

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I listened carefully to what the hon. member from Western Canada had to say about how the government should balance the budget and spend its money. The member talked in particular about the

infrastructure project and I would also like to address this issue and ask a question in this matter.

The infrastructure program set up by the government is not harmful in itself. On the contrary, I think it could help us to create jobs in the short run, help the economy to work better and help the workers to become more productive.

What I have trouble with is that the federal government is taking part in this infrastructure program. The federal government is getting directly involved in an area over which the municipalities have jurisdiction. This goes against the Constitution, because the federal government has never been willing, in the past, to directly impede on municipal jurisdictions. But the Liberal government has achieved to do so, without Canadians realizing what it was up to, because it says it was just trying to help the people. Canadians were taken in by the government, but they never realize that the money always come from their own pockets.

This is why I say again that the federal government's involvement at the municipal level is terrible, that it should not be allowed and will only lead to inefficiency, since we have three levels of government deciding which street to repair, what type of bridge to build, what project to undertake. This is terrible and should never have been accepted.

The federal government should have given the money directly to the provinces who, along with the municipalities, would have decided which project to support.

[*English*]

Mr. Mayfield: Mr. Speaker, there is some strategy, some rationale to my comments on the infrastructure program. We do have a stand. Reform supports the development of human infrastructure, supporting federal government activities that work toward the development of job skills, especially skills that are transferable to a variety of job positions.

Second, Reform supports the development of physical capital, maintaining airports, maintaining our sea ports and roads that enhance our economy for years to come and enhance our economic competitiveness in the world today.

On the other hand, it seems that the Liberal stand does not develop human capital. The skills developed are strictly for construction, general labour skills. The vast majority of jobs are short term basis. The minister cannot deny that. Skills developed are not transferable to other areas, just other construction projects.

It does not develop physical capital. For example, in the Liberal policy on infrastructure in Ontario less than half, 41.3 per cent of the money, is going toward roads; 23.3 per cent for sewers; 47 per cent going to non-residential projects like the ones I outlined in my speech.

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Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, I would like to comment on some of the comments made by the member across the way.

I find it quite clear that the Liberal platform that was developed in the red book was put in print and is a program that is not supposed to take all the action within a year. We said that in three years we would accomplish this goal. That was to reduce overspending to 3 per cent of the GDP. We are very much on line with that development.

However, in doing that it is extremely important to consult the public. The Reform Party often tries to put itself forward as one that consults the public. It is now saying: "We do not agree with your timeline".

(1720)

The Canadian public agreed with our timeline. That is why it overwhelmingly elected a Liberal government.

Our infrastructure program was very clearly laid out to the Canadian public and it was asked to make decisions. One year ago it made that decision. Quite frankly, the infrastructure project has been a tremendous success in my riding from the response that I get back. These are programs and things that had to be done in every municipality across this country in order to increase the wealth of life of everybody in Canada.

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, I am pleased to have this opportunity to address the hon. member's motion today. This past week the Minister of Finance made it abundantly clear this government is fully committed to reducing the debt and controlling expenditures.

I can assure the hon. member that reducing spending is not the only action this government is taking to strengthen our growing economy. We are working in partnership with other levels of government and the private sector to build strong, vibrant economies that will keep our standard of living among the top 10 nations of the world.

I know hon. members will agree that our young people are the future leaders and builders of this great nation. This government is fully aware of the importance of ensuring that Canadian youth are given every opportunity to excel. That is what the youth employment and learning strategy is all about.

The hon. member asked about the government's vision. Let me tell the hon. member for St. Albert that our vision for young Canadians is to do everything possible to ensure they fulfil their educational potential, get a rewarding job and contribute to the social and economic health of Canada.

One way the government is doing that is through youth service Canada. We already have more than 1,000 Canadian young women and men participating in youth service projects. In the coming months we will involve an additional 1,400 participants. That is not the only investment we are making in the future of Canada. Through our youth internship program young Canadians are being given the opportunity to experience training in new and emerging sectors.

I assure the hon. member this is not a haphazard approach of smoke and mirrors. Far from it. Youth internship projects will train young people in skills that will lead to long term, highly skilled jobs. For example, we recently announced a demonstration project to help those interested to gain the skills necessary to pursue careers in the electric and electronic industries. Each project will involve 20 students in five provinces, with the benefits going to students all across the country.

I imagine my hon. colleagues will agree there is no better teacher than experience and experience is what the participants in the government's youth employment and learning strategy are receiving. We have said before, and perhaps the hon. member should hear it again, partnership is the key to making these programs effective. With the demonstration projects under youth service Canada and youth internship, the government is working hand in hand with a variety of partners, including sector councils, that are taking the lead in these endeavours.

One of the major aspects in economic renewal is that sectors share responsibility in determining and addressing their human resource needs. We are working closely with sector councils that represent their respective industries. I will say a little more on that in a minute.

Regarding vision, this government has enough vision to realize that we have to make adjustments where needed. That is what we are doing with the Atlantic groundfish strategy. The main objective of TAGS is to reconstruct the fishery in Atlantic Canada to make this traditional industry economically viable and environmentally sustainable.

We are working closely with fishermen's associations and the provinces to make necessary adjustments to the labour force, realistic adjustments that must be made. Since TAGS was announced in April, we are serving the needs of men and women in the fishery through the difficult transitional time.

So far close to 41,000 fishermen and women and fish plant workers are receiving support through TAGS. For the majority that support will continue to 1995. Financial assistance is not the only thing the government is doing for women and men whose lives have been devastated by the reduction in the fishery. We are also providing counselling to about 15,000 individuals thus far, and about 3,000 of these men and women are partici-

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pating in other aspects of the TAGS program on their way to becoming self-reliant and able to once again contribute to the Canadian economy.

(1725)

When the hon. member for St. Albert talks about vision I am wondering if he is aware of the resourceful measures this government has taken through its strategic initiatives program. We have set aside \$800 million in the February budget to come up with creative ways to address employment problems associated with structural changes in the economy.

I am pleased to tell the House that the strategic initiatives program has been a marked success. Let me cite a few examples. In New Brunswick we are supporting NB jobs corps with a \$40 million investment to help older employed workers. This project is very successful. At this time most of the 1,000 participants are working in nine provincial localities.

In Newfoundland a strategic initiatives project is investing \$10 million to help students and the unemployed continue their education using tuition credits and wage subsidies.

In Prince Edward Island we are investing \$1.4 million to tutor unemployment insurance claimants and welfare recipients to gain literacy and life skills.

In Nova Scotia the strategic initiatives program has invested \$7.5 million for training and employment opportunities for adults at risk of going on welfare.

We also have strategic initiative projects in Ontario, the Northwest Territories and Manitoba. I am pleased to tell the hon. member that the provinces and the territories have shown enthusiasm for strategic initiatives from the very beginning.

Women comprise about 40 per cent of our labour force but they are still in many low paying occupations. The government is helping women realize their potential through projects such as the one the Minister of Human Resources Development recently announced in Rimouski, Quebec. In this case women who have no income are being trained to enable them to create their own businesses. These entrepreneurial women have a business plan but they need support to get it off the ground. This is another project that is providing an excellent example of what we can accomplish through co-operative partnerships.

I am delighted to report also the case for sectoral partnerships. This too is part of our vision. Sector councils are comprised of leaders in industry, labour, education and all levels of government. They work together to build a common vision of their human resource needs and to establish comprehensive and practical training programs to meet those needs.

We currently have some 18 sector councils breaking new ground in labour-management relations and we are working to establish more sector councils. This partnership includes educa-

tion and training in the community so the school curriculum will help students develop the up to date skills necessary to work in today's economy.

Sectoral initiatives are involving the private sector in decision making in a way that government has not done before. Business and industry are investing dollars, time and expertise.

In closing, I suggest that the hon. member not be so pessimistic in his outlook. Just last week the International Monetary Fund reported that Canada's industrial production has surpassed the pre-recession peak of 1989-90. Of course there is still much to be done, but through programs such as the one I have outlined, investment in people, and through a revitalized social security system we will help Canadians to improve their standard of living and ensure a strong economy for decades to come.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, the Liberal Party to which the hon. member belongs is planning on reducing the deficit to 3 per cent of the GDP within two years. Of course, the last time we had an annual deficit equal to 3 per cent of the GDP was 20 years ago, in 1974. I would like to remind the members that we started to have deficits around 1970, when our country was run by a Liberal government under the leadership of Mr. Trudeau. You certainly remember that, Mr. Speaker.

(1730)

Year after year, the deficits started to grow and the Liberal government began to play Santa Claus. It made promises. The deficits continued to grow to a point where the current deficit exceeds 6 per cent of the GDP. Our country is on the brink of bankruptcy, and if we do not want to mortgage the future of many generations to come, we will have to change our mentality.

I ask the government member who just spoke if it is a change in mentality when the Minister of Intergovernmental Affairs, the member for Hull—Aylmer who is sitting on the other side, takes a government plane, a Challenger, to go and give two small lectures in the United States at a cost of \$170,000 to Canadian taxpayers. Is it a change in mentality when we send a delegation of F-18s and F-16s to Florida to play war games? The William Tell competition cost no \$2 million.

Is it a change in mentality when the Prime Minister tells us that the CSE does not spy on Canadians even though there is a building here in Ottawa housing over 1,008 employees whose job is to do just that at a cost of between \$250 and \$270 million a year? Is it a change in mentality to have all these duplications of services for the same people? We had a good example of that just recently. Last year, Ontario created the position of Commissioner of the Environment. Last week, in a statement, the Minister of the Environment announced the appointment of another Commissioner of the Environment here, in Ottawa.

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As for manpower training, we lose \$250 million a year just with Quebec. Both governments want to train the same worker. That costs \$250 million a year. It is Mr. Bourbeau, the former Quebec minister, a Liberal minister, who said that, not me.

Will there be a change of mentality on the Liberal side? Will we still let the very rich take advantage of tax shelters and pay very little, if any, income tax, thanks to the family trusts where we could find a couple of billion dollars. Will there be a change of mentality on the Liberal side? When they attack the needy and those who lost their jobs, when they cut off those on welfare, when they bleed the poor and let the rich get richer, will that be a change of mentality?

In closing, I ask whether the Liberal Party will again play Santa Claus, make nice promises and mortgage our future? It is all very well to want to reduce the deficit to 3 per cent, but it will require more than mere wishes. It will require courage, yes, courage, Mr. Speaker, there is no doubt about it. The Liberal Party will have to be very courageous, but I question their courage, because their past actions do not bode well for the future.

I would like to hear my hon. colleague opposite defend her party.

[*English*]

Ms. Bethel: Mr. Speaker, I thank the hon. member for the question. I bring to his attention, however, that we are talking about vision and vision relates to the future. While we can learn from the past it is important to look to the future with hope; with great political will on both sides of the House, as he has suggested; with a tremendous amount of courage; and with a lot of sticking with it. I truly believe the Liberal government understands and will deliver.

The member talked about new approaches. That is what this is all about. As we go into our budget deliberations we certainly know that we need to do things in new and different ways.

We talked about leadership a little earlier. There was one suggestion that the Liberal government decides what it wants to do and does it. That is the old approach. The new approach is to talk to the stakeholders and talk to the people who pay the bills. That is where we get the wisdom. That is where we learn to understand the priorities of the people.

(1735)

It is my view that what is in the red book is truly the priorities of Canadians. That is why the government was elected.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I listened with considerable interest to the dissertation of my colleague from Edmonton East. It was interesting in so far as it gave us a somewhat biased appraisal of the accomplish-

ments of the Liberal Party, probably since the beginning of time, but we will suggest it was perhaps from the beginning of this Parliament. However it had absolutely nothing to do with the premise being debated today.

What is the government doing? When is it going to balance the budget? That is the essence of the question. When will the Liberal government get at it? The Liberal government was in opposition for nine years. It has been in government now for one year. Certainly it is important to get at solving the real problems. The time to do it is at hand.

I have a question for the member. One suggestion that has been brought forward in the House on numerous occasions to make our tax system fairer, more equitable and far more responsive to the needs of Canadian business and individuals is the notion of a flat tax.

Would the member opposite give the House the benefit of her impression of the values or the negative aspects of a flat tax and what it would do to help move the government along to where it should be going?

Ms. Bethel: Mr. Speaker, I welcome the question from the hon. member for Edmonton Southwest.

It is my understanding that we are discussing a vision of the government's role in the economy. It was for that reason I spent most of my time talking about how we would invest in people so that they would be productive and contribute to our economy and the fabric of life in our country.

The member spoke rather negatively about the success of these programs but let me remind my hon. colleague that the whole idea of the \$800 million for this strategic initiative was to try to experiment and be creative in new and innovative ways to train our people for their future roles in the work of the country. That is the essence of my comments.

I might mention another thing that is extremely important. Every program I talked about today will undergo the same program review in the future that all our existing programs today are undergoing. That is what makes us sure we will be able to measure success in terms of whether or not it delivers what we expected it to deliver.

I look forward to working with my hon. colleague on those exact kinds of reviews.

The Speaker: I should inform colleagues that the last speaker for Edmonton East took 10 minutes and I allowed 10 minutes for questioning because she had 20 minutes to speak.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I am pleased today to speak to the motion, specifically the part of the motion that refers to the role of the government in the economy.

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Since 1986 Reformers have been talking about the financial crisis in the country. We sent warnings to the Tories when they were in power and they did not listen to us. We in the Reform Party have been warning the government for months and months of the impending financial crisis in the country arising out of the mountain of debts and deficits.

We warned that investors feared the economic uncertainty in our country. We warned that spiralling debtloads would hamper the country's ability to create jobs. We warned that consumer confidence would not return unless the government got its financial house in order. These warnings have simply been cast aside by the Liberals in the last several months and they have branded Reformers as fearmongers.

(1740)

They would say there was no crisis, the debt was under control or cuts simply would do more harm to the economy than good. Now the Minister of Finance says that debt stands in the way of the growth we seek and limits our ability to create jobs. He says that his ultimate goal is a balanced budget.

This new Liberal stand leaves Canadians sort of confused since only eight months ago the Minister of Finance tabled a budget rife with new expenditures and new taxes, a nefarious combination that encouraged an ever expanding underground economy, a nefarious combination that leaves investors nervously standing pat and consumers keeping their wallets in their pockets.

Now the government tells Canadians to forget that budget, forget the \$34 billion it would add to the debt, forget the \$100 billion it proposed to add to the debt in the next four years but trust it today, for in the last 32 weeks it has been mystically reborn and sees the evils of it spendthrift ways.

It is this confusion, this flip-flopping or lack of focus that leads Reformers to call for the government's clear vision of the role it will play in the economy. To date the vision of the government and its role in the economy have been shortsighted at best. It continues to intervene in the marketplace creating disincentive for investments, disincentives for Canadians to work and disincentives for Canadians to spend.

One way in which the government stunts the wealth creating potential of the economy is through its measures of taxation, and the Liberals know all about taxation. The capital gains tax exemption was removed in February's budget and this will discourage people's will to invest. We pay tax on interest in savings accounts and now there is talk about taxing RRSPs.

An hon. member: Never.

Mr. Harris: The government should never say never to taxes. We have income taxes, consumption taxes, property taxes, visible and invisible taxes, all under the assumption that government is better than the private sector at redistributing wealth to create economic growth and jobs in the country. I would argue

that this is fundamentally wrong thinking. The surest way to create growth in the economy is to leave more money in the pockets of the investors and the consumers. Let them decide where their money will be spent, invested or even donated.

People speak of an impending tax revolt. I would suggest the tax revolt is well under way, considering the record of the Liberal government and the management of its financial house. An underground economy is flourishing. It is estimated at over \$100 billion a year.

The government and its predecessors believe in the fallacy that increased taxes bring in a proportional share of increased revenues. That is absolutely ludicrous thinking. Taxes upon taxes upon taxes create disincentives to employment and investment. Will these shortsighted Liberals ever see that simple truth? I think not. As Michael Walker stated, such disincentives are creating a generation of workers who see no point in tiring themselves for paycheques that increasingly go to the government.

Apparently the government has been through some sort of magical awakening in the last few weeks. It is the recent contention of the Minister of Finance that "whatever fiscal action is taken, the bulk should come from cuts in program spending". Reformers rejoiced when they heard that; if only we could believe it.

(1745)

In February the minister boosted the budget of his own department by \$1.4 billion for 1994-95. He raised DIAND's budget \$400 million and nudged citizenship and immigration up \$80 million. In that same budget the Minister of Finance launched 18 new programs and 15 new studies.

February's budget also introduced a \$6 billion credit card infrastructure program. As we heard earlier, among other things the program involved the covering of boccie courts, building stands and hockey arenas in my colleague's home town, and building the canoe hall of fame in the Prime Minister's own riding, a \$6 billion borrowed money program that is still to this day staunchly defended by the Minister of Finance as necessary to stimulate the economy.

Now a few months later the Minister of Finance is looking for \$9 billion in cuts. Has he suddenly become a believer in balanced budgets, a firm believer in the problems debt and deficit cause in economic growth?

Considering the flip-flop, how can Canadians be anything else but confused? How can they have confidence in a government whose initial vision was to spend, spend, spend to create wealth and growth in the economy and then a few months later its vision is that it cannot spend, spend, spend to create growth. This has to be confusing to a lot of Canadian taxpayers. Canadians want to know what the vision of this government is. All we have had so far is talk. They want to see a clear vision, not confusion, not flip-flopping.

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This government is content to stumble around in the dark attempting to determine if it is time to spend or cut. It is certain of one thing and it is something Canadians are becoming increasingly tired of. When in doubt, if you lack the political guts to make necessary cuts you raise taxes.

If the government is looking for cuts it need look no further than its own crown corporations. VIA Rail, the CBC, the St. Lawrence Seaway, CMHC, and Ports Canada consume \$3.6 billion of taxpayers' money. I would suggest if these are not viable corporations, if the government cannot operate them without incurring deficits then why does the government so steadfastly cling to them? Literally, we simply cannot afford arguments over sentimentality in order to justify the government taking financial shortfalls in these companies.

If the government cannot at least break even in these operations then maybe it is time to cut them loose, turn them over to the private sector. It is unfair and indeed ludicrous to return to the Canadian taxpayer year after year requesting more money to prop up a multitude of failing government business enterprises. The government should get out of the business if it cannot run it at least at a break even point.

If we take the \$3.6 billion spent on these crown corporations and add it to the \$6 billion wasted on the credit card infrastructure program, we arrive at the \$9.6 billion in cuts, or approximately what the finance minister is now seeking.

I want to talk about public input. This government continues to speak of consultations with the public, not just any consultations but consultations which are successively unprecedented. The Minister of Finance once again has promised unprecedented consultations on the run up to his new budget. This was promised before the February budget.

How many Canadians favoured the removal of the capital gains exemption? How many Canadians favoured adding some \$34 billion to the national debt? I would be interested in seeing those numbers but I do not think this government has them. I do not think they exist.

This government's definition of run up consultations is a sham. Extensive unprecedented consultations are a fabrication of this government. The Minister of Finance admitted as much before the Standing Committee on Finance when he stated: "Government by necessity has the final word". Remember this when the government says: "We know you do not want RRSP contributions taxed but by necessity we have to levy a tax on them". Or the minister might say: "We know you do not want to pay higher income taxes but by necessity we have to raise them".

(1750)

This government should put questions concerning cuts or taxes to the people, really to the people, through a referendum or through their respective MPs in this House. Do not patronize them by considering the issues to be too complicated for them to understand and do not patronize them with arguments of necessity.

If this government were truly looking at a new vision for its role in the economy it would be looking to the people for direction through referendum or through the people's MPs to determine where to spend, where to save and where to cut. Instead unfortunately, the taxpayer is handed lines about necessity as the government makes unilateral decisions.

In conclusion, the government should be looking at lowering taxes and cutting spending in order to eliminate the deficit and eventually the debt. It should be looking at unloading a number of unprofitable crown corporations. It should be looking at removing itself as the blockade to Canadian ingenuity and entrepreneurship.

Instead, from this government we see a spendthrift budget followed much later by calls for thriftiness. We see a government hiding behind claims of necessity instead of actively consulting with taxpayers on how their money is spent. We see no vision, but we see more finger pointing at who got us into this mess. We hear of more consultations and we hear of more taxes.

With such a strategy for our country's economy, investor and consumer confidence will continue to deteriorate. Our impending financial crisis will continue to loom. All I can say to the Canadian taxpayer is: Hold on to your pocketbook as long as the Liberals hold on to power.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, after listening to the hon member's speech, it is obvious he does not understand the role crown corporations play in this country. The member said that we should put the existence of some of these crown corporations to a public vote. That is a pretty good idea because I believe the reason we have crown corporations is that they fill a role that a lot of private corporations would not take on. I am talking about services to remote regions and disadvantaged regions.

I think of Pacific Western Airlines, for example. It needed the Federal Business Development Bank for its initial loan in order to get off the ground. It was a government instrument that assisted that company in getting started. We can go from airports, trains and post offices to the Canadian Broadcasting Corporation. The CBC is an instrument which pulls this country together. In some parts of Canada the CBC is the only communication Canadians get. These Reformers just want to cut, cut,

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cut to a point where there will not be anything left to hold this country together.

We on this side of the House realize that we have to run a lean government. However, we are not going to buy their notion of turning it into a mean government.

I wish the Reform Party would also spend some time talking about some strategies for growth. Put some ideas forward that will help small business. The hon. member is sitting next to his colleague who worked very hard for seven months to put some specific ideas forward to help small business get access to capital.

The Reform Party should spend a little less time on the deficit and a little bit more time on how we create jobs.

Mr. Harris: Mr. Speaker, asking me how to create jobs is the easiest question in the world to answer, and I will answer it for this hon. member.

The biggest impediment to economic growth in this country is the cost of doing business. Our taxation levels are among the highest in the world. We have taxed ourselves out of the competitive market in our manufacturing, our service, our production. The answer to getting business and industry off the ground is to give them some tax relief.

(1755)

If the government had turned the \$6 billion it spent on the infrastructure program into a \$6 billion tax break for private business, it would not have just created the 7,000 or 8,000 jobs that it did, it probably would have created about 40,000 jobs. As a matter of fact, I could be corrected but I believe the Minister of Finance some time back said that it would create 40,000 jobs but that just did not come about. If the government would get off the backs of private businesses and give them some tax breaks, some tax incentives to expand and develop and to grow and hire more people that would create economic growth.

I want to talk about the crown corporations. I realize that some crown corporations play a vital role. However that is no excuse for the government's inability to run those crown corporations at least at a break even point. We are not asking the crown corporations to make any money, just break even at least.

The hon. members on the other side always make Reformers out to be the slash and burners, the hackers and cutters. All we want is a government that can operate something at least at a break even point.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, for one year now that party has been the party of gloom and doom, the end of the world is coming. It has been the cut, cut, cut party. In fact if those members are looking for an alternative name they might call themselves the gloom and

doom party or the cut, cut, cut party. I rather prefer the second because it has more rhythm.

Looking at the opinion polls, why is it that Canadians have favoured the Liberal Party, the party that is in government today, with its gradual approach to the creation of jobs and the reduction of the deficit and the debt? Why is it that their party's support, whatever little support it had, is evaporating quickly? Surely the majority of Canadians have a good sense of judgment. Surely the majority of Canadians know what is happening.

Those hon. members talk about the infrastructure program as being inappropriate. First of all, they know as well as I do that it was not new money, it was reallocated money. I wanted to correct that.

Is the hon. member supportive of his other colleague's remarks that the infrastructure program is not good for Canada, that the infrastructure program jobs are not appropriate jobs? I want him to confirm or deny that. Because the infrastructure program has created a better, superior infrastructure, does that not make it easier and better for us to be competitive, thereby creating long term jobs?

Will the cut, cut, cut party, the gloom and doom party respond to that please?

Mr. Harris: Mr. Speaker, I prefer to refer to our party as the party of reasoned logic. There were a number of questions. I would like to answer them one at a time, if I may.

The hon. member referred to Canadians as being supportive of the Liberal government and what it is doing. We know how polls work. If we make 1,000 phone calls, 500 of them are made in the province of Ontario. Of those 500, 400 are probably made in metro Toronto. The same ratio applies to the province of Quebec. Those provinces are in pretty tough shape because of mismanagement by not only the federal government but also the provincial governments. In British Columbia and Alberta where the economy is better because we did a better job of it out there, it is not exactly the same as what the polls indicate. Let us be fair about the polls.

The hon. member talks about this \$6 billion as being reallocated money. He is talking about taking the \$6 billion savings, the savings in Liberal terms, from the helicopter deal and reallocating it to the infrastructure program. That money was not spent yet on the helicopter program. It was cancelled. Just because you do not spend the money that is not savings. This government chose to spend it. It chose to borrow \$6 billion and go in the hole \$6 billion more.

There is a simple truth and it is worth repeating. If the government formula of funding to create jobs, the billions and hundreds of billions of dollars that the Tories spent and the Liberals spent before them and now the Liberals are spending again worked, everyone in this country would have about six jobs for goodness sakes.

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The Speaker: My colleagues, we have about one minute to 6.02 p.m. I think I will call it 6.02 p.m. and then we can get on with the rest of it.

As it is 6.02 p.m. sort of, it is my duty to inform the House that pursuant to Standing Order 81(19), proceedings on the motion have expired.

The House will now proceed to Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

BANKRUPTCY ACT

The House resumed, from June 9, consideration of the motion that Bill C-237, an act to amend the Bankruptcy Act (priority of claims), be read the second time and referred to a committee.

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, thank you for this opportunity to participate in the debate on this bill presented by the hon. member for Portneuf that would give employees and travelling salesmen higher priority than other creditors in the proceeds realized from the property of a bankrupt party.

The bill before us provides for payment up to a limit of \$9,000 per person as the first priority in bankruptcy proceedings. The existing legislation does, in fact, cover workers. In it, workers benefit from a preferred claim to cover wages they earned during the six months immediately preceding the bankruptcy, for up to \$2,000. The current legislation is not a perfect solution to the wage earner protection issue, but it is an immense improvement from the situation that existed before the Bankruptcy and Insolvency Act was amended in 1992 as a result of Bill C-22.

Hon. members may recall that before then, workers had a preferred claim for only up to \$500 in unpaid wages and commissions. That level was established in 1949, when \$500 represented three months' wages. Since 1949, numerous attempts have been made to improve wage earner protection. In 1970, the report of the study committee on bankruptcy and insolvency legislation recommended doubling the preferred amount, from \$500 to \$1,000.

Bill C-60, tabled in 1975, contained a provision for the full super-priority of wage claims up to \$2,000.

(1805)

In 1980, the Standing Senate Committee on Banking, Trade and Commerce assessed three possible solutions. The first was to establish a super-priority for wage claims, ranking them

before all secured creditors' claims. This is the solution proposed to us today by the hon. member for Portneuf.

The second proposal was to establish a modified priority for wage earners, ranking their claims before claims of creditors with security on current assets, such as cash, inventory or receivables.

The third possibility was the creation of a wage earner protection fund.

The committee maintained that administering super-priority and modified priority would be very difficult, the biggest problem being how to share the burden among the secured creditors, given the large number of possible guarantees. Super-priority was very likely to limit access to credit for labour-intensive industries. Payment would certainly not be guaranteed, much less the speed of payment.

The Senate committee recommended establishing a wage earner protection fund that would be financed by all employers, based on the number of their employees, and by employees themselves, who would contribute a modest amount.

So it went, that between the Senate committee report of 1980 and the new Bankruptcy and Insolvency Act of 1992, several more reports were to address the same perplexing issue of protecting the interests of wage earners.

In total, there have been seven bills and seven reports all trying to address this recurring issue. Super-priority has been proposed before. It has been examined and rejected, as has the proposal of a fund from government revenues or a tax.

In the coming months, the Minister of Industry will receive the recommendations of the Bankruptcy and Insolvency Advisory Committee that has been struck to look into reform of the Bankruptcy and Insolvency Act. In the meantime, Industry Canada has been collecting data to help us make more informed decisions. When we examine these issues, we need to know the full extent of the problem, and how much it would take to resolve it.

We must be able to answer a number of key questions before we can make intelligent choices on the options available to us.

In how many bankruptcies do employees lose their wages? How much have they lost so far? Do the trustees refund part of the wages owed to them? How soon are these refunds made? To date, how much money has been available from the bankrupt parties' property to pay creditors?

I am sure that my colleagues on both sides of the House will want to reflect on these questions before they set about to reform the bankruptcy laws to provide some kind of wage earner protection. We do not have the answers now. We cannot assess the impact that Bill C-237 might have. I would suggest that this House let the government proceed with its fact-finding. I would also suggest that it give the government time to receive the recommendations of the advisory committee. On that basis, I

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will vote against the legislation before us, and I recommend that my hon. colleagues do the same.

(1810)

[*English*]

In total there have been seven bills and seven reports all trying to address this recurring issue. Super priority has been proposed before. It has been examined at some length and rejected as has the proposal of a fund from government revenues or a tax.

In the coming months the Minister of Industry will receive the recommendations of the bankruptcy and insolvency advisory committee that has been struck to look into reform of the Bankruptcy and Insolvency Act.

I believe we need to know and have this report before we can proceed in the best possible way.

The Speaker: Order.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, this bill is one that I really want to speak in favour of. As a business person prior to coming into this Chamber, I am very much aware of the fact that the success of any enterprise can only broaden on the basis of the input of the people who are working for that enterprise.

Very frequently in small enterprises we have the entrepreneur who goes to the wall in terms of his own personal finances, the entrepreneur who puts absolutely everything on the line and probably pours an inordinate number of hours into the work. Then the entrepreneur, his wife, his immediate family or relatives might get one or two more people working. At some point we have employees coming into this growing business.

I will make up a word picture to have a look at what is happening. The entrepreneur has \$50,000, for the sake of discussion, that he can bring to the table. Perhaps he collapses some RRSPs or whatever the case may be. He decides he is going to go into the pizza business. He suddenly uncovers the fact that he is going to require at least \$150,000 worth of equipment in order to just be in the basic pizza business. If he is going to actually get into a restaurant, the number is going to go way up from that point.

Where is he going to go and where is he going to get the money? Let us step aside for a second and talk about the large enterprise, not perhaps as large as General Motors, but a larger enterprise that might have 100 or 200 people working for it that is in business at the moment. It is not infrequent that at this particular point in time that entrepreneur who perhaps has been in business longer, where there are now millions of dollars actually invested in the firm, will still have his house tied down with the bank as security.

I say I want to speak in favour of this because I am sympathetic toward the motivation. After all is said and done, employees are simply an extension of the business owner, of the entrepreneur,

of the corporate culture. When a business is reaching a point of downsizing and things are closing in, those employees can make the difference of whether that enterprise will work or not.

With this kind of protection they might be more inclined—after all we do have to look after ourselves in the business world—to give of themselves and be more sympathetic and actually make this enterprise continue to work. If they do not have any protection it is conceivable that either the larger or the smaller business could miss a pay day or two. We are looking at the pension side of things. It is entirely possible that by continuing to work the employee is actually working to his or her own personal detriment.

(1815)

If we want to have them completely on side and in the back of their minds they are working to their own detriment, is it not better to have this legislation in place?

I repeat, I want to speak in favour of this bill, but I cannot. The reason why I will not speak in favour of this bill is because the biggest single problem, particularly for small business in Canada today, is working capital or equity or just the wherewithal to get the job done.

At the moment it is not infrequent that businesses are faced with a situation of triple or quadruple security. The first thing the bank is going to say is: "We want your inventory". If that happens to be men's socks or widgets, flanges, gaskets or car parts, it does not make any difference. The bank says: "We want security over your inventory". It will not apply any value. It will not actually give any value. It just wants it.

Second it says: "We want your accounts receivable". That makes sense because in business terms we have converted an asset to a negotiable security, as it were. This is an account payable. If it is 60 days or under it is a current asset. This is something that the bank by assignment can actually make use of. However it is not at all infrequent for the bank to say: "We are only going to give 75, 65, 50 per cent of the value of your 60 day's accounts receivable". This is the reality small business is faced with.

We come back to our little pizza shop owner. The bank will also say; "By the way, we also want to have some way of attaching a mortgage to your equipment". Everything is absolutely tied down.

I suggest to the hon. member who proposed this bill, and there is no question in my mind that it was proposed in good faith, that if he actually speaks to the small business people in his constituency he will find that everything is completely tied down. Can he imagine that the bank or the lending institution of the business person's choice is now going to be told: "Oh, for every employee that I get, I will be guaranteeing up to \$9,000 for that employee that you will not be able to touch".

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That will be first charge. You will not be able to get to your pizza oven. You will not be able to get to your metal press. You will not be able to get to anything until that \$9,000 per employee is satisfied. I suggest to the member that we would be shutting down the ability of small and medium sized businesses to get the cash they require to do business on an ongoing basis.

I want to vote in favour of this. I understand the motivation of the member in proposing it. I want to support the employees because they deserve support. I want to support them because they are the lifeblood, the reason why a business is going to succeed. I want to vote in favour of it but I will not because without the ability to have access to adequate funding, in putting employees first the business will not exist and the employees will not even have a job to go to.

It is with regret that I must say I will be voting against the member's bill.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I am happy to have an opportunity to speak on Bill C-237, which provides a super priority for wage earners and travelling salesmen who can claim up to \$9,000 owed to them in the event of bankruptcy.

(1820)

I would like to begin by picking up the point of the Reform Party member about how difficult it is for small and medium sized businessmen and women to get access to capital today. Because small business has a difficult time in getting access to capital, quite often the supporting suppliers to a small business will put their product or material into the business knowing that they have put themselves in a secure position. In fact when small businesses cannot get capital it is their suppliers that keep them going and help make them viable.

This bill is not only going to affect the way the banks look at financing small businesses but it will also create a situation with the suppliers where they will be hesitant in putting their product into a small business environment at a very generous credit condition.

We realize first of all that bankruptcy and insolvency are very complex issues. In the event of a business failing and going bankrupt there is only one pie to divide. If suddenly the priority is put on the wage earners and the travelling salesmen at a \$9,000 level, not much room is left in many instances for the other components in the business equation.

I would like to repeat that the intention of the member is right. It is a complex issue. We amended the Bankruptcy Act just two years ago. Currently the Minister of Industry has the department developing a database on all the activity around bankruptcy cases. These studies are ongoing.

I really believe it is inappropriate to support this bill at this time. We should wait until we have the results of all that data which is being collected.

The member for Kootenay East has said something about the importance of the employee to the viability of the business. I share his view and I obviously believe that would be the view of the member for Portneuf as well.

In a case where we are putting all of the employees in a business in a super priority position at \$9,000 per person, this would really affect the ability of a small businessman or woman to obtain the support that is usually required from banks. As we all know, even in the current condition banks are making it very difficult for small businessmen and women to obtain the necessary capital to meet their business plans and their objectives. Until we have the banks acting more progressively and until their attitudes change toward small business, this bill should be defeated.

The other thing I mentioned has to do with suppliers. I believe that if we sent a signal in a business that if the employees want to show confidence in what they are doing they should not be doing it by putting themselves in the priority position to the tune of \$9,000 a head. That in turn might have an adverse reaction on the suppliers to the business. Quite often in small business situations these suppliers can make the difference in viability, as I mentioned earlier.

(1825)

Mr. McClelland: Are you talking about somebody working on a loading dock?

Mr. Mills (Broadview—Greenwood, Lib.): We are talking about wage earners and travelling salesmen. The bottom line is as the member for Kootenay East said, if you have a small business it might only employ 10 to 20 people. You are talking about a priority call of \$180,000 just on 20 people. A first charge of \$180,000 on a business is a heck of a lot of money.

Everyone knows I am a believer in equity participation. I used to work at Magna International. I believe one of the reasons that company has grown from seven employees to 20,000 is because every employee has shares in the company. They have a piece of the equity. That is the reason they make better products at more competitive prices. But that of course is not what we are debating here today.

I would ask all members that we defeat this bill and that we wait until the final results of the study come from Industry Canada on all the current activity in the bankruptcy area as a result of the last bill.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, even if there are limits to what one can say in this House, I am outraged and shocked at what I just heard. On the one hand, very generous speeches on workers and employees, all those people who make it possible for the big shots to get richer. On the other hand, a

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compassionate one on those poor small and medium-sized businesses having serious difficulties, and I agree businesses do experience difficult situations. But who do we want to protect here? The banks? In that case—

An hon. member: The suppliers.

Mrs. Lalonde: They can go back at any time and get all of their supplies back from the businesses.

This is a ludicrous situation that has been going on for years. I worked in labour organizations at one time, a while ago, but in those days, I must tell you I fought hard for the value of employment to be recognized. I will come back to that aspect some other time. For years now, workers have been in a situation where they are thrown out on the streets without notice and with no means of getting paid for salaries owed to them, no pension fund and no vacation pay, compensations they earned by working hard and that are owed to them. They are totally helpless and deprived of everything. Now we say it is because of the banks.

This all powerful House of Commons could certainly give some thought to this issue. I think members here must vote according to their own consciences because we all know this is a matter of principle. It suggests that the government deal with this issue as a priority.

I understood very well the speech made by my friend—I am sorry, I meant my colleague—here besides me and I cannot say I am insensitive to what he said, but I will reply the same way. We cannot let others tell us what to do regarding workers who have earned salaries, small salaries, when we see banks threaten not to finance them.

(1830)

I am proud of my colleague who is here in the House. Let me explain that the maximum of \$9,000 he mentioned when he introduced this bill, would, of course, be an exceptional situation because in most cases, employers pay salaries on a weekly or bi-monthly basis. It is an exceptional situation, but there have been cases where some very substantial amounts have accumulated.

The hon. member also pointed out that if they are protected, employees will be more inclined to take a chance to help a small business through a rough patch, if they have the assurance—as my colleague argued—that they will recover their stakes. This aspect can be extremely important for a small business because, as far as I know, the banks often do not treat them very well and give no warning before they pull the plug, as they say.

Consequently, it is important for small businesses to know that employees will have certain guarantees and will be able to stick with their company, even when times are hard. Today, however, employees bear the brunt of these hard times, while when business is good, they do not get any of the profits.

To me, it is a case of elementary social justice. I think we should look at what we can do to make the banks take this into consideration. In fact, the government has promised it will prepare a plan for small business financing and for dealing with their specific problems. But it should not let the success of small businesses depend on their ability to avoid paying the wages, annual leave and pension benefits to employees who earned them.

I expect the House to vote in favour of this bill. It is a vote that reflects a principle and a commitment and tells the government: Do what governments have been promising all along and what workers now consider to be a running gag. If that is what the unions think, you can imagine what non-union workers are saying.

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, it is a pleasure to rise today and discuss Bill C-237. This bill proposes to change the priority of payment of claims provided for in the Bankruptcy Act so that employees be the first to be paid in case of their employer's bankruptcy.

The hon. member for Portneuf is proposing to pay these claims, up to a limit of \$9,000, to each employee of the bankrupt business. I congratulate him for this very commendable initiative.

At first glance, and before thoroughly examining the consequences of this bill, I would have been tempted to support it. However, after some deep thinking and research on the issue, I came to another conclusion, at least for the time being.

I would like to remind the hon. member that the contents of Bill C-237 have been proposed many times in the past. And each time, that proposal or another one such as this has been thoroughly examined. I am alluding here to seven pieces of legislation that have been moved since 1970 on the issue of employee protection, as well as seven other reports that were tabled on that issue since that time.

Finally, these failures led the previous government to forgo the provisions relating to the wage claim payment program in order to have other provisions of the Bankruptcy and Insolvency Act adopted. There should be a clear message here.

There is still room for improvements, but the present situation is better than the one which prevailed in 1992, when the act was reviewed.

(1835)

At that time, employees could expect only \$500 if they lost their jobs when their employer went bankrupt. Now, workers have a privileged claim up to \$2,000 for the six months preceding the bankruptcy. The new provisions of the legislation provide that no tribunal can approve a proposal unless it includes payment of wages owed to the workers up to \$2,000 per worker.

Bankruptcy and insolvency are complex issues, but the general picture is easy to grasp. There is a single cake of finite size. If you cut a bigger slice for one group, let us say the employees, clearly the remaining slices will be smaller. If a super-priority is given to one of the parties, it will be more difficult to pay the others, including secured creditors.

We have no other choice but to look at the whole picture, which requires time, expertise and concerted efforts. We must, at least, have a good idea of the impact one priority will have on all the others. Even if all parties co-operate and work harmoniously, a certain balance will have to be struck when dividing the cake.

Who should carry the burden of paying the employees up to \$9,000 in the present difficult situation? What would the consequences of such a measure be on credit institutions, when fledgling or shaky companies come knocking on their doors with a potential debt of \$9,000 per employee? What will they say to these companies who might employ more people than they should? Can we accept that they be penalized because they created jobs in an economy where jobs are difficult to come by?

Moreover, should employees show solidarity and assume, with those who really benefit, part of the financing necessary to protect a large work force? Briefly, let us say that we do not know precisely what measure would protect the workers more effectively, but Industry Canada continues to collect data, while the debate goes on. At the very least, establishing a super-priority, whether for employees, creditors or consumers, would have serious implications for everybody concerned.

The whole economy will feel the consequences. Until the government has answers to these questions and many other crucial and closely related questions which directly affect the superpriority issue, it is useless to try to deal with the complexities of specific priority claims. The claims of employees are part and parcel of the larger issue of bankruptcy reform, that we will be debating in upcoming months.

I would be hard-pressed to choose between the priority rights of the employees, or those of the suppliers, who have the right to take back their merchandise, or those of the buyers who made their purchases in good faith, not knowing that those goods were about to be repossessed. Again, if we put companies in such a position that they have to close down or if we create a situation where their available capital will disappear, their employees will have to look for jobs somewhere else.

We are still at an early stage, maybe not so early if one considers the history of Canadian workers, who had been expecting for a long time what they finally obtained in 1992, but nevertheless it is early in the context of the new legislation and of the related review process which should be completed by 1995.

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(1840)

It was a fierce battle from the beginning, and it took 40 years before we could get a revision of the Bankruptcy Act in 1992. There was widespread consultation of the people concerned because lots of diverging interests were at stake.

Perhaps those questions should not even be discussed in the context of general legislation on insolvency. The government must consider a debtor company's capacity to negotiate its successful restructuring.

Again, this is a web of very complex problems. In order to devise legal options that really work, the people concerned and the government must co-operate. We must all work to maintain the process by means of a review after three years and people must inform the government of any aspect which is of importance to them.

Another way to protect the reform, in political terms, is to try to guarantee government the largest possible consensus among stakeholders on any future reform. That is what we are trying to do with our consultation and partnership approach.

I am convinced that the member for Portneuf has no desire to introduce a bill that would imperil the jobs of those very workers that he is trying to protect. I am equally convinced that he would not want to help a small number of workers at the expense of the majority. In no way am I questioning the good intentions of this bill's promoter. I am not necessarily taking sides in this matter. I am merely trying to obtain more information in order to understand the real effect of this superpriority.

In my opinion, the House should consider employee protection in the larger context of bankruptcy, and to do so, it should wait for the results of studies already under way. I also feel that it is too early to evaluate the repercussions of the priorities which, as I said, are mentioned in the new Bankruptcy and Insolvency Act. We must tackle the various aspects of bankruptcy, ranging from the international to the individual level.

The House should go ahead with its review and allow the government enough time to receive its advisory committee's recommendations on the matter. Consequently, the House should reject Bill C-237, at least for the time being.

[English]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to rise today speak to Bill C-237, an act to amend the Bankruptcy Act.

When I review the intent of the bill a couple of things strike me. First, the intention behind it is certainly good. It says something about the person who has moved the bill, that they want to protect the employees of a business that has gone bankrupt. Certainly all Canadians sympathize with people who would be denied their wages because a business has gone

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bankrupt and they are not at the top of the list of the secured creditors but are well down the list.

Having said that, I am also struck by another concept that I read about some time ago and recently reread. It just really impressed upon my mind how often we get away from this whole idea in government when we are making important decisions that can affect individuals and businesses across the country.

I remember reading in a book by an economist by the name of Henry Hazlitt about how often one of the greatest failures of economists and people who are making decisions that affect economies is to not foresee the secondary and unseen effects of the measures they are proposing. With respect to my hon. friend in the Bloc I think that is what we have done in Bill C-237, an act to amend the Bankruptcy Act.

(1845)

One of the unseen effects of the legislation—and other members have referred to it—is the kind of incentive there would be for banks and providers of capital to continue to provide that capital to businesses.

Banks are already very reluctant to provide capital to businesses for a number of reasons. My hon. friend from Kootenay West went through a litany of the things that banks require before they will lend a business money. Now the amendment to Bill C-237 is proposing to put one more impediment in place that would cause banks to think twice about funding a business.

That is a great concern to me. It is a great concern to the government across the way and I believe to the Bloc. As has been referred to many times in the House, the great engine of the economy in Canada is small business. Small business creates 85 per cent of all jobs in the country.

On one hand the bill appears to be protecting employees. On the other hand we do not see all the jobs it would prevent from being created because banks and other providers of capital would be reluctant to lend the money knowing their loan is not secured under the proposal.

That is something we have to be conscious of, particularly in the competitive environment we have today not only within Canada but within North America and certainly around the world. There are all kinds of different advantages that other countries have and will try to use against us to get their share of the market.

We are a relatively wealthy country. We can attribute that to the small and medium sized business to a great degree. We have to be conscious of the types of burdens we impose upon them when we propose to do what seems on the surface to be a very

good thing. Canadian businesses, small business in particular, are the creators of jobs and all that wealth out there.

I am not certain the hon. member has really taken that into consideration. Banks and anybody else who provides capital have many options when they think about where they want to invest their money. Capital is very fluid. It flows to where it gets the highest return and where the risk is the least. One thing that may happen if the bill were passed would be that banks would start saying that they do not want to fund small businesses because they are not going to be a secured creditor. Another thing that could happen is that they would fund them but raise interest rates. They would put on a risk premium because they are concerned about losing their money.

We already have a problem in the country where we have some of the highest real interest rates in the world, which again hurts our competitive position. We have to think long and hard about the repercussions. If we are in that position where businesses are forced to pay higher interest rates then we will have a situation where there will be less jobs created.

Those are the things we never see and are never reported in the newspapers: the jobs that are not created and the businesses that are not started because of legislation. It is very easy to point to a plant closing somewhere and say: "Is it not a shame those people did not get their two weeks' pay?"

Is it not also a shame when people do not go into business because they know the bank is going to turn them down? The bank is not confident it will get its money back because it is not at the highest level on the list of claims; it is not a secured claim.

We can take a look at what the government is proposing in many areas. Infrastructure would be a good example. Any time the government prepares to intervene in the economy we have to think about the secondary and unseen effects.

(1850)

There is another aspect that I would ask hon members in the House to consider. What if a supplier to a business is barely hanging on and has a lot of employees who are trying to keep their jobs? They do not want to end up on the unemployment or welfare rolls, yet all of a sudden the position of the struggling business is not secure any more. The government has extended the misery a little further down the line. The next guy down the line is in a position where he may be forced into bankruptcy and people may be out of a job because of the situation the government has imposed by approving Bill C-237.

There are effects that go beyond the banks and interest rates. There are also the effects on suppliers. Suppliers may be very reluctant to extend supplies or inventory to anybody but the most secure businesses.

Private Members' Business

In this environment in this day and age we know that no such businesses can be completely guaranteed against failure. Over the last recession we saw businesses fail that were in operation for not only tens of years but in some cases over a hundred years. That speaks volumes about the competitiveness of the environment and perhaps a bit about the instability of the business environment. Even in the best of times businesses cannot be counted upon to survive because they always have more and more competition.

I know members of the Bloc are supporters of free trade. We now have trade deals with the United States and Mexico. I am not aware of any such legislation in either the United States or Mexico that would parallel this legislation. In other words, we would be putting a burden on Canadian businesses, Canadian suppliers and Canadian providers of capital that does not exist in some other countries around the world, in this case particularly the United States and Mexico.

A couple of things could happen. First, businesses in the other countries will have a competitive advantage over Canadian businesses. Entrepreneurs from this country and Quebec can go south of the border. Perhaps they can go to Mexico if they have any type of business idea that will prosper no matter where it starts up. They can go there to escape the type of legislation we are talking about here.

Another thing that can happen is that capital can flow out of this country to more friendly environments where capital is treated with a little more respect. Maybe another way to put it is that the business environment is a lot more friendly. As I pointed out a minute ago, capital always flows to where it can get the best return and where there is the least risk.

In this day and age in this environment in Canada we have a \$535 billion debt and we are going into debt at a rate of \$40 billion a year or perhaps even more than that. We have some of the highest interest rates in the world. We have some of the highest taxes in the world. We have all kinds of competitive disadvantages. We have hot competition because of free trade with the United States and Mexico. Through GATT we have more trade pressures from around the world. Given all these factors I think it would be foolhardy to support the legislation. Therefore I will be voting against it.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, it is with great pleasure that I rise in this House today, October 25, 1994, a year after the election. I would like to thank the people of Trois-Rivières for having placed their confidence in me and I hope that I have been worthy of it. I can assure my constituents that I will do everything in my power to keep their trust.

(1855)

I would also like to briefly thank my organizers at the time, 800 party workers who, on October 25, 1993, worked for my election under the capable leadership, I would like to point out, of Diane Talbot to whom I paid tribute this morning.

I am pleased to take part in this debate on Bill C-237, An Act to amend the Bankruptcy Act (priority of claims). The bill's explanatory note reads as follows:

The purpose of this bill is to change the priority of payment of claims in case of the bankruptcy of an employer, in order that the wages, salaries and pension plan contributions of an employee, up to a limit of nine thousand dollars, be paid in priority to any other class of claims.

At this stage, I wish to commend my colleague, the member for Portneuf, for his determination, insight and courage in presenting this very socially-oriented bill, it must be said. Some societal choices are implicit in such a bill, in such a way of looking at things.

This issue was discussed in Parliament for the first time in 1919. However, even though most of the discussion on this idea of priority or super priority of wage claims has occurred over the last 20 years, the bank lobby always seems to win out, at the last minute. That is obvious in all the documents one can read on the issue.

When a bankruptcy occurs, there are secured creditors, preferred creditors, and then common creditors. Workers rank fourth among the preferred creditors.

We have to realize that a bankruptcy means something painful and sad which someone has to pay for. Since we can identify at first glance four types of major players that are always there: the government, the suppliers, the lenders and the workers—there are always four types of players—we must ask ourselves who is in the best position to assume the loss. Who is the most vulnerable? We could quickly analyse this.

Is it the government that has the most to lose? If it assumes some losses, despite the disastrous budgetary situation that it is in right now, this will always represent, in terms of revenue, of shortfall, a drop in the ocean. If ever the situation that is advocated became as dramatic as that in terms of lost revenue, the government could always change the act, since it has this legislative authority as well as being a player in the debate.

There are the suppliers who can pay, and they are increasingly better protected by the new Bankruptcy Act that was changed last year. If they sustain losses, they can file them as bad claims which will reduce their income tax accordingly.

There are lending institutions, particularly banks, for which these are bad claims, first on the accounting level. They could see here a means of improving their social responsibility, of improving their follow-up advice on the case, and perhaps a means of better disciplining themselves, knowing that they will now have something to lose if they pull the plug, as was mentioned earlier.

Adjournment Debate

Finally, there are the employees, who have no leeway whatsoever to make up for the loss that they fall prey to in the case of a bankruptcy when we decide, under the present act, that they will have to pay. They have no way out.

I will put forward a principle that has not been proposed yet, the principle of the most vulnerable. Who is the most vulnerable? A quick analysis shows that in a case of bankruptcy, it is obviously the workers, who foot the bill, and not only directly, since they will not receive any salary and wages and they will have incurred expenses during that period. I am talking about expenses in terms of transportation, meals, clothing and even housing in some cases. And then they find out one, two, three or four weeks later that they will not get any wages, they will not be able to provide a decent living for their family for that period. Moreover, they will have spent money to go to work for an employer who is not able to pay them, which is contrary to the intent of our legislation where a service is provided for a salary.

(1900)

They say that from now on, banks would be very reluctant to loan money. I take this opportunity to invite people to read the report the industry committee has just tabled. It mentions that the Small Businesses Loans Act will be broadened to include exporting businesses. The Bloc Québécois made a special recommendation to the effect that the Small Businesses Loans Act should apply to all businesses with respect to loans and working capital. If our recommendation were to be accepted, it would make banks feel more secure when things go sour, since the loans would be guaranteed by the government, which would lessen their losses.

I take this opportunity to say that this is an excellent piece of legislation and that, contrary to those who would like to narrow its scope, I, for one, claim that if we were to review this act which guarantees bank loans, we should make a cost-benefit analysis, taking into account the jobs it creates, the taxes it generates, and the savings in unemployment insurance and welfare it represents.

Once again, I congratulate my colleague. Mr. Speaker, I am quite sure that you would like to know that the sovereign Quebec of tomorrow will be a little bit like this. It will respect individuals who are the driving force of any activity, be it economic or otherwise.

[English]

The Speaker: My colleagues, the time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS*[English]*

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, on October 3 I asked the Minister of the Environment a question about the toxic substances policy she announced on September 27. I asked her when the measures on pesticides would be implemented and what the timeframe for the policy was.

The minister replied that she had the intention of introducing implementing legislation in the early spring. Some suggestions might therefore be in place here tonight.

The goals of this toxic policy are as follows. First, to virtually eliminate from the environment substances that are the result of human activity, persistent, bioaccumulative and toxic. Second, to ensure that all other substances of concern are adequately managed throughout their use so that there is minimum impact on the environment and human health.

Those substances which are persistent, bioaccumulative and toxic are to be virtually eliminated from the environment through a management program that ensures "no measurable release" of each substance. However, when it comes to substances which cannot be controlled, measures will be taken to prevent their generation and use. The onus will be on industry to demonstrate that the proposed management program will ensure that there is no measurable release of the substances into the environment.

The first point that I need to make here tonight is that if we are to have a sound toxic policy in Canada we must ensure that it is based on sound concepts. Clearly pollution prevention is at the crux of this policy. Is it adequate to say that pollution prevention is the control of the release of toxic substances rather than the reduction in their generation and use? Will control of release be adequate to protect human health and the environment?

Second, the term reverse onus is used throughout the discussion paper. Reverse onus is actually intended to mean that no production or use of substances is allowed until it is proven that these substances are not toxic. This burden is intended to fall upon industry and not on the government. Therefore I would suggest the proposed reverse onus should be expended so as to apply to proving the safety of the substances first and then to the management plans.

Adjournment Debate

(1905)

Third, the definition of toxicity. It is based on the Environment Protection Act definition which states that the substance is toxic if it is present in the environment and in a quantity or concentration that may have a harmful effect on the environment or may cause an endangerment to human health.

Why not then adopt a definition of toxicity that does not have thresholds so high that the scope and effectiveness of the policy is thwarted? For example the policy proposed by the government is intended to apply to all substances used and released into the environment. Is this definition broad enough? Should it not include threats posed to human health on sites where these substances are used prior to the release of the substance into the environment?

Fourth, the concern that for a substance to be considered toxic it must meet certain threshold levels in three different criteria; persistence, bioaccumulation and toxicity. For some reason the proposed policy contains threshold levels that are often higher, less stringent than those proposed by the Ontario government, the priority substance list of the Environment Protection Act. Should we not ensure that we have stringent threshold levels to ensure the safety of human health and the environment?

To conclude, the success or failure of the proposed toxics policy rests on definitions and criteria. If they are too weak then the rest of the policy will be ineffective.

My question to the minister is will the proposed definitions and levels be re-examined and brought up to levels required to protect all life in the long term?

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in reply to the hon. member for Davenport I would mention that a toxic substances management policy was released on September 27 and given a period of 60 days for consultation and comments from the public and other interested bodies.

This period is going to end on November 30, 1994. Obviously among the comments I expect to be received include the key questions raised by the hon. member such as what really constitutes pollution prevention. Today the minister alluded to pollution prevention in a statement in the House as part of the very basis of our objective in trying to pursue environmental and sustainable development goals.

The question of pollution prevention, the definition of toxicity, the whole concept of reverse onus, the whole question of levels raised by the hon. member are obviously going to come up. These concepts or ideas require co-ordination with existing instruments, as rightly underlined by the member, with CEPA and with the other policies and programs of government.

What I strongly suggest to the hon. member is given the high regard in which he is held by all his colleagues in regard to environmental questions, including by the minister herself, is that he provide his input into the consultation process on these very issues that are so crucial to a reliable toxic substances policy.

I would suggest to the hon. member that between now and November 30 he let the minister have his thoughts and I can assure him they will be taken with very serious and constructive consideration.

FOREIGN AFFAIRS

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, on October 19 I rose in the House to ask the Minister of Foreign Affairs what leadership role Canada would undertake to restore the Ukrainian economy after decades of economic and environmental mismanagement under the former Soviet regime.

I was very pleased to hear the minister indicate to this House that last July in Naples the G-7 countries endorsed the proposal of the Prime Minister to host a conference on economic reform in Ukraine.

As a Manitoban and a Canadian of Ukrainian descent I am very proud that the economic conference will take place in Winnipeg on October 27. The meeting will be attended by officials from the G-7 countries.

I understand that a proposal at this meeting is to discuss Ukraine's plan for economic reform and international support for Ukraine's economic transformation. I know that it is important that Canada and the G-7 countries encourage Ukraine to implement an economic reform program in co-operation with international financial institutions.

I was very pleased to hear that Canada is totally committed to Ukraine and has committed over \$41 million to over 70 projects. It has been brought to my attention that Canada will further pledge up to \$20 million in aid to help Ukraine transfer its economy to a western style market system.

I strongly believe that these projects are an investment in the future of Ukraine and an investment for Canada. These projects will be beneficial for all parties involved. This will open up a whole new market for Canadian businesses. Presently Canada and the United States are the only countries which have pledged their assistance.

During the Winnipeg meeting officials are expected to encourage the G-7 countries to pledge aid. I would very much like to get clarification on exactly how Canada is investing in the future and fostering better ties with Ukraine.

I am also very concerned about the environmental mismanagement that occurred under the former Soviet regime. Therefore I would like to know exactly what is going to be done concerning the environmental cleanup and the prevention of further pollutants being released into our environment.

Adjournment Debate

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank the hon. member for Selkirk—Red River for raising this issue and a number of issues especially when the President of Ukraine is visiting here in Canada.

Canada's special relationship with Ukraine is based on the close ties established with the 1 million strong Ukrainian Canadian community. The Prime Minister has worked to put the G-7 focus on Ukraine.

Canada is hosting, as the hon. member has already said, a conference on partnership for economic transformation in Ukraine in Winnipeg on October 27 which will include representatives not only from the G-7 countries but the European Union, IMF, World Bank, European Bank, Russia and Turkmenistan.

Canada has encouraged the Ukrainian government to adopt genuine economic reform that would be supported by IMF and World Bank lending. We welcome President Kuchma's new reform program which represents a bold step forward.

Canada will continue to play a leading role in supporting reform in Ukraine. Canada and the United States were the only two countries to make pledges during a recent IMF meeting which considered Ukrainian financial needs for the fourth quarter of this year.

During the visit of President Kuchma to Canada this week several new initiatives have been announced. This package includes \$23.8 million in technical assistance initiatives which target policy advice on reform, private sector development and nuclear safety issues; \$13.5 million in balance of payments support and a new \$20 million EDC line of credit.

Protection of the environment is of critical importance to Ukraine, and Canada is demonstrating its leadership in this area through a number of technical assistance initiatives targeting water resource management and nuclear waste management.

Canada was the first donor country to implement a major environmental project in Ukraine.

We are currently supporting a \$5 million, three-year project to assist with the rehabilitation of the Dnipro River, the source of drinking water for 70 per cent of Ukraine's population and one of the country's most pressing environmental problems.

The Speaker: I thank hon. members for their interventions.

Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.14 p.m.)

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