



House of Commons Debates

VOLUME 133

NUMBER 153

1st SESSION

35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Wednesday, February 15, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Wednesday, February 15, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

SOCIAL PROGRAMS

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, the premier of Alberta recently received a B-plus grade from the Fraser Institute for his government's approach to fiscal management and deficit reduction in my province. In its eyes he is an honour student.

However in another report card, one given by the people of Alberta, the premier received a failing grade for his approach in cutting essential services. The disapproval is growing. Some 69 per cent believe changes in health care services have been brought about irresponsibly while 67 per cent disapprove of how the province has handled cuts in education.

Albertans, like all Canadians, support leaner and more efficient government but they will not accept an assault on their most valued and essential services. The premier's approach may be praised by a few but it is not a responsible one in the eyes of many.

The federal government on the other hand will act responsibly in the upcoming budget by controlling spending and reducing waste. However we refuse to sacrifice the things that Canadians value most for the sake of a few accolades.

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[*Translation*]

QUEBEC SENIORS' FEDERATION

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, the Quebec seniors' federation or Fédération de l'âge d'or du Québec celebrated its 25th anniversary yesterday. On this occasion, its president, Mr. Philippe Lapointe, reiterated the FADOQ's commitment to participate in the important discus-

sions on sovereignty and on the reform of social programs, in which the Fédération was quick to support the students.

Seniors are currently taking part in the vital process of consultation on the future of Quebec. Every day, the Commission des aînés meets with many seniors who come to voice their questions, fears and aspirations.

Mr. Lapointe said the FADOQ would follow the debate closely. The Bloc Québécois is delighted by the calm and watchful attitude of the FADOQ and hopes that its members will participate actively in the consultation process so they may define the country they helped build.

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[*English*]

WESTERN ECONOMIC DIVERSIFICATION

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, over the years western economic diversification has sunk taxpayers' money into all kinds of projects: the Custom Gourmet Coffee Shop, Dave's Pizza, Imperial Oil. Even Novatel had the pleasure of receiving taxpayers' dollars courtesy of WED.

Today taxpayers can take delight in knowing their hard earned dollars are going to yet another worthy project, the Artificial Reef Society of British Columbia. WED is loaning \$160,000 to this group so it can buy a ship from DND. It wants to use government money to buy a government ship so it can be towed out to sea and sunk.

What an investment. To top it off this group claims it will pay WED off by selling salvaged boat parts. We hear old boat parts are selling like hotcakes. WED will be repaid its \$160,000 in no time flat at the used boat flea market.

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CANADIAN FLAG

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, I am pleased to inform the House of the visit to Ottawa today by Mrs. Cathy Ingram, a teacher at the Fellowship Christian School, and her students from the city of Waterloo. I am pleased they are in Ottawa today as we celebrate the 30th anniversary of Canada's maple leaf flag.

As a former refugee who came to Canada with my parents, brother and sister in 1957, I now have the privilege of repre-

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senting the constituency of the federal riding of Waterloo. I bear witness to the idea of compassion, sharing and equity that Canadians represent and what our flag symbolizes.

Our flag represents a beacon of hope in a troubled world, a world that is too often torn by strife based on ethnic, race, religious and national intolerances.

Let each and every one of us appreciate the model that Canada represents and commit ourselves to working together to enhance what we have built—Canada.

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DR. J. A. DOIRON

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I would like to take this opportunity to honour the life of a great Canadian and former Lieutenant-Governor who passed away recently.

Dr. J. A. Doiron was one of the first Acadians on Prince Edward Island to serve as the Queen's representative as Lieutenant-Governor.

Dr. Doiron was a true patriot both to his country as well as to his Acadian heritage. It was his belief that to understand the heritage of all Canadians was the first step in building a strong Canada. He took pride in serving as one of the only bilingual dentists on Prince Edward Island and was a member in many island francophone organizations. Dr. Doiron received honorary doctoral degrees in humanities, laws and the social sciences.

Perhaps one of his proudest moments was receiving the Order of Canada in July of last year. Dr. Doiron was a true gentleman, was loved by all who knew him and will be missed dearly by his family, friends and all Islanders.

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NATIONAL BIOMASS ETHANOL PROGRAM

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, on December 21, 1994, the National Biomass Ethanol Program was announced committing up to \$70 million in contingent loan guarantees to ethanol producers.

(1405)

On behalf of the ethanol task force, I wish to thank the Prime Minister, the Minister of Agriculture and Agri-Food and the Minister of the Environment for their commitment to making domestic ethanol production a reality.

This program has already inspired nearly \$300 million in private investment for two ethanol plants in Ontario alone. These plants are expected to create 1,500 construction jobs, 150 permanent jobs and add \$175 million annually to the local economies of Chatham and Cornwall.

As the name of the program suggests, this is a national program and all of Canada will benefit from this announcement. Canadians will now be able to use renewable, clean air fuel which is domestically produced from Canadian biomass.

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*[Translation]***CHIAPAS**

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Bloc Québécois is delighted at the decision by the Mexican president, who ordered the army, yesterday, to stop its offensive action in Chiapas and who proposed a truce to the rebels of the Zapatista National Liberation Army.

We hope that the resignation of the governor of the state of Chiapas will help bring peace once again to the region.

Let us hope now that the Mexican government will take whatever steps are required to improve the appalling living conditions of the Indians in the state and that it will succeed in changing the region's political and economic structures in the near future, so that the claims of the people of Chiapas may be defended fairly within the law. By proposing to bring a return to peace and avoid armed confrontation, the Mexican government is giving us hope for the future.

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*[English]***DANGEROUS OFFENDERS**

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, on Sunday, February 12, 1995, 2,500 citizens of Surrey, B.C. braved the elements to join Mr. and Mrs. Steven Carpenter's walk in memory of their daughter Melanie who was tragically slain in early January.

Today in my riding, the citizens of Cranbrook, British Columbia are conducting their own march in support of the Carpenter family and to speak out against early parole of dangerous offenders. The march is spontaneous. It is grass roots. I commend the efforts of my constituents and only wish I could join them.

Fernand Auger, the suspected assailant of Melanie Carpenter, only served two-thirds of his sentence and was obviously not rehabilitated, let alone ready to be released into society.

The Liberal government has shown in the past that it is not interested in listening to the concerns of Canadians. I therefore implore the justice minister to listen to the hundreds of thousands of Canadians who are worried for the safety of their families and support my Reform colleague's Bill C-240 which would prolong the detention of these high risk offenders.

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THE BUDGET

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, as we approach the release date of the federal budget, Canadians are expressing some very strong opinions about what should be and should not be contained in that budget.

One thing we should not overlook in this process is that the current emphasis on expenditure cuts will leave people living in rural areas of Canada more adversely affected than their urban neighbours.

If the emphasis remains where it is today, the reduction in rural services, which began with former Prime Minister Brian Mulroney's cuts and closures to post offices, will continue in transportation and rural support services. For example, the national highways program is threatened, the rail system is under attack and rural local airports have lost support.

Rural residents will find that they have to go further and spend more money to maintain their quality of life because of these and other cuts.

The policies expressed and implied by the federal finance minister are not being delivered in a fair or even handed way and Canadians should take note of this.

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CANADIAN ARMED FORCES

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, over the past number of weeks Canadians have expressed abhorrence concerning videotaped hazing rituals and other deplorable conduct that has occurred within our military service.

The reputation of the Canadian military has been significantly harmed by these revelations. To suggest that these activities are innocuous or nothing more than male bonding essential to teamwork is an affront to dignity and common sense.

What we have witnessed is human degradation, racism and other completely unacceptable activities. The Minister of National Defence has acted prudently, expeditiously and decisively in order to send a clear message from the bottom to the top of the military establishment that these activities are a disgrace to our proud military tradition and that they will not be tolerated now or ever.

I commend the minister and those within the department who are working hard to restore integrity and professionalism in the military and to restore its now tarnished image.

DR. GEORGE STANLEY

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, as a New Brunswicker, I am pleased to pay tribute today to Dr. George Stanley.

(1410)

Dr. Stanley is a former Lieutenant-Governor of New Brunswick and a key player in designing the Canadian flag.

During Dr. Stanley's tenure as dean of arts at Canada's Royal Military College in Kingston, he drew a design of a maple leaf placed on a red and white background. This design Dr. Stanley modelled after the college's own flag.

On February 15, 1965, the maple leaf was raised over Parliament Hill. To quote Dr. Stanley:

A flag is more than a means of identification. It is the embodiment of what a country stands for: It is the symbol of the ethos or spirit of a people, its aspirations, its will to live and its determination to play its role in history.

How true are those words, Mr. Speaker. I add that our flag is also the symbol of unity, one that speaks for all the citizens of Canada.

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[Translation]

REPRODUCTIVE TECHNOLOGIES

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, a decision handed down by the Ontario Court highlights the need to adopt legislation to establish the legal and ethical framework for new reproductive technologies. After separating from his wife, a man was declared the legal father of a female child, although the child was conceived by artificial insemination from an unnamed donor.

In the absence of legislation on new reproductive technologies, the judge gave priority to the child's interests, but there is nothing to say that this will always be the case.

This situation points to the important impact of new reproductive technologies on the people who use them. The government has not yet stated that it will soon introduce a bill to prevent potential abuses in this area. Is it waiting for a mockery to be made of children and parents' rights before taking action?

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CANADIAN FLAG

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, 30 years ago, I was moved by a ceremony at the Citadel in Quebec during which the Canadian flag was hoisted for the first time.

*Oral Questions**[English]*

I was impressed then, as I was two hours ago, to stand on the lawn in front of this building to participate again in a memorial to our flag of 30 years.

I would ask Canadians in this House to join me right now in singing *O Canada*.

[Editor's Note: Whereupon members rose and sang O Canada.]

The Speaker: Colleagues, a little earlier in the House one of our members, as I said, was using a prop. He used the Canadian flag. I am very hard pressed to intervene at any time.

I am not sure the statements were designed for the singing of a song, but I am very hard pressed not to have you, the members of the Parliament of Canada stand and sing our national anthem. In keeping with this, I was going to wait until three o'clock, but I think I will proceed now.

(1415)

I would like to introduce to members and to all of the citizens in Canada the two designers of our Canadian flag, Mr. Stanley and Mr. Matheson who are with us today.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[Translation]

TRANSFER PAYMENTS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday, the Prime Minister said in this House that his government was preparing to offload financial responsibilities on the provinces without giving them sufficient resources, let alone tax points, to deal with this new development.

Would the Minister of Finance confirm that in his next two budgets, thus reflecting what was said by the Prime Minister, he is planning a wholesale shift of certain federal commitments to the provinces, without transferring the requisite financial and fiscal resources?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, yesterday we had an excellent meeting and some very useful discussions with the provincial Finance ministers. I presented them with the main parameters of the reforms we have in mind. First of all, I told them there would be no surprises and second, before anything is done affecting the provinces, we will first look at federal spending. I think the message was very well received and that these discussions came at the right time. I am very pleased with the meeting we had yesterday.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, would the Minister of Finance agree that no matter how he intends to shift the burden of financial problems on to the provinces, nothing will change as far as the Canadian taxpayer is concerned, since if the federal government manages to lighten its debt load by transferring part of it or part of the deficit to the provinces, as far as the average citizen is concerned, the financial problem remains the same? Would he agree that is basically what his approach boils down to?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the answer is, of course, no. We are not dumping our problems on the provinces. Yesterday's discussion was about the fact that we have a national problem, at the federal level and at the provincial level. The Quebec Minister of Finance agreed, incidentally. Upon leaving the meeting, he said there was a consensus on the need for all levels of government to work together. And that is what we intend to do.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Minister of Finance may wish to refer to certain statements by the ministers, including the minister from Quebec who said that this approach would become a disaster for Quebec in 1996.

Would the Minister of Finance agree that his decision to postpone until next year the drastic cuts he intends to make in transfer payments to the provinces for social programs financing was made in order to avoid weakening the federal position on the eve of the referendum? Will he be frank and forthright and admit that major cuts are to be postponed until next year, for purely political reasons?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, in our last February budget, we made it very clear to the provinces that we intended to examine the matter of transfer payments in 1996–97. In other words, what we did yesterday was entirely in line with what we said in our last budget.

Second, what I did yesterday and my announcement about the one year postponement was something we promised in the red book, and I would advise the hon. member to read his copy again.

(1420)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, during his meeting with his provincial counterparts, the federal Minister of Finance carefully avoided discussing the issue of the GST replacement which, according to the commitment made in the red book, should normally be implemented next year. I would ask him to reread the red book, since the commitment was made in it.

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My question is for the Minister of Finance. Will the minister concede that he refused to discuss the issue of reforming the GST because Alberta, and especially Quebec, want nothing to do with a national sales tax that would limit their freedom to tax when Ottawa is also preparing to reduce transfer payments to the provinces?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the specific purpose of yesterday's meeting was to exchange points of view on budgetary issues because the federal government is getting ready to table its budget, and several provinces, for example Saskatchewan and Alberta, will also be tabling theirs very shortly. So, the meeting was quite short and its only objective was really to air viewpoints on the upcoming budgets.

Furthermore, I do not need to reread the red book; unfortunately or fortunately, I know it by heart.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, how can the Minister of Finance plan, on the one hand, to reduce the provinces' transfer payments, which will cause a shortfall in social program funding, and on the other, to shrink their tax bases by putting in place a Canada-wide sales tax which would replace provincial sales taxes? Can he explain this to us?

[*English*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, in yesterday's meeting which I must say was very constructive all the provincial finance ministers without exception basically recognized that we have a huge problem at the federal level and at the provincial levels and that it is crucial we work together to solve it. That is really the spirit that animated the entire meeting.

As far as the sales tax is concerned, that was not the purpose of the meeting. I find it incredibly difficult given the tremendous desire of the business community and consumers across this country in every province, including Quebec—all one has to look at is the Conseil du patronat, the consumers associations in Quebec—that everybody in Quebec wants a national sales tax so that we can lower the cost and make it fair.

The only people I know who are against it are Bloc Quebecois members. Then again, they are against everything.

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TAXATION

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, after weeks of telling this House that he could not reveal the contents of the budget, the finance minister appears to have spilled the beans to his provincial counterparts and the

national media. He indicated yesterday that he intends to raise taxes on corporations and so-called better off Canadians.

At what levels of household income does one become a better off Canadian and therefore a target for a tax increase?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the discussion we had yesterday with the provincial finance ministers, which was actually the second because we had one prior to the last budget, was very worthwhile. It is really part of making federalism work when finance ministers can sit down and basically off the record exchange views and build a common consensus. It was very good.

I did not go into complete detail. What I did was provide the broad outlines, and they did as far as I was concerned.

The point I made yesterday in terms of taxes was that I pointed out what I thought was a reasonably perceptive glance into the obvious. However, I will draw it to the member's attention again. We are going to close loopholes. To the best of my knowledge it is not the poor in this country who are utilizing loopholes.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Minister of Finance of all people must understand the impact of tax increases on the economy. If tax levels or other charges paid to governments are increased, one effect is to drive capital, jobs and companies out of the country.

Canada Steamships, for example, which is owned by prudent and patriotic people, has registered a number of its vessels under foreign flags of convenience to no doubt avoid paying astronomical registration charges, et cetera.

(1425)

Does the minister not agree that there will be a flight of capital, companies, jobs and productive individuals out of Canada if they are the targets of tax increases in the next budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would suggest to the leader of the third party that if he wants to go into the details of any company with which I happen to have had some association all he has to do is talk to the Ethics Commissioner who would be delighted to lay the whole thing out in front of him.

I would also suggest that if the leader of the third party wants a lesson in international taxation I am sure that some of his colleagues might explain it to him so that he might begin to understand it.

There is no doubt that any country must be competitive in its tax policies. I can assure the hon. member that we are not the party that brought in 39 tax increases in a row. We are the party

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that in the last budget dealt very fairly with the whole question of taxes. I do not believe that corporate Canada is so shaky that making the tax system fairer is going to make it leave the country.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the present premier of Ontario was chosen as citizen of the year in Buffalo, New York because his tax and spend policies drove so many companies across the line to Buffalo, New York.

Is it the aim of the finance minister to become citizen of the year in Panama by including tax increases in his next budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is not the height of my ambition to stand up in this House and defend the current premier of Ontario.

All I can say to the hon. member is that he is obviously a far greater expert on taxation in Panama and so I will let him answer his own question.

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[Translation]

GUN CONTROL BILL

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, my question is for the Minister of Justice.

After stalling for over five months, the Minister of Justice finally decided to table his gun control bill. This bill represents a retreat from the government's original intentions, especially with regard to handguns.

Since the minister claims to be settling an urgent social problem, why must we wait at least eight years for his bill to have an effect?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member knows full well that this legislation has the support of the vast majority of Canadians, particularly Quebecers.

As I mentioned yesterday, I am disappointed at the approach she is taking to this initiative. I would call upon the hon. member to stand with this government in support of this legislation to see it enacted as soon as possible.

In the meantime, let me address the specific questions asked by the hon. member. With the enactment of this legislation commencing in January of next year the registration system will be under way. Two years after that the registration of firearms will commence. By reason of incentives for early registration we fully expect that registration will be in place within two or three years of the undertaking of the program, which I think is an objective for which we should all work together.

[Translation]

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, are we to understand that this eight-year delay is the price the minister had to pay for the support of his Liberal colleagues and the cabinet?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the implementation of the registration program is timed and organized as a rational and sensible approach to the implementation of such a program on a national scale. It is the way it should be done to be done properly.

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CANADIAN ARMED FORCES

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the news reports today that Lieutenant Colonel Alan Stephens, Commander of the Canadian Logistics Battalion in Croatia, was on Saturday relieved of his command for inappropriate conduct. Will the minister provide the House with the details of this incident as he knows them?

(1430)

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member obviously knows that with respect to the privacy of the individual concerned, while investigations are pending I cannot make any comment.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, I am still looking for information.

The Royal Kingston Curling Club hosted the Labatt Tankard competition over the weekend. For no apparent valid reason, a team of five Canadian forces video technicians spent three days on full pay and allowances filming the event. As a result, they were unable to film military activities for which they had been scheduled.

Can the minister explain to the House the rationale which has a military video team filming a civilian event at the expense of a valid military commitment?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I think Canadians are getting sick and tired of this line of questioning.

The Canadian Armed Forces not only discharges its very noble efforts outside the country but assists many Canadians, worthy causes and communities in local events across this country. They just assisted with the flag ceremony outside the House of Commons.

I really do not want to politicize this too much, but is the Reform Party saying that the Canadian Armed Forces has no business helping communities with their local events? Is that what he is saying?

*Oral Questions**[Translation]***NATIONAL DEFENCE**

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of National Defence.

Yesterday in this House, in responding to a question I asked him, the Minister of National Defence did not seem to know about the Eagle River exercise, which is nothing but a sumptuous fishing trip at Canadian taxpayers' expense.

Did the Minister of National Defence make inquiries and can he assure us that there was no Eagle River exercise or any other similar activity in 1994?

[English]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, one of the reasons I said this should be put on the Order Paper yesterday is that I could not believe the hon. member was asking a question about a facility that was closed two years ago and before this government came into power.

As far as I am concerned that facility is closed. The province of Newfoundland has indicated some interest in taking it back. That is all I have to say.

[Translation]

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I still think that the minister did not answer my question. I asked him if there had been other similar activities. I did not get an answer.

Did the Minister of National Defence issue directives to Canadian Forces officers forbidding them to organize activities similar to the Eagle River exercise and, if so, will he table them in this House?

[English]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am not sure to which activities the hon. member is referring, but I will certainly take this as a representation and draw it to the attention of the chief of defence staff.

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SPORTS CANADA

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, Sports Canada receives \$64 million a year to help Canada's athletes. Unfortunately a paltry 8 per cent or approximately \$5 million of that \$64 million actually reaches Canadian athletes. Over \$42 million is being spent to administer a huge, cumbersome sports bureaucracy.

My question is for the Minister of Canadian Heritage. Is Sports Canada there to benefit the athlete or the bureaucracy?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague presumably must have been listening to my speeches. I have said repeatedly that I consider the athlete should have first priority. And I have done more than say it. We are in the process of putting into place a sports funding and accountability framework that will ensure at long last that the athletes receive the rewards they deserve.

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, Canadians want action, not more studies. Will the minister act to rectify the gross mismanagement in Sports Canada?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I already gave the answer. We are acting. We are putting policy into place with no more studies but action from now on.

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(1435)

*[Translation]***BLOOD SUPPLY SYSTEM**

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health.

The minister herself claims that everything is now being done to ensure the quality of blood products and the safety of the blood supply in Canada. But we learned that the Canadian Bureau of Biologics has yet to approve two factor IX products used to treat haemophilia B.

How can the minister justify that these products, which are purer and of higher quality than existing products, have not been approved by the Canadian Bureau of Biologics after more than two years?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we have taken the necessary steps, i.e. the steps that can be taken at this time to ensure the safety of the blood supply system, and we will continue to do so.

This does not mean that we are closing the door to new developments or new measures. If you have any information that may help us, by all means, share it with us and we will act on it.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, does the minister realize that, because these drugs have not yet been approved by the Canadian Bureau of Biologics, some doctors have to use lower quality products to treat haemophilia B? Does she not realize that?

[English]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, there is a process for approval of drugs within the Department of Health. This process is based on scientific study of the

Oral Questions

products being offered. That process is ongoing. The idea is to ensure the drugs that are approved are safe and effective. That is what our job is about and the orders I give Health Canada ensure the safety and the health of Canadians.

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EMPLOYMENT

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

Young people in Canada experience the highest rate of unemployment due to the legacy of nine years of Tory mismanagement of the economy. What has the minister done to make sure there is hope, opportunity and jobs for our young people in Canada?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is important for us to point out that since October 1994 we have been able to achieve some 60,000 new jobs for young people in this country. The unemployment rate is now down to its lowest level since 1990. Of those 60,000 jobs, over 15,000 were as a direct result of initiatives we have taken under strategic initiatives of the red book policies.

For example, one important initiative has been partnerships with both business and labour in areas like electronics, horticulture, tourism, and car repair. Over 5,000 young people are now involved in major apprenticeship and internship programs working with private industry so they can get good careers for their future. We hope to have close to 20,000 enrolled this year in that very good program.

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GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the Minister of Justice knows that a number of countries have tried to implement a universal firearms registration system. Can the minister tell us, how do successful universal firearms registration systems work in reducing violent crime in those countries and what percentage reduction can we expect in Canada?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the connection between universal registration, reduction in crime and increase in community safety is sufficiently obvious that today the initiative of this government was endorsed by the Canadian Medical Association.

May I say as well that if the hon. member does not find my explanation for the justification sufficiently persuasive, then perhaps he can ask the question of others who endorse it. Did I mention that they include the Canadian Association of Chiefs of Police, the Canadian Police Association, the police services

boards from Brandon, Manitoba; Calgary, Alberta; Edmonton, Alberta; Moose Jaw, Saskatchewan; Nova Scotia; the Ontario Association of Chiefs of Police; Sudbury Chief of Police; the Thunder Bay police—

(1440)

Mr. Speaker: The hon. member for Yorkton—Melville.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, as usual, the minister is skating around the issue and is not answering the question.

Many countries have tried registration and he knows they have abolished it. The minister will not do an evaluation as the Auditor General has recommended. We know that registration will not work but surely the minister must know that lives will not be saved.

My question very simply is: How will this minister measure success? How will he do it?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we shall measure success by providing the police forces of this country with a tool they have been asking for, for a dozen years.

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[Translation]

AIR TRANSPORTATION

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question is for the Minister of Transport.

Next week, the Prime Minister is scheduled to ratify with President Clinton a treaty to liberalize Canadian—American air space and provide Canadian carriers better access to the lucrative U.S. market, particularly at the New York and Chicago airports.

Since the Minister of Transport deprived Air Canada of the very lucrative Asian market, to the benefit of Canadian International, can he tell us if, this time, he intends to favour Air Canada as regards access to the U.S. market?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, first, the question asked by the hon. member is based on an absurd statement. Indeed, since I was appointed Minister of Transport, the government granted Air Canada access to the new Kansai airport, in Osaka. Air Canada also has flights to Seoul, in South Korea, and has landing rights in Singapore, even though it does not go there. You can rest assured that when the time comes to allocate U.S. routes, assuming the bilateral agreement with that country is ratified, we will—as we have always done—ensure a balance and a reasonable sharing of the benefits for the two Canadian airlines.

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, the minister knows that Hong Kong is a more important destination than Osaka. Does he not agree that his decision to

reserve international routes for only one carrier, except for the U.S. market, is likely to favour Canadian International, at the expense of Air Canada, whose employees are mainly located in Montreal?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the hon. member should recognize that it is government policy to recognize there are two great Canadian airlines in this country: Air Canada and Canadian Airlines International.

What we have achieved with respect to what we hope we will be able to sign when the president comes to Canada is something that has been worked on in this country for nearly eight or nine years.

I would have thought that instead of playing petty parochial politics the hon. member would have recognized that Canadians from coast to coast in every province and both airlines have accepted this deal as the biggest step forward in Canadian aviation history in the last 15 years.

* * *

CITIZENSHIP AND IMMIGRATION

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the Ministry of Citizenship and Immigration sponsored a meeting and flew writers and bureaucrats on short notice to a four star west coast hotel to ask them: What should we do with the citizenship oath? The meeting was purposely kept secret and the new so-called pledge omits the head of state.

(1445)

Was the minister aware of this meeting and does he approve of its final result, a pledge that is no longer an oath that leaves out any and all mention of the Queen?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Yes, Mr. Speaker, I was aware of the meeting. The recommendation to the government to hold such a meeting to bring together Canadian writers was by the Standing Committee on Citizenship and Immigration, and the Reform Party agreed with the recommendation.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I am aware of the recommendation of the standing committee. However they did not recommend a secret meeting.

On this day 30 years ago Canadians chose their new flag in an open forum that included the whole country. Today the minister uses backroom politics in a four-star hotel to try to slip in a new oath by Canadians on the sly. Canadians are saying: "Stop the secrecy but above all stop the waste".

Oral Questions

Will the minister tell Parliament that he will put a stop to these backroom meetings and that any future changes of such profound importance will be brought before the Canadian people as was done 30 years ago?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member's long preamble is simply absurd. The member knows full well—he was a member of that committee—that one of the major recommendations was to try to engage some leading Canadian writers to bring some vigour to a Canadian oath, to a charter of values for Canadian citizens.

Rather than undermining the voluntary efforts of the 10 writers who came together, he should be complimenting those Canadians who are prepared to give of themselves like Canadians gave of themselves 30 years ago for the flag.

* * *

[Translation]

PUBLIC SERVICE

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

[English]

The previous government had a clear bias toward contracting services within the public service, with little control on the costs, numbers or quality of this shadow public service.

What means will the minister take to rigorously examine and restrain contracting so that public service employees do not lose their jobs while the shadow public service continues to prosper and grow?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, this is a close encounter. The government does not have the bias of the past government with respect to the matter of contracting out. We believe in getting best value for the taxpayers' dollar and ensuring efficiency and effectiveness in how we spend those dollars.

In respect of the downsizing that will be occurring, certainly we will want to look at it very carefully and take into consideration the concerns the hon. member has raised here today.

It is our effort to treat our employees fairly and reasonably. We will make every effort to try to put them in other jobs if their current positions have been declared surplus.

However the whole question of contracting out is also a matter that is before the government operations committee.

*Oral Questions***TAXATION**

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance who has obviously been hearing like the rest of us about a lot of taxpayers who are fed up with hitting the wall. Some taxpayers have not hit the wall. Some taxpayers have never even seen the wall and others have jumped over the wall.

Over the last few days the minister has talked about tax loopholes. I am pleased to hear him actually using that term as part of his vocabulary these days.

Will the minister as part of this theme seriously address the fact that capital gains in Canada are not taxed as other income as we find in the United States? People who inherit vast amounts of money do not pay tax. Would he consider the mother or father of all tax loopholes, the family trust, and remove that tax option in his budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as I have said in the House on numerous occasions I will not comment on specific suggestions. When bringing down the budget I will obviously give an answer to the member's question. In the meantime I will take it as representation.

(1450)

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, in the theme of fairness that the minister has commented on so much recently, would he ensure in whatever provisions he brings down in his budget that urban Canadians and rural and small town Canadians take an equal hit?

There is a lot of concern out there right now, particularly around the whole matter of transportation policy and so on, that rural and small town Canadians will be adversely affected by the budget much more than urban Canadians.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I assure the hon. member that a great deal of effort has gone into and is going into making sure that the budget is fair.

The comments of the hon. member are well taken. Between urban Canadians and rural Canadians, in fact between Canadians in each region of the country the budget must be fair.

If we are to face up to the tremendous problem of the debt and the deficit, it is clear the budget will only be accepted if Canadians feel that everybody is bearing their fair share of the burden. I can assure the hon. member that is our intention.

[Translation]

30TH ANNIVERSARY OF CANADIAN FLAG

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the minister of heritage. Canada is celebrating the 30th anniversary of the flag today, at a cost of a million dollars in this era of budget cuts, while the 25th anniversary was only marked by a simple ceremony on Parliament Hill.

How can the minister explain why the government will invest over one million dollars this year, half of it in Quebec the year the referendum will be held, when a simple ceremony sufficed for the 25th anniversary?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I have several things to say in reply. The first is that in the year of the 25th anniversary, the government in power was perhaps not interested in Canada's symbol, was perhaps not as interested in the Canadian flag as we are.

The figures you gave were wrong. Only 25 per cent, not 50, of the budget for the event will be spent in Quebec. I was asked how many flags there were, and I can say that approximately 30 per cent of them are for Quebec. You were misinformed, Madam.

The Speaker: I would like to remind the hon. minister to always address the Chair.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, instead of clumsily justifying himself, why does the minister not just admit that we have a clear case here of a vast federal propaganda campaign gearing up in Quebec during the year of the referendum?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, my colleagues may suppose that I am using the 30th anniversary of the flag to detract attention from a referendum that has not even been called yet. I would say that some people have a very narrow mind on these issues, so narrow that their ears are stuck together from the inside. Now I understand why they need to separate to broaden their vision and their minds.

The Speaker: Sometimes, these exchanges give me such a headache. Let us move on.

* * *

[English]

GUN CONTROL

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, my question is for the Minister of Justice.

Many Canadians feel that the Achilles' heel of the gun legislation is the registration of long guns, not of handguns nor the other aspects of the bill but the registration of .22s and shotguns.

Oral Questions

The justice department considers that the cost may be as much as \$85 million and others have said considerably more over five years. Could the Minister of Justice tell the House whether this money would not be better spent in cancer research or, better yet, not spent at all in so far as this is money we have to borrow from future generations for registration and there is no proof that it will do one iota of good?

(1455)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in the first place may I say that the estimates as to costs which the Department of Justice has arrived at will be put in detail before the parliamentary committee that will consider the legislation. It will examine our assumptions. It will see our calculations. We will establish that they are real and that they are dependable.

Second, may I say that the registration system, together with the other elements of this package in the bill, are going to save lives in the country. May I close by saying that I am not the only one who believes in that.

May I point out that a survey done by the hon. member in his own riding established that 69 per cent of the respondents agreed with registration. I would like the hon. member to tell the House whether he is going to vote with his constituents on this issue.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I am delighted to have the opportunity to advise members opposite that I was elected by 100 per cent of the people who voted for me for three very distinct reasons. The first was to get our nation—

Some hon. members: Oh, oh.

The Speaker: Usually the answers are to my right and the questions are on the other side. Would the hon. member please put his question.

Mr. McClelland: Mr. Speaker, I will vote in absolute fidelity to the best wishes of my constituents.

I have a supplementary question for the Minister of Justice. It is a most serious question because we are facing a most serious debt crisis in the country.

Will the minister, before universal registration of long guns is implemented, bring before the House the quantitative information that will attest to the veracity of his decision to register all long guns before it is implemented?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I have already made it clear that we will put the details of our calculations before the committee.

In so far as the wisdom of the registration system is concerned, first we rely upon the advice of the experts, the police

chiefs across the country who have been asking for this for years.

We say as well that if the approach advocated by the hon. member was to have been taken by the person who first proposed a traffic light at an intersection it would never have been installed.

* * *

JUSTICE

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, several women in my riding are extremely concerned about the ability of defence lawyers to subpoena the confidential records of sexual assault crisis centres for use in court. They are afraid that the protection gained by the rape shield legislation is being eroded as lawyers use a back door to gain access to their confidential information.

What actions will the Minister of Justice consider taking to ensure that the personal records of assault victims remain confidential?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am well aware of and share the concerns identified by the hon. member.

The House should know that at my direction as Attorney General the federal government intervened in a case recently argued before the Supreme Court of Canada in which the circumstances under which such evidence can be compelled and the circumstances under which it can be introduced at trial were canvassed and argued.

In that case the federal government argued that the Supreme Court of Canada should adopt and strengthen guidelines stipulated by the Court of Appeal of British Columbia to protect sexual assault centres from harassment. The court reserved its judgment and we will await the disposition.

(1500)

Let me make it clear to the House that if necessary the federal government is prepared to introduce legislation under the Criminal Code to ensure that we strike the right balance between full answer and defence on the one hand and the freedom of sexual assault centres to operate without harassment.

* * *

PRESENCE IN THE GALLERY

The Speaker: Colleagues, I would like to draw your attention to the presence in the gallery of Mr. Trevor Pinnock, Artistic Director and Principal Conductor of the National Arts Centre Orchestra who will soon be representing Canada in a major European tour.

Some hon. members: Hear, hear.

*Routine Proceedings***POINTS OF ORDER**

COMMENTS DURING QUESTION PERIOD

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, for the record I would like to correct a factual error that was made by the Minister of Citizenship and Immigration in answer to my question.

The Speaker: Perhaps the hon. member might consider another avenue. Question Period is over. I sense that this would probably be getting us into a debate.

If the hon. member wants to correct something that the hon. member said I would accept that but to correct another member would be out of order.

Mr. Mayfield: Mr. Speaker, I would like to state that I was not a member of the Standing Committee on Citizenship and Immigration at the time the decision was made to have a group of writers write a new oath.

* * *

PRIVILEGE

STANDING COMMITTEE ON HUMAN RESOURCES DEVELOPMENT

The Speaker: My colleagues, I am now ready to rule on the question of privilege raised by the hon. member for Saskatoon—Clark's Crossing on February 6, 1995 concerning media disclosure of the report of the Standing Committee on Human Resources Development prior to the report's presentation to the House.

[Translation]

I thank the hon. member for bringing this matter to the attention of the House. The hon. member submits that the privileges of the members of the House of Commons have been breached because this report was given to the media before being tabled in the House.

[English]

The hon. member pointed out that until they are presented in the House committee reports should remain confidential. On this he is absolutely correct. However, as all members are aware, the Speaker is loath to intervene in committee matters unless difficulties arising in committee are brought to the attention of the House by way of a report from the committee. This tradition has been outlined by many Speakers before me and in particular by Speaker Fraser on November 7, 1991 in a ruling on a question of privilege involving committee proceedings.

[Translation]

In circumstances similar to those currently before us, a standing committee might decide to examine the matter of a breach of confidentiality and decide to report it to the House. Only then can the Speaker intervene.

Although I do not find a prima facie question of privilege in this situation, the premature release of a committee's confidential information is nonetheless a very serious matter.

[English]

In his submission the hon. member further noted that as an associate member of the committee in question he was denied access to the report.

Let me remind the House that the role of associate members, as outlined in Standing Order 104(4), is basically two-fold. They can be designated by a standing committee for membership on a subcommittee it establishes and, as such, become full members of that subcommittee and enjoy all the rights of a permanent member.

(1505)

They can also serve as substitutes in the committee for which they have been named as associate members, thereby having the same rights as those of the permanent members they are replacing.

However, in the case now before the House these situations did not occur. Furthermore, according to citation 766 in *Beauchesne's* sixth edition, non-members of a committee normally retire when the committee is about to deliberate upon its report.

Therefore, in this case the fact that the hon. member was not given access to the draft report does not, in the view of the Chair, constitute a breach of his privileges.

Finally, the issue of confidentiality is one of great importance for the House. I would remind all members of their obligation to see to it that the confidentiality of committee deliberations and reports is respected.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

GOVERNMENT EXPENDITURES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Madam Speaker, I am pleased to table, in both official languages, a document that outlines the expenditure management system of the Government of Canada.

Routine Proceedings

[Translation]

RAILWAY SECURITY

Hon. Douglas Young (Minister of Transport, Lib.): Madam Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the report of the committee reviewing the Railway Safety Act.

* * *

MANAGEMENT OF GOVERNMENT SPENDING

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Madam Speaker, I am pleased to table before this House a document on the expenditure management system of the Government of Canada, which describes the government's new decision-making process in matters of programs and expenditures.

[English]

With this overhaul, the first in 15 years, we ensure the system responds to today's economic and fiscal realities. It recognizes the way this government has been doing business since elected in October, 1993.

To reduce spending to meet our fiscal targets and to free up resources for reallocation to new priorities requires that we make tough spending and program choices. Our ultimate objective is to deliver quality programs and services within the resources that Canadians can afford.

We are demonstrating to Parliament and to all Canadians that we are fulfilling our red book commitment to fund new initiatives through reallocating expenditures, not with new money, not with adding further to the debt, but to set our priorities by reallocating for new expenditure items.

The document outlines the formal mechanisms that will foster greater fiscal responsibility and help this government to meet its targets.

I would like to bring to members' attention some of the system's major features, quite briefly. It formally eliminates central policy reserves. It integrates practically all decisions about spending into the budget planning process. The document clearly outlines the cycle that will now be followed.

We will deliver information on program performance to Parliament in better and more timely ways. Departments will produce documents on the outlook for their program priorities and expenditures over the next few years and provide them to Parliament. These documents will increase parliamentary involvement by assisting the standing committees in fulfilling

their mandates to examine future year expenditures, trends and priorities. These outlook documents are new to this Parliament and expand the involvement and role of members of Parliament in the budgeting and estimates process.

We will adjust these processes over the next few years. It will take some evolutionary time as we gain experience with them.

[Translation]

I am confident that they will help us make the difficult decisions that are involved in providing quality services and reducing the cost of government.

(1510)

Mr. Richard Bélisle (La Prairie, BQ): Madam Speaker, I must tell the President of the Treasury Board that I will carefully read the document he has just tabled on the expenditure management system of the Government of Canada.

Like all Quebecois and Canadian taxpayers, I am concerned about the current management of federal public expenditures. In view of the information supplied to us every year by the Auditor General, it is high time for the federal government to make an in-depth review of its expenditures and, above all, of its management practices.

I hope the document tabled today will address the concerns voiced by parliamentarians and that the proposed improvements will be consistent with the auditor general's recommendations.

The criticisms expressed by the auditor general regarding program evaluation, for instance, should be taken into account. Given the abysmal performance of the Canadian government in the area of program evaluation, the Bloc Quebecois hopes this new document will contain not only new tools to more adequately inform parliamentarians of public expenditures, but also real solutions to evaluate the results of such programs.

Each year, the auditor general presents us with an impressive list of waste in the use of public funds, and the government must, as a first step, clean up its expenditures before it can justify cutting programs.

By eliminating the central policy reserves, the government will lose its flexibility to fund new projects. Since such projects will be funded by reallocating moneys committed elsewhere, the government must clearly express its priorities for the coming years.

The Bloc Quebecois will be keeping a very close watch on the political choices to be announced in the upcoming budget. I would also like to take the opportunity to congratulate the minister for expressing himself so well in French.

Routine Proceedings

[English]

Mr. John Williams (St. Albert, Ref.): Madam Speaker, if I have to congratulate the President of the Treasury Board on the introduction of this policy it must surely be with a very small *c*.

The country is crying out for cuts, elimination of waste, downsizing, less government, and yet the number one item in the minister's statement is that he will formally eliminate central policy reserves. Surely we could do much better than this.

There is nothing in this statement about departmental cuts or elimination of departments. The minister is shuffling the policy chairs on the deck of the *Titanic*. These policies provide a different look at a serious but old problem of runaway deficits. There is not one single word in this statement about cuts, about smaller government, about downsizing the civil service.

We can only say that we are extremely disappointed in the statement and we look for more, bigger and better news in the budget.

* * *

[Translation]

COMMITTEES OF THE HOUSE

STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have the honour to table today the 60th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Human Rights and the Status of Disabled Persons.

If the House gives its consent, I intend to move that the 60th report be concurred in later today.

[English]

I also have the honour to present the 61st report of the Standing Committee on Procedure and House Affairs regarding changes to the Standing Orders as they relate to the printing of papers and evidence of standing committees.

Madam Speaker, I think you will find unanimous consent of the House to dispense with the reading of the 60th report of the Standing Committee on Procedure and House Affairs. If the House gives its consent I move that the 60th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

(1515)

[Translation]

HUMAN RIGHTS AND STATUS OF DISABLED PERSONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I think you would also find that there is unanimous consent for the following motion:

That, regarding consideration of Bill C-64, an act respecting employment equity, the House authorize the necessary staff of the Standing Committee on Human Rights and the Status of Disabled Persons to travel within Canada in order to prepare and hold videoteleconference hearings during the weeks of February 20 and 27.

(Motion agreed to.)

* * *

PETITIONS

VOICE MAIL

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Madam Speaker, I would like to table before this House a petition on behalf of senior citizens from my riding of Richmond—Wolfe.

I would like to do so by stating the facts. It reads: We, the undersigned citizens of Disraeli, Danville, Lawrenceville, Maricourt, Valcourt, Saint-Élie d'Orford, Rock Forest, Richmond, Windsor, Saint-Claude, Stoke Centre, Chesterville and Saint-Denis-de-Brompton, wish to call the attention of Parliament to the following facts.

Whereas seniors are naturally more at a loss when faced with voice mail technology; whereas seniors are entitled to adequate service, particularly with regard to their income security enquiries; therefore, your petitioners humbly pray and call upon Parliament to ask the government to abandon its plan to introduce voice mail systems for seniors.

I table this petition, Madam Speaker.

VIOLENCE

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Madam Speaker, this petition concerns excessive violence in our society, on the radio and on television.

[English]

Violence in our society is a concern of these petitioners: violence in general, violence on radio and television or wherever one finds it.

The petitioners ask the government and the CRTC to ensure that to the extent possible we diminish and remove violence. They point out that violence is not necessary to entertain or to inform, that it is counter to what many families are trying to do in their homes as they raise their children.

They point out however that there has been some progress made in this area and they applaud the government and the CRTC for their efforts.

ASSISTED SUICIDE

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Madam Speaker, I present today three petitions from constituents of New Westminster—Burnaby as well as from other parts of British Columbia.

In the first two, the petitioners state that physicians should be working to save lives and not to end them. They pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, in the third petition, petitioners from B.C.'s lower mainland pray and request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ROBERT LATIMER

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, pursuant to Standing Order 36 I present a petition compiled by Jamie and Janet Bassett from my riding of Prince Albert—Churchill River.

The petition has been signed by approximately 14,400 Canadians and requests that Parliament grant conditionally or unconditionally a pardon to Mr. Robert Latimer of Wilkie for a second degree murder conviction.

While I respectfully disagree with the petition, I hold the Bassetts in high regard. I respect their viewpoint and their right to express it, and the viewpoint of the many thoughtful Canadians who have signed this petition.

I present this petition on their behalf.

(1520)

MINING INDUSTRY

Ms. Roseanne Skoke (Central Nova, Lib.): Madam Speaker, I have two petitions to table.

The first states that Canada's mining industry is a mainstay of employment in over 150 communities across Canada, an important contributor to Canada's gross domestic product in total exports and a cornerstone of our economic future.

Therefore, the petitioners call on Parliament to take action that will increase employment in this sector, promote exploration

Routine Proceedings

and rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada.

I concur with this petition.

HUMAN RIGHTS

Ms. Roseanne Skoke (Central Nova, Lib.): Madam Speaker, in the second petition the petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase, sexual orientation.

I concur with this petition.

ASSISTED SUICIDE

Mrs. Diane Ablonczy (Calgary North, Ref.): Madam Speaker, I am pleased to present a petition on behalf of constituents of Calgary North, praying that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously.

This petition is signed by more than 25 members of the Calgary North constituency.

HUMAN RIGHTS

Mr. Jesse Flis (Parkdale—High Park, Lib.): Madam Speaker, I have a petition on behalf of my constituents and residents from the greater Toronto area. The petitioners claim that the majority of Canadians believe that the privileges society accords to heterosexual couples should not be extended to same sex relationships.

The petitioners pray and request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase, sexual orientation.

ROBERT LATIMER

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, it my duty and privilege to present a petition signed by approximately 3,000 Canadians, the majority of whom reside in the Battlefords—Meadow Lake constituency.

The petition was collected and brought to my attention by the Woodrow family of Battleford, Saskatchewan. It notes the conviction of Robert Latimer for second degree murder with no chance of parole for 10 years.

The petitioners request that Parliament grant Robert Latimer of Wilkie, Saskatchewan a pardon conditionally or unconditionally for his conviction of second degree murder in the death of his daughter Tracy Latimer.

Points of Order

JUSTICE

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Madam Speaker, on behalf of my hon. colleague, the member for Calgary Southeast, I rise in the House on day eight to present petition number eight. These petitions are being presented on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date set for the parole hearing.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law-abiding citizens and the families of the victims of convicted murderers.

GUN CONTROL

Mr. Dale Johnston (Wetaskiwin, Ref.): Madam Speaker, pursuant to Standing Order 36, I have the honour to present a petition.

The petitioners request that Parliament support laws that severely punish all violent criminals who use weapons in the commission of a crime; support new Criminal Code firearm control provisions that recognize and protect the right of law-abiding citizens to own and use recreational firearms; and support legislation that will repeal and modify existing gun control laws which have not improved public safety or have proven not to be cost effective or have proven to be overly complex as to be ineffective and/or unenforceable.

HUMAN RIGHTS

Mr. Dale Johnston (Wetaskiwin, Ref.): Madam Speaker, the second petition is from the constituents of Wetaskiwin.

The petitioners pray and request that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase, sexual orientation.

(1525)

MINING INDUSTRY

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I rise under the provisions of Standing Order 36 on behalf of a number of residents of communities in western Canada.

The petitioners point out that the Canadian Mineral Industry Federation has proposed a 10-point plan of action to be addressed by both the mineral industry and the Government of Canada to keep mining in Canada.

They call on Parliament to take immediate action which would increase employment in this crucial sector, promote exploration, rebuild Canada's mineral reserves and sustain mining communities in order to keep mining in Canada.

WATER DIVERSION

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I have another petition in which the residents point out to the House of Commons that a company in western Canada called Multinational Resources has indicated its plan to divert water from the North Thompson River near Valemount, British Columbia, in an effort to resell that water in San Diego, California. This is one of the many proposals from the North America Water and Power Alliance; that is, to divert Canadian rivers into the United States and northern Mexico.

The residents call on the government to introduce legislation that would categorically prohibit any permits allowing freshwater rivers to be dammed or diverted into the United States—

The Acting Speaker (Mrs. Maheu): I am sorry. I think we are into debate.

* * *

[Translation]

POINTS OF ORDER

QUESTIONS ON THE ORDER PAPER

Mr. Jean-Paul Marchand (Québec—Est, BQ): Madam Speaker, I rise on a point of order with respect to Question No. 93, which I tabled in this House on October 19, 1994. Usually, the response period is 45 days, but, in this case, 120 days have gone by since the question was raised.

I would like to know why it is taking three times the usual maximum time allowed. What is the point of having rules, if the government is not going to comply with them? Despite whatever excuses might be made, I would like to know when I will get an answer to Question No. 93.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, as always, the government tries to prepare responses to questions as quickly as possible. In this particular instance, I am informed that the response is almost ready to be tabled in the House. I will table it as soon as I receive it.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): If Questions Nos. 112 and 113 could be made orders for returns, these returns would be tabled immediately.

*Supply***GOVERNMENT ORDERS**

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House that Questions Nos. 112 and 113 be made orders for returns?

Some hon. members: Agreed.

[Text]

Question No. 112—**Mr. White:**

What was the total number of full time employees at each job classification in the respective federal departments for fiscal 1993?

(Return tabled.)

Question No. 113—**Mr. Caccia:**

What is the total amount of federal public money given to the Atomic Energy of Canada Limited (AECL) since its inception?

(Return tabled.)

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Maheu): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I ask that the notice of motion for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall the notice of motion stand?

Some hon. members: Agreed.

[English]

The Acting Speaker (Mrs. Maheu): I wish to inform the House that pursuant to Standing Order 33(2), because of the ministerial statement, Government Orders will be extended by six minutes.

(1530)

[Translation]

SUPPLY

ALLOTTED DAY—BUDGET POLICY

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

That this House call upon the government in its next budget to avoid any tax increases targeting low and middle-income taxpayers and to consider instead trimming the fat from the government, eliminating tax expenditures which primarily benefit large corporations and wealthy Canadians and collecting on unpaid tax debts owed to the federal government.

He said: Madam Speaker, I am pleased to debate this motion in the House because it is consistent with what the official opposition has been defending, since the last election, as a means of putting our finances in order, as short term or medium term corrective measures, since most experts agree, as we do, that, without fundamentally changing the system, it will be difficult to get control over public finances again.

The Bloc Quebecois is of the opinion that the government must, in its upcoming budget, substantially reduce its expenditures and refrain from increasing income taxes for the middle class or low income taxpayers. The Bloc Quebecois asks that the federal government undertake a complete review of the tax system in order to eliminate unfair tax expenditures and ensure that companies currently not paying taxes pay their fair share.

The federal government should, in particular, eliminate tax shelters benefiting high income taxpayers and big business. Not the measures which favour middle or low income individuals, but the real tax loopholes benefiting very wealthy Canadians and big business who have not been paying their fair share in the federal system for at least 12 years.

The government has tried to justify a possible tax increase, stating that the rise in interest rates is forcing them to do so, forcing the Liberals, when in fact this rise is in large measure attributable to their inaction in fighting the deficit in the last year. I would like to remind you that just days after the Minister of Finance tabled his first budget last February 22, Canada's credit rating was lowered significantly for the first time in five years and the interest rates demanded by domestic and foreign investors on Canadian securities increased considerably, which in turn caused mortgage rates in particular to rise.

Middle class taxpayers are past their tolerance level. Any increase in their tax burden is unacceptable, and the Prime Minister should be reminded that he made promises and commitments regarding the issue on the *Téléjournal* newscast, on October 1, 1993. He said then that he would not raise taxes during his first two years in office. This is year two.

Supply

Last December, the Liberal representatives on the finance committee paid no heed to the Prime Minister's commitment and recommended an across the board surtax on income. This proposal, in the official opposition's opinion, is utterly unacceptable, and I would like to remind you, Madam Speaker, that according to the OECD, individual Canadian taxpayers pay 33 per cent more taxes than the average taxpayer in the United States. We are neighbours, we have a free trade agreement in common and it is inadmissible to have such a disparity between levels of taxation.

The official opposition also warns the government not to make any attempt to use devious means to increase the tax burden of the middle class and others by hitting RRSPs. The Bloc Quebecois is also firmly opposed to the option considered by the federal government to impose a one per cent capital tax on RRSPs. I would say to you that this hidden tax, which could net up to 5 billion dollars annually, would be an insidious blow to taxpayers who are trying to plan for a comfortable retirement, at a time when public funds are inadequate and Canadians' savings are at their lowest in thirty years. This would be an ill-considered and irresponsible measure.

Neither should the federal government abdicate its responsibilities by shifting its deficit onto the backs of the provinces. This approach is irresponsible and has been resorted to time and again in the past, by this government. As an example, since 1982, in the health and education sectors alone, the federal government has deprived the provinces of 48 billion dollars—no small amount—by cutting transfers to the provinces, a loss of 12 billion dollars just for Quebec. Members will recall that, in his February 1994 budget, the present finance minister again made additional cuts of over 2 billion dollars in transfers to the provinces.

(1535)

Since meeting with his provincial counterparts, the Minister of Finance has left open the possibility that the federal government might make new cuts in transfer payments to provinces. This dumping of the deficit and this scheme to force the provinces to shoulder the burden of the cuts to social programs are unacceptable and irresponsible.

The official opposition feels that the federal government must withdraw from provincial fields of jurisdiction and provide full financial compensation. After all, and in spite of what we are often led to believe, transfer payments to provinces are not gifts from the federal government. The money being transferred comes from taxpayers, including Quebec taxpayers.

Between 1982 and 1992, taxes paid to the federal government by Quebecers increased by 121 per cent. Over that same ten year period, financial transfers from the federal government to Quebec only rose by 50 per cent.

If the federal government makes cuts in transfer payments to the provinces, it should also transfer to provinces tax revenues

or tax points equivalent to those cuts, so that the provinces can assume their new responsibility.

The issue of duplication and overlap must be a priority in the government's upcoming budget. Any attempt to eliminate these problems will fail if it is not supported by a withdrawal of the federal government from provincial fields of jurisdiction, as well as full financial compensation. Our friends opposite know that it would be irresponsible for the federal government, after creating duplication by meddling in areas of provincial jurisdiction, to cause a sudden and serious imbalance by withdrawing from social programs while keeping Quebecers' savings and taxes in Ottawa.

I wish to raise a last point. The Liberals have forgotten that the fight against the deficit involves creating jobs. We will create jobs not by cutting post-secondary education funds, as proposed by the Axworthy reform, or by raising taxes, but above all by assuming our responsibilities.

A consensus was reached long ago, in particular in Quebec, on the generalized decentralization of everything having to do with manpower training, job training, the re-entry of unemployed workers into the labour force and even income security. The time has come for the federal government to open its ears and eyes and do what is needed to stimulate employment. It is not by quoting the red book to us every day and telling us that their infrastructure project has created thousands of jobs, when they only created 45,000 casual jobs, that they will convince us that they are concerned about employment. This government must learn the difference between wasteful spending and investing in human capital. That is something it has forgotten in the last year and that is unfortunate.

Finally, last October and last December, when the Liberal majority on the finance committee tabled its report concerning the prebudget consultations, the official opposition made some suggestions to put our finances back in order in the short or medium run, but mostly on the short term. We made these suggestions to allow the Minister of Finance to boast and to reduce the deficit to \$25 billion, or 3 per cent of the GDP, by 1996-1997.

We came up with measures to find the money where it is. Cutting social programs will not help us to straighten out our finances. Let me briefly recall the recommendations we put forward.

The first thing the official opposition suggested was for the federal government to withdraw from the provincial areas of jurisdiction upon which it has encroached since the second world war and from all the areas it has invaded, oftentimes by ignoring the provincial governments' prerogatives. We suggest that it withdraw completely from areas that belong to the provinces, with financial compensation.

(1540)

This withdrawal must not be drastic, it must not steal away like a thief, but in areas of provincial jurisdiction, it should give

the provinces all the tools they need, especially fiscal, with full tax points so that they can meet their new obligations. The provinces are not asking for a handout. They just want the federal government to have the honesty to say: We are pulling out of certain areas, we are eliminating the costs of duplication and overlap, and we are going to let the provinces, who are in the best position to do so anyway, manage their own affairs, as provided in the Canadian constitution, in the fields of health, post-secondary education and social assistance, to name a few.

This proposal has a dual objective. First, it sets out to eliminate contradictory policies and to allow the provinces to adopt an integrated policy on job training, education, job creation and health, in short truly comprehensive social policies. Second, this proposal allows the provincial and federal governments to reduce their operating expenses by eliminating costly overlap and duplication in programs and services. In Quebec alone, the cost of duplication and overlap is in excess of \$3 billion. I think it would be worthwhile for the minister to consider this proposal.

The second recommendation from the official opposition contained in the minority report submitted to the finance committee in December, as part of the finance minister's pre-budget consultations, is to stop providing subsidies to business immediately, as these subsidies total more than \$3.3 billion and are more a source of patronage than a source of assistance for businesses facing modern day challenges, mostly in terms of productivity and international competitiveness.

The president of the Conseil du patronat du Québec himself made the same suggestion in his testimony. He said something like this: these subsidies only foster competition between those businesses which are subsidized and those which are not, and this is unhealthy in terms of management and business growth. I think that it is fair to say that, however much wisdom Mr. Dufour may have displayed in the past, on several occasions, he really outdid himself this time.

We are suggesting that the Minister of Finance immediately cut business subsidies, in other words to forget about his corporate chums for once and make sure that expenditure restraint targets are met, this year as well as next year.

Third recommendation: these are times of reduced international tensions. Experts we consulted before the last election when the Bloc Québécois became the official opposition say that it is possible, practical and, in fact, desirable that the defence budget be cut by 25 per cent. That is what they said a year ago. National Defence's budget has since been reduced by some 13 per cent, which leaves 12 per cent more cuts to be made, for savings of \$1.6 billion. It is definitely worth it in times of constraint, when the Minister of Finance is actively seeking to save. I think there is a good potential for savings there.

Supply

We also recommended and continue to recommend that the federal government withdraw from a huge money pit project in which the government has already sunk over \$3 billion in direct transfers or loan guarantees. I am referring to Hibernia. According to all the studies conducted, except government studies justifying its continued involvement in this harebrained project, oil prices are unlikely to rise in the next 20 years and may even fall in relation to today's prices. If Hibernia is not profitable with today's prices, how can it be profitable in 20 years with lower prices?

If the government really believes in sound financial management, it should start there. I think it is an interesting idea.

(1545)

Our fifth recommendation was that the government, the Minister of Finance, undertake a full review of the taxation system in preparing his next budget. We are no longer the only ones asking, although we were the first in the last two years to push for the establishment of a special committee, made up of elected parliamentarians, to review the whole tax system, item by item.

The Canadian tax system is very complex and has not undergone a thorough review in 25 years. Some tax experts mired in administration will, of course, tell us that changes have been made, but these changes are nothing more than patchwork and cannot be compared to a thorough review.

They added some provisions and removed others, and made more additions and deletions. For example, they allowed big businesses to hire renowned tax experts familiar with Canadian tax loopholes. And there are many of them. We have discovered new tax loopholes every day since becoming the official opposition.

The time has come to undertake a thorough review of the tax system. I do not understand why finance department officials, the finance minister himself, the revenue minister and the members of our third party are all opposed to this idea. I do not understand why they are against reviewing the Canadian tax system when many experts, if not the vast majority of them, see this as a necessity at this time.

Our tax system—and particularly our corporate tax system—is the most complicated one in the world. And I am not just expressing my own opinion.

There are people in the United States, including tax experts and economists, who simply cannot figure out our system. I should point out that, towards the end of the Reagan administration, the United States undertook such a process. The Americans reviewed their whole tax system. They did not only look at the corporate tax system, but also at the personal income tax program. They streamlined their whole system to the greatest possible extent. The Americans did not do that just to simplify matters, but also to facilitate detection of tax evaders, including those who take advantage of their financial means or corporate income to hire experts who help them avoid the tax man. It is

Supply

now more difficult in the United States to avoid paying one's due to the government.

Why not do the same here? Why is the government so reluctant to follow up on our suggestions to target two sectors on a priority basis? The first one is the tax conventions signed with 16 countries considered to be tax havens. Investment management companies will tell you that they can easily find loopholes. It is easy to establish subsidiaries in some of those 16 countries and take advantage of tax loopholes which will allow you to save hundreds of thousands of dollars, if not millions, or even billions, in federal taxes.

Why does the government refuse to review these 16 tax conventions? Is it because of possible conflicts of interest? Is it because some friends of the party might be taking advantage of these tax havens by creating bogus companies in these countries? They also declare phoney operating losses in these tax havens, so they can deduct them from their profits in Canada and avoid paying taxes.

It is time something was done about this. When the government talks about cutting back, when Quebecers and Canadians are asked to tighten their belts and make incredible sacrifices, maybe it is time the Minister of Finance acted responsibly and stopped protecting his friends and the friends of the Liberal Party of Canada, whose incomes are not necessarily those of the average Canadian.

Tax treaties should be a priority in the next budget. The minister should overhaul some of these treaties which are riddled with tax loopholes.

Family trusts are another case in point. In November, and even in his last budget, the minister tried to make a good impression when he said he would create a sub-committee of the finance committee to analyse the impact of family trusts on federal tax revenues.

(1550)

The subcommittee was set up, but despite assurances that the process would be completely open, first of all we never got the co-operation of senior officials from the Department of Finance who just laughed at us in committee; second, whenever we asked for additional information and studies, the real stuff, we were turned down; and third, before Christmas, when the official opposition presented a motion in the finance committee to review the policy on family trusts for wealthy taxpayers who never have to pay a cent of capital gains tax, the committee's Liberal majority and the Reform Party voted the motion down. They even voted against a study of family trusts. I think that is unconscionable.

In concluding, I have another recommendation. In his report, the auditor general referred to federal accounts receivable still outstanding. He mentioned the \$6.6 billion, owed by taxpayers, especially wealthy taxpayers, to the federal government. They did not deny the fact that they owed the money, but because of this government's spineless attitude, no attempt is being made

to recover the \$6.6 billion. According to the auditor general, we could recover 80 per cent of this amount.

If the minister needs a few more billion, we suggest that he can get around \$14 billion without even touching social programs. It is high time government members woke up to this fact, because people have had enough.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I listened attentively to the member's statements. As he well knows, when leading up to a budget there is always speculation and rumour. Indeed, what we have heard today from the member is a lot of speculation and a lot of rumour.

The member started off by talking substantially about somehow shifting the tax burden to low and middle income Canadians. The member knows that when the Minister of Finance addressed the finance committee on October 17 and 18 the very clear message was that the minister was not looking at increasing taxes as a primary vehicle for deficit reduction and meeting his target of 3 per cent of GDP.

As the debate and the work of the committee have gone on, there has been no question that the committee, of which the hon. member is a member, has concentrated on many items the member has raised. These include the elimination of overlap and duplication among different levels of government; the reduction of subsidies to businesses; and dealing with loopholes that are not illegal but were brought in to handle certain situations at a certain time which may no longer serve their purpose.

The member also spent quite a bit of time referring to the rich and making the rich pay. I thought it might be helpful to pass on to the member for his information some facts that were published by StatsCanada.

The top 10 per cent of taxpayers in Canada in 1992 started at some \$50,000 a year. Those top 10 per cent of taxpayers paid 34 per cent of all taxes. In addition to that, that top 10 per cent of taxpayers also contributed 42 per cent of all charitable donations.

When we are talking about who is paying for what, it is clear we have to take into account the full dynamics of the financial affairs of those people who are successful. I think the member would agree that we want Canadians to aspire to do as well as they possibly can. If we have successful leaders in businesses and industry, we will also have successful people working within those businesses and industry.

I have a question I want the member to deal with. He talked about tax reform. I think most members will agree that tax reform is an important process of this House. He talked about it in the sense of reducing the complexity of our taxes and simplifying them.

Supply

The member then went on to talk about corporate taxation. He abandoned the arguments about complexity on a personal level and went on to tax havens and other exotic tax matters that do not have anything to do with the ordinary Canadian. Would the member care to comment on tax reform from the perspective of making it simpler or less complicated?

(1555)

Would he not agree that changing the way in which income tax is calculated is not going to improve government revenues in itself? Would he not agree that in fact we need fundamental tax reform, not in the way we are doing things now but in the fundamental way in which we actually assess taxation on ordinary Canadians?

[Translation]

Mr. Loubier: Madam Speaker, I do not know where to start with this question. It is huge, and it is more of a commentary than a question as such. My statement contained neither speculation nor rumour, it was based on fact. The facts are as follows: since it came to power, the Liberal government has done exactly the opposite, or just about, of what it said it was going to do in the red book, except for infrastructure projects.

It said it would protect society's most disadvantaged; it said it would not tax middle income Canadians. The first thing it did in its first budget, on February 22, was cut unemployment insurance by \$7.5 billion. If these are not the most disadvantaged—I think these are people who are somewhat desperate. They are looking for work and have little to do as well, because, with the tightening up of unemployment insurance measures, whole families have been thrown on welfare. This is what happened in my riding and in the ridings of my colleagues as well. I hope my Liberal colleagues are still checking on the people in their ridings.

Secondly, as for the taxation measures, in 1993 the Prime Minister said: "No problem, we will not tax, we will not increase taxes or income tax". Since we have been here, since we started questioning the government, led off by the Prime Minister, has not ruled out the possibility of an increase in taxes and income taxes. So, they are looking at increasing taxes and income tax for taxpayers, but they are not prepared to clean up the tax system. Where is the logic? There is no way the tax return can be simplified with the present tax legislation.

This is not what I was saying earlier. I was not talking about simplifying tax returns. In any case, we have decided not even to raise this issue any more. Each time we called for a simplified tax return, senior government officials would complicate tax returns even more. So we have stopped raising the issue. People are beginning to get used to the present forms. What I am talking about is an in depth reform of the tax system. I do not know whether you have read the tax legislation for the past 40 years—it is awful.

I have tried to do my best. I have often taken those books out of the library and have gone to consult them there as well. It is a monumental mess. Only the experts can find their way around. Secondly, you will admit that without this reform, we have a serious taxation problem. Forty-five years ago, corporate taxes accounted for 50 per cent of federal revenues, while the remaining 50 per cent was drawn from individual taxpayers.

Now nearly 83 per cent of federal tax dollars are collected from individual taxpayers. The remaining 17 per cent is collected from businesses. This is an imbalance, an unhealthy one, I would say, and people are increasingly aware of that. It is no wonder that, just about everywhere, and I am not referring to the revolt stirred up by Reformers, people are outraged to see this, they see what is happening and see us walking away from our responsibilities, they see that the government will not even go so far as to review the tax system.

Even if it takes two or three years, it has to be done, such a review must be done. This should have been the first step, the first measure taken by the Liberal government. They talked about it before the election campaign, during the campaign, and even before bringing down the first budget and the Minister of Finance has turned a deaf ear to it all. So has the Prime Minister. Reformers are doing the same because it is a direct attack on their friends, and even on a number of the people they represent who have considerable personal assets.

This review must be carried out, I feel, and so must tax expenditures be reviewed. There was talk earlier of tax treaties; they really must be reviewed individually because, in this area too, people are becoming aware that some large, very profitable companies benefit by establishing phoney companies abroad, in countries considered as tax havens, and thereby avoid paying taxes. Ordinary people cannot do that. They cannot set up such companies and, when they owe a dollar in taxes, be assured that they are hunted down for it.

(1600)

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, a motion introduced by the Reform Party regarding the government's next budget was debated in the House yesterday. Now the Bloc Quebecois is taking a crack at it. Both parties' motions clearly demonstrate that neither has what it takes to accomplish this imposing task or to run a country like Canada, let alone an independent Quebec.

In both cases, political grandstanding takes precedence over real and credible action. The two motions also prove that the two opposition parties do not dare acknowledge the budgetary principles the Minister of Finance applied in last year's budget.

I know that the historic budget he will soon table will be based on these principles. The minister repeated several times that the emphasis of this budget will be on spending cuts and not on tax

Supply

increases. And he stressed that if tax measures must be taken, their purpose will be to make the tax system fairer, not to increase the tax burden of low income taxpayers, as the opposition claimed today.

We have also clearly indicated that we believe that the first steps that must be taken to pare down the government machine are to downsize it and cut fluff and waste. This is what the opposition has been telling us. We have already taken real action on the issue.

Last week, the Minister responsible for Public Service Renewal tabled a bill to dissolve or reorganize 22 organizations. Taxpayers would save almost one and a half million dollars. I understand that this is very little, really just a drop in the bucket, but I know that this budget will be the result of the most extensive review of government programs and operations ever undertaken in recent history in this country.

I am also convinced that the budget will demonstrate to all Canadians that we have the courage to do what we say we will do and to keep our promises. We need to take action to reduce the cost and size of government because it is vital to the deficit reduction goals we set last year. And it is precisely this question of the deficit, in the debates yesterday and today, which brings out clearly the fundamental shortcomings of the two opposition parties.

[*English*]

As for members of the Reform Party, eliminating the deficit but without tax action seems to be their only concern. They seem to think that deficit action alone will ensure Canada's economic success and renewal. They refuse to recognize that there is a role for government in promoting economic development and in protecting Canadians in real need.

It is also interesting to note that where Reform sees only the deficit, the Bloc seems to have completely forgotten it exists at all. The result is a motion on the budget that ignores Canada's real fiscal problems.

[*Translation*]

After all, the Bloc's separatist cousins in Quebec City include a finance minister who feels that Quebec's obligations with respect to the national debt need be honoured only when it is convenient to do so. But our government refuses to slough off its responsibilities. We are aware of the burden of decades of debt and galloping deficits, which have given rise to an increase in taxes and interest rates, and a certain mistrust on the part of investors; all are factors detrimental to growth and job creation.

You know, the latest statements by the Quebec finance minister did not help the province's ratings, and it is the middle class that will pay the price.

However, our government is determined to do what is necessary to maintain growth and create jobs in all regions of the country, including Quebec. And in order to reach these objectives, it is essential, and Canadians themselves are demanding it, that we put in place an effective financial reform strategy.

[*English*]

Our government believes that winning the debt challenge starts with laying a clear, concrete and credible foundation. That means keeping to the deficit track we set out on to bring the deficit down to 3 per cent of GDP in three years.

That is exactly what we will do, as the minister said, "come hell or high water". The federal deficit now near 6 per cent of GDP has not been as low as 3 per cent since 1974-75, 20 long years ago.

(1605)

[*Translation*]

In addition, setting specific deficit reduction goals is a significant change from past practices. That is why our government used a different approach. We set realistic goals and we will take all necessary steps to achieve concrete results. Our success in this regard will make our long-term objective of totally eliminating the deficit more credible.

[*English*]

We believe it is best to set out short term targets, concrete milestones, and achieve them. With short term targets there is no excuse for delay, no acceptable grounds for not taking tough action to address the problem. When we set unrealistic long term goals, we can always find a reason to avoid tough action today, tomorrow and the tomorrow after that.

Let us remember that we have done more than just set out a goal. Last year's budget took dramatic bottom line action. It set out measures to deliver \$20 billion in deficit reduction over three years. For every \$1 of revenue action there were \$5 of spending cuts. No budget in a decade moved so strongly to cut spending.

We also know that even stronger action might be necessary. The problem is interest rates. They are much higher than we or the private sector expected.

There is no mystery about the pressures at work. To begin with, there is action by the U.S. central bank to control American inflation. There is also the lingering concern about the Quebec situation and the worry over Canada's debt and deficit burden.

The problem is our accumulated \$500 billion debt. It is so big that an increase in rates has been a frightening wallop. Let us remember that last year the interest charges on the debt consumed almost \$40 billion of taxpayers' money, the single largest expense of government. Every time the rates go up one

percentage point our carrying costs jump by \$1.7 billion, and that is just in the first year. By the third year it is a \$3 billion penalty.

It is this punishing dynamic of compound interest that makes tough budget action the right action. The fact is that we have always recognized the need for continued fiscal action. The 1995 budget process started the minute we introduced the 1994 plan. That is why we combined immediate action with a sweeping series of program reviews on government operations, defence and social security reform. These have set concrete foundations for this year's budget and the tough decisions needed.

In this regard let me remind both opposition parties, given their calls for eliminating government waste and inefficiency, of the six questions that have framed our program review of government operations.

- (1) Do the program areas continue to serve the public interest?
- (2) Is there a legitimate and necessary role for the government in this area?
- (3) Is the current role of the federal government appropriate, or can the program be realigned with the provinces?
- (4) What programs should or could be transferred to the private or voluntary sector?
- (5) If the program continues, how can its efficiency be improved?
- (6) Is the resulting package of programs affordable?

Before concluding my remarks I should also reiterate a point made yesterday on the issue of tax increases. Only a foolhardy politician would ignore the real "tax fatigue" felt by Canadians. It is felt on this side as well. That is why cuts in government spending must and will be our priority in reducing the deficit. We proved that last year when we cut spending by \$5 for every \$1 in revenue measures.

[*Translation*]

However, most Canadians know that in order to cut taxes in the future and, in the short term, to ease the pressure on interest rates and the dollar, we must bring the debt under control. And this will only be possible after we achieve our deficit reduction goals.

Given the magnitude of this challenge, I understand why the Minister of Finance will not promise a budget without measures to increase revenue. But, if such measures are included, I am confident that they will be aimed at improving the tax system and closing loopholes. To those who are opposed to tax measures, I ask this: Do you really feel that the existing system is totally effective, that there are no loopholes or unjustified

Supply

advantages? Given our financial situation, Canadians do not want or need such stupid political games.

(1610)

I could say much more but I think that the budget will be more eloquent. Yes, we have a long road ahead of us, but I think that we are off to a good start. I am confident that the budget to be tabled in late February or early March will show all Canadians and world markets that our government meets its financial commitments.

By doing this, we will reinforce the conviction of the vast majority of Canadians, including my fellow citizens from Quebec, that this country, Canada, will fulfil its destiny of greatness and unity it deserves.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, I listened to the hon. member for Bonaventure—Îles-de-la-Madeleine. I wish I was as confident about anything as the hon. member opposite seems to be about everything, especially since it was the party opposite that was the father, the parents and the grandparents of the present dilemma our country faces today.

The member opposite is very quick to criticize opposition parties. However it does not seem to sink into members opposite that there is a good deal of distrust in the nation of the Liberal government, the parents of the dilemma that our country is in today, the very people who got us into this mess. A lot of people perhaps mistrust the fact that the Liberals present themselves as the people who have seen the error of their ways and are now going to be the ones who will lead us out of this dilemma and into the promised land. A lot of people in Canada have a healthy degree of scepticism about the ability of the Liberals to come through and do what they acknowledge must be done.

I have a question for the hon. member for Bonaventure—Îles-de-la-Madeleine whom I know to be earnest and hardworking. I honestly believe he speaks with conviction. What in his opinion is the single most important ingredient in getting our nation's finances back on track? What is the single ingredient on which everything else hinges?

Mr. Gagnon: Madam Speaker, I think I will include some of the very favourable remarks of the hon. member opposite in my next householder.

Yes, being a Liberal I am somewhat confident. There is confidence out there in the general population that the Liberals can deliver. The minister said it very clearly when he said that he would bring the deficit from a high of 6 per cent down to approximately 3 per cent of GNP within the next three years. This is something we are striving to do.

Of course it will not be done without any pain. We might be talking about short term pain for long term gain. We are not

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going to cut indiscriminately in every area. We still have social conscience on this side of the House. I believe it still exists among certain members on the benches opposite.

After hearing what the member told me earlier I am convinced a number of the members will recognize the efforts made by the government to decrease the deficit and to make sure that we eliminate the deficit by some time at the beginning of the turn of the century.

It will be a long term process. This is what we have to prove to outside investors and Canadian investors. Canadians are expecting us to make sure that we come out with a reasonable budget, given the situation we are faced with, so that we can look at the future with hope and encouragement, thanks to the first steps taken by the Minister of Finance. In the next few weeks the course will be set.

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Madam Speaker, first of all, further to the remarks made by the hon. member for Bonaventure—Îles-de-la-Madeleine, of course Canadians as well as Quebecers are aware of the fact that the national debt has grown to \$600 billion, with debt charges totalling about \$115 million per day.

(1615)

We all know that, just to pay the interest on this debt, the Canadian government now has to borrow money. We are also aware of the need to paid off this debt someday, or at least to reduce the deficit. The last budget the Minister of Finance tabled in this House was passed with a deficit of approximately \$52 billion, this being the biggest deficit ever approved by this House.

Naturally, this budget was passed by the Liberal majority who had approved in this House the biggest deficit ever in Canadian history. Today, it is suggested to create a deficit to solve the deficit problem.

The people are prepared to tighten their belts and make sacrifices. What they will not accept is the shameless government overspending. They have a problem with expenditures like the \$475,000 spent just recently on the installation of the Governor General. They find it difficult to accept that members of Parliament be entitled to a pension for life after serving for just six years.

And this causes concern and social insecurity from coast to coast. The concern caused by such things as the Minister of Finance contemplating tax hikes, contemplating replacing the GST with a tax hidden in product prices so as to be able to tax everything that is presently tax-free, such as food, prescription drugs and health care, is not making seniors feel any safer, because there is even talk of taxing RRSPs.

Meanwhile, the Minister of Human Resources Development is considering making cuts in education programs, loans and

scholarships for students, who represent our future. The minister is considering making cuts in the UI program, which should not be used for government administration purposes since it is an insurance for those who lose their jobs. The minister is also considering making cuts in the government support to seniors and to low income families. When I think of low income families, I am reminded of all the cuts made by the previous Conservative government, including the subsidies to provinces for social housing.

The minister is also considering making cuts in the subsidies to women's organizations which promote employment and equal pay. Then, there is the Minister of Finance who is also considering cuts in airport and airline services, or even privatizing these services. If the equipment is transferred to the provinces, it is like shifting the burden onto their shoulders.

So, I ask the hon. member: Is it possible that, this year, the government will manage to reduce its deficit without targeting the poor and, if so, how will it do that?

Mr. Gagnon: Madam Speaker, I can assure you it was never the intention of the Liberals to introduce budget cuts at the expense of the most vulnerable in our society, and I said as much in my speech.

As the member for Bonaventure—Îles-de-la-Madeleine, and like the hon. member from the North Shore, I represent a riding that has to live with financial, economic and social problems.

However, in his comments he referred to the fact that people needed security, and I also heard him say that people thought we spent too much money on the installation of the new Governor General of Canada and all the activities that were organized around this event. I would like to remind the hon. member opposite that the Premier of Quebec is going to spend, not two million, as he promised, but more than five million on the commissions going around Quebec that want to discuss only one topic: Quebec's independence. There is nothing that makes my constituents feel more insecure, and I hear people say this. I hear this from people in Quebec's remote areas, when they see a provincial government that is intent on only one thing: the break-up and, in fact, the end of the best country in the world.

(1620)

The only way we can survive is by introducing a new fiscal policy, making certain cuts and reallocating our spending priorities. Reallocation is necessary to ensure that we can become leaders in important fields.

However, we must stay together, because dividing Quebec and dividing Canada and making all kinds of statements, as the opposition sometimes does, is not the answer. I am not necessarily referring to members opposite, but it was the Quebec finance minister who said recently that he felt Quebec was not necessarily obliged to meet Canada's international commitments in terms of paying off loans and servicing the debt.

In concluding, we want Quebecers to feel secure, and I think we are going about it the right way. This is a caring government, and I think the Chrétien government has proved repeatedly during the past one and half years that we are in touch with the grass roots, that we are fully aware of our financial obligations in terms of the national debt and that we also realize that the federal government has an obligation to take care of the neediest in our society.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, for the benefit of those watching on television I would like to read the Bloc motion once again. It is non-votable and it reads as follows:

That this House call upon the government in its next budget to avoid any tax increases targeting low and middle income taxpayers and to consider instead trimming the fat from the government, eliminating tax expenditures which primarily benefit large corporations and wealthy Canadians and collecting on unpaid tax debts owed to the federal government.

How do we go about disagreeing with that? We cannot. It is like motherhood and apple pie. Furthermore, it makes sense. Why should we not be doing the things that the Bloc suggests? As a matter of fact, we are doing most of them now.

Our party agrees 100 per cent with the notion that we should avoid any tax increases targeting low and middle income taxpayers. We are very adamant in saying that we should not have any new taxes on anybody for any reason, period; not on people, not on businesses, not on anyone for any reason, not direct and not indirect. The reason for this is we have to establish the political will to do what has to be done.

Earlier in questions and comments I asked the hon. member for Bonaventure—Îles-de-la-Madeleine to tell me what in his opinion was the most important single thing that needed to be done, what was the factor above all other factors that would ensure success in eliminating the deficit and getting our country's finances in order. For those watching and for those in the House it is no surprise that we did not get an answer to that question. I asked the question specifically because I wanted to know whether the member opposite really had a sense of what had to be done. We did not get an answer to the question. I assumed that the member opposite did not know what that ingredient was.

I am going to give him the answer. I am going to let him and other members opposite know what the single ingredient is which must be there. Without that ingredient there will not be success. It cannot happen. That single ingredient is political will. Members opposite control the purse strings. They have their feet on the pedals and their hands on the wheel that steers our nation. We in opposition can influence but we do not make the final decision. It is the government opposite that makes the

Supply

final decision. Unless the government opposite has the political will to do what has to be done it simply will not be achieved.

How does it go about getting this political will? What does it take? That is why it is so important that the government not look for tax fairness at this time. Tax fairness is not the issue. Spending is the issue.

(1625)

If we allow ourselves as a Parliament to wriggle off the hook instead of saying to ourselves our problem is that spending is out of control, instead of being absolutely committed and convinced of this and start burrowing around looking for little ways that we can pick up a few bucks here and a few bucks there, we will very quickly lose the political will to do what has to be done, reduce spending.

Programs have to go. If we do not do it we absolutely will not achieve the goal that has to be achieved. Our nation is quickly getting behind the power curve financially.

For those present who do not understand what the power curve means, getting behind the power curve is an aviation term. What that means is that if a person is flying along and there is a mountain ahead and that person pulls the nose of the aircraft up, they will have to increase power so that they can climb up over that mountain. If there is not enough power in that aircraft to keep the nose up and to keep flying, they will very quickly lose speed, lose control, spin, crash and burn.

Our nation is in an aircraft and there is a mountain of debt ahead of us. That mountain of debt is growing rapidly through the magic of compound interest which is people's greatest enemy when they owe money and their greatest friend when they do not owe money.

Here we are hurdling along in the sky. This mountain of debt is in front of us and we have to keep pulling our nose up. As we pull our nose up, which is increased taxes, we are losing power.

There is the point when our economy has lost so much power because we have to keep increasing the taxes so that we can get over the mountain we simply will not be able to do it. That is why the political will to get our spending under control is of critical importance.

That is not to say that there are not elements of our taxation policy which should not be corrected. That is not to say that my colleague and friend from St. Hyacinth—Bagot is not absolutely correct in saying that in our tax life you have to be a Philadelphia lawyer to fill in your tax form.

Have members ever tried to make money in this country? People pay taxes on making money. People pay taxes on spending money. Every time we turn around there is a disincentive to be productive in our economy. There is an incentive to be non-productive.

Supply

We have to get those changed. We have to simplify our tax regime in this country. As a matter of fact our hon. colleague from Broadview—Greenwood has been working diligently for years to introduce the single tax in Canada.

Our party is 100 per cent supportive of that but we have to set priorities. Right now our nation and all Canadians are in a lifeboat. We have already hit the iceberg. The *Titanic* is going down and we are in this lifeboat. There are holes in the lifeboat and what are we doing? We are talking about who should be the captain and what colour we should paint it.

We better get some priorities together. We better be plugging the holes in the lifeboat and bailing because if we do not, we are going down, and we are going down together.

It does not matter if one is bankrupt in French or English. One is bankrupt. It does not matter if one is bankrupt and cannot afford to buy a gun. Does it matter if one has to register it? Does it matter if one is gay or straight? One is bankrupt.

Our priority is to get our nation's finances in order. That is what we have to do. Once we have done that, this Parliament should rightly put its interests in all the other thousands of things that drag us away from where we should have our noses focused, one of which is on government spending.

We need as a Parliament to get our noses on the ground, to get our butts in the air and work on priority number one, that which is most important above all other things, to get the political will so that we can make the tough decisions. We can look our fellow Canadians in the eyes and say we have made the first sacrifice ourselves. We have done away with this outrageous pension plan that acts like a magnet for all the ire of everybody in the country.

(1630)

When they look at that and say: "How can these people who are elected to lead us write laws that protect them from the very mismanagement they have put on to our country in the first place? How is it that people can spend 20 years here and get a pension that allows them to live so they do not ever have to worry about the consequences of their mismanagement of our economy?"

We have to restore the bonds of trust between the elected and the electors. We have to put the rights of victims ahead of the rights of criminals. Above all, we must get our nation's finances in order and we must have the political will to make the very tough decisions necessary.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Madam Speaker, I am not able to associate with this picture by my colleagues in the Reform Party. Day in and day out they try to paint this as a sinking country that one cannot live in and that has so many things wrong with it.

For the third time in a row the United Nations has clearly stated that Canada is the best country in the world in which to live and raise a family. Twenty years ago when I came to this country I knew Canada was the finest and best country in the world. I say that over and over again.

I do not understand what is wrong with my colleague. Perhaps we should establish a fund for our colleagues in the Reform Party to send them abroad to look at the world. When they come back to Canada, maybe then they will start talking about the positive things that exist here. Then they could truly appreciate all of the good things we have and will come to the conclusion that we have to work collectively in order to make it even better.

This negativity day in and day out, the doom and gloom is not serving anybody. It is not serving the interests of Canada. Business people have told us over and over again: "Give us the tools and we will make it happen". Government has to provide a proper environment in order for business to create jobs and we are doing that.

Economic indicators by all agencies, whether from Canada or abroad, whoever we talk to, all of the economists agree that Canada and this government is going in the proper, right direction. We are leading the other industrialized countries in terms of growth. According to the Minister of Finance and the Prime Minister we are way over what we have forecast in terms of economic growth.

What is wrong? In terms of what the government is spending annually versus what we are getting in terms of revenue, we are in a surplus position. However, we have a debt and interest to pay on it.

For my colleague to turn around and attack the government for its track record is unfair. He should stand up and congratulate this government, the Prime Minister, the Minister of Finance, every member of the cabinet and government for a job very well done. That is what he should do. Stop the doom and gloom. Talk about the positive. Smell the roses. Have some coffee. Maybe he would wake up.

Mr. McClelland: Madam Speaker, it is such a delight to respond to the hon. member opposite as he whips his rose coloured glasses from his nose.

You do not have to be a brain surgeon to figure that if you have been running up debts, you can live like a king if you are doing it on someone else's money. The problem is the bank is about to cut off our Visa card. Our Visa card, American Express, MasterCard and our bank line are as high as they will go. We opened up a home equity line of credit which we are using and still we cannot pay our bills. We are going further into the hole every day. That, sir, is the problem.

Supply

(1635)

Step number one in solving a problem is that you must deal with things as they are, not as you would wish them to be. This Pollyanna wishing and saying that the United Nations says we are number three in the world, why are we not number two or number one in the world? We are borrowing it. We are going down the hole. Our grandchildren and our children will be paying off debts that our generation and the generation that preceded us ran up. And these people are saying: "Everything is fine in the world". It is insane.

Let me read from *The Wall Street Journal* about this number one nation in the world. I am quoting Mr. Alan Reynolds in *The Wall Street Journal* of Friday, October 14:

The drop in the Canadian dollar, 20 per cent since 1991, is largely caused by the uncompetitive tax climate for both labour and capital. World investors do not like to invest in countries with rising tax rates.

The article goes on:

The weak currency means Canadians, and the Canadian government, have less buying power in the world. When the Canadian dollar falls, the government needs more Canadian dollars to make the interest payments on its large foreign debt. The increased tax rates after 1989 have thus increased the spending side of the government's budget by sinking the currency and raising interest rates, as well as shrinking real revenues.

Now this is not the party opposite. This is a world renowned, respected economist from the Hudson Institute.

These are the kinds of comments, the kinds of articles that affect our interest rate on the 30 per cent of the foreign debt owned by other countries. Every time we make an interest payment on that foreign debt we are putting German, Japanese, and American people to work.

Why do you think our interest rates are five points higher than the American interest rates? Is it because we are such great money managers? Why do you think our unemployment rate is 3 or 4 per cent higher than the American unemployment rate, yet our economies have matched each other for 40 years? Is it because such masterful people have been running our economy, the Liberals, the Conservatives, and again the Liberals?

In 1984 the Conservatives were elected with a mandate to get our country's finances under control. They did not. They blew it. There are two Conservatives in this House today. Count them. The Liberals have the same opportunity today to address the number one problem. If they do not do it there will be two of them left after the next election, maybe. Canadians are sick and tired of this Pollyanna attitude to what is really hurting our country.

[Translation]

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, the Reform Party member is right when he says that

Canada is heading for national bankruptcy. The hon. member is also pretty much on target when he says that the government lacks the will to put some order in its finances.

This lack of political will, as well as the fact that we are obviously heading for bankruptcy, has been quite noticeable since the Liberals took office. Foreign investors are extremely concerned about the state of the federal government's finances. The fact that Canada's economic situation is truly out of control may not be the main reason why Quebec wants to become a sovereign state, but it is certainly one of the reasons. As the Reform member pointed out, this government lacks the will to act.

We can accept the fact that Liberal members rise in this House to say that Canada is the best country in the world. However, with impending bankruptcy looming on the horizon, Canada may not hold that honour for much longer. This reminds me of the captain of the *Titanic* who, in 1912, said that his ship was the most beautiful in the world and referred to it as "the unsinkable *Titanic*".

(1640)

The *Titanic* sank, but that does not justify the fact that Canada is experiencing very serious problems. The whole world is aware of that, and particularly investors. Yet, this government does not have the political will to correct the situation. This is serious, especially since the government and the minister could take a whole slew of realistic measures to help the economy. However, they simply will not do that. On the contrary, the government is bent on eliminating the debt at the expense of the poor. And that makes this federal regime even more unfair.

[English]

Mr. McClelland: Madam Speaker, I think my hon. colleague from the Bloc hit upon quite a salient point. We are facing yet again this question of how we are going to survive as a nation united with Quebec as a part of Canada.

The Bloc brings forward the notion that what is it about the federation of Canada financially, is this country so well managed that we could not manage on our own just as well? I guess it does that because of the mess we are in and that argument has some weight. In my opinion, and I think in the opinion of most Canadians, we would all be much worse off, Canada and Quebec, in the event of a separation. That very question is hurting us today in interest rates.

The Acting Speaker (Mrs. Mahen): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint John—Trans-Canada Highway; the hon. member for Mercier—Manpower training.

Supply

Mr. Grant Hill (MacLeod, Ref.): Madam Speaker, I would like to add my words on the issue of Canada's financial circumstances.

The other day I heard it described as a prize fight in Canada. It was a prize fight between the fiscal disciplinarians, and I would characterize the fiscal disciplinarian as our Minister of Finance, and the social capital advocates. I would describe the minister of HRD as the social capital advocate. This prize fight had been won by the fiscal disciplinarians. The commentary was that this was a tragedy for Canada because our social programs were going to be eaten away by fiscal disciplinarians, those who had understood and realized the depth and severity of our debt problems.

My difficulty with that discussion and argument is that surely there is a connection between our social programs and financial responsibility. Surely there is a connection that will not allow that to be broken.

I would like to go over a few individual statistics. I hear over and over again that the way out of our debt problems is simply to close loopholes and make our taxation system fairer.

Taxes now account for a much bigger proportion of the average family budget than shelter, food and clothing combined. It is a complete reverse of what is normally present in the country. In 1961 the reverse was true.

(1645)

There are those who say that the rich in our society should take a heavier hit from taxes. Last year the top 30 per cent of families, those earning \$61,660 or more, paid 62.4 per cent of the taxes. "Let's hit them harder", say some. To those who say that we are not taxed too highly compared to our major trading partner, Canadians pay \$50 billion more tax per year than Americans after adjusting for the size of our economy. We are taxed to the eyeballs. We are taxed until we are drowning. We are taxed so much that anyone who says we can pay more taxes is dreaming.

I liken this to two individuals. One is a prize fighter who is lean, mean, quick and knows all the tricks. The other prize fighter looks like a Sumo wrestler. The Sumo wrestler waddles into the ring and says: "I'm going to take you on" and does take on the quick, alert prize fighter by lying on him and squashing him. There is no talent in that at all.

The overweight, bloated debt in our country is a Sumo wrestler and it is going to kill completely the prize fighter who has the ability to move quickly, to adjust to circumstances and to be competitive.

I tried to look for an international comparison to see if Canada could look at some other location. I looked at New Zealand. I

took an opportunity to review what happened in New Zealand in 1984. New Zealand has a House much like ours and these same conversations were going on in 1984. The government of the day said: "Everything is fine. We are in third place in the world. We are the third best country in the world. Everything is fine". We heard that.

One day after the debt wall—the member opposite said not to be so violent—I was going to say smack into the debt wall but instead I will say gently nudge up to the debt wall and hip check the debt wall. New Zealand did a hip check of the debt wall. They did not smash into the wall. In one day New Zealand went from the third highest in the world to twenty-second.

My field is health care so I looked at what happened to health care in New Zealand in that one day. The same scenario faces Canada. In one day they ended up with advertising on the ambulances to pay for the fuel. To go to sick patients they had to advertise chocolates and booze, in order to get the sick patients to the hospital. In one day they went from a system very similar to ours where everything was free to a system where there were user fees for everything.

One of my friends who practised medicine in New Zealand said: "The tragedy for those individuals who came to the hospital with a coronary was that they lay sweating in bed worrying about how much it would cost". This was from a society that said: "Everything is fine. All is well". One day later, their health care system was gone. Can members sitting on the other side tell me that is not a problem?

What do I see in our health care system that caused me to come to Parliament, to leave a medical practice that obviously is better than doing this? What caused me to come here? These are the things that caused me to come here.

First, the waiting lists for my patients were getting longer. I am told there are no problems in Manitoba today. Hip replacement is a 60-week wait. The standard for Canada should be 12.7 weeks. No problems in Canada.

I watched technology in our country slipping behind other countries. We have in Canada 1.1 MRI machines per million people. The U.S. has lots of them. They are techno freaks so I will not talk about the U.S. Germany, a country very close to us, has 3.6 MRI machines per million people. Where do we go if we need an MRI in our country? We go to the U.S. We cross the border. We put our Canadian dollars on the table in the U.S.

(1650)

The technology that we need, that we deserve, that we must have, is being denied by a rigid set of rules that say we cannot provide more funds to the health care system. That might privatize something.

Supply

If an individual here needs health care should we wait for New Zealand? I suppose that is the answer. Monumental waiting lists will be the legacy of a government that will not pay attention to our debt.

I had a young student face me not so long ago and say to me: "You are so hard-hearted. All you care about are finances". All I care about is a health care system that will survive. If we go New Zealand's route and I say to my grandchild that everything is fine, my grandchild will say to me, "You are not a good granddad".

Health care will not survive with a government that does not pay attention to its debt. I will not allow that to happen.

The Acting Speaker (Mrs. Maheu): Because the last speaker's time ran over by five minutes on questions and comments I will allow one comment and one question in response.

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, I was somewhat surprised by the comments of the Reform member, especially when he talked about health care. Obviously the Reform Party wants to privatize health care. It is a party that has not defended social programs. We are the only party that has defended social programs in this House, in spite of the attacks and reductions by the Liberal government.

The Reform Party has not spoken in defence of social programs. It is obviously opening the door to privatization of health care. Our health care system is one of the standards of Canada, one of the hallmarks of Canada, one of the achievements of Canada. This party is talking about privatizing health care and giving us the model, obviously, of the American system where if a person gets sick he or she risks going bankrupt very quickly.

Under the cover of comments of New Zealand's problems and success story, among all the other comments that have been made, which unfortunately Americanize things that have been good for Canada, he is again opening the door to a system that has proven to be costly and wasteful and even dangerous, where people go bankrupt if they become ill.

That is not an avenue which is very constructive. It is probably even worse than what the federal government is now doing. The federal government has not been doing very much in terms of helping people, in terms of the social programs, in terms of health care. The government in trying to reduce its deficit has attacked unemployed people and senior citizens. It has tried to put more debt on students. It is now even increasing the rent of the poorest people in our society. That is what the government is doing now, which is probably the worst thing that I can imagine, and the hon. member is suggesting something which is even worse.

(1655)

I ask the member how privatizing the health care system in Canada would improve the debt problem?

Mr. Hill (MacLeod): Madam Speaker, I will have to be brief. That was quite a discourse.

The response of the health minister in Quebec to the new proposals from the federal health minister is quite interesting to me. The health minister in Quebec said simply: "Health is a provincial responsibility. The federal government should keep its nose out of health". That is a proposal I strongly support.

Alberta, my province, says that Quebec has it right. We may disagree on whether or not there is any place in health care for a safety valve. We may disagree but surely we do not disagree that health is an important program. Surely this is not a partisan issue.

[Translation]

Mr. René Laurin (Joliette, BQ): Madam Speaker, I am happy today to speak to the motion presented by my colleague, the member for Saint-Hyacinthe. I think it is important for the official opposition to raise once again this pressing matter which the government should address, but about which it keeps on procrastinating.

The government is supposed to present its budget very soon; it was said to be in early February; but it would appear that it will not be until late February or even early March. The social reform was announced for the fall; it had been postponed until winter and now it is postponed indefinitely. In the meantime, the situation is deteriorating, the deficit and the debt are increasing.

Why is the government dragging its heels? It is dragging its heels because it knows it must take steps which are going to hurt. It is afraid to do anything which will make it the enemy of the people or which will cause the vast majority of Canadians to hate it.

In the past, we have made many suggestions on how to solve the deficit problem. We have offered numerous options to the government in order to solve this problem without raising taxes, but it refuses to listen. The solutions it favours, the only ones it is considering are those aimed at the majority of people, namely the under-privileged members of our society.

What we are proposing instead is that the government target the minority of Canadians who are more fortunate, the people and corporations which are in a position to contribute more through their taxes. However, because these corporations, these executives, these wealthy people are friends of the government, it is reluctant to tackle a job which is most urgent. It refuses to assume its responsibilities for fear of alienating those Quebecers who are about to vote, in the referendum, in favour of a flexible Canada, a flexible constitution.

Supply

The present government is playing hide and seek, when we require openness. In my speech, I would like to emphasize the collection of unpaid taxes owed to the federal government.

(1700)

My colleagues already talked about other aspects of the motion. They talked about trimming the fat from the government. True, we could save millions by doing that, but when we talk about trimming the fat, we do not mean simply cutting jobs in the civil service. It is not true to say that all depends on the number of civil servants. If there are too many, fine, by all means cut, but I hope the cuts are going to be fairly spread among the various provinces, not made in the way recently announced by the Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal. If a 25 per cent reduction in spending is anticipated, I hope we will not see a 33 per cent cut in Quebec, as is expected.

That is not the only way to trim the fat from the government. To trim the fat, we could have only one bus service to take members of Parliament from their offices to the House of Commons. The same bus service could be used by members of both houses to reduce the cost. We never talked about that. Each House wants its own staff, its own accommodations, its own transportation system, its own allowances. We have two sets of everything; yet we still wonder what purpose the other place serves. However, no expense is spared.

I will not dwell on this issue any longer, because I want to come back to what I said earlier about recovering delinquent taxes. The auditor general made several comments on that topic. Most taxpayers pay their taxes when they file their income tax return or when they get a notice of assessment. But sometimes, measures have to be taken to recover, for example, unpaid balances or tax deductions at source. Also, an employer can forget to remit on time to the government the tax deductions at source. Or some taxpayers can deliberately neglect to pay their taxes.

Let me describe briefly the situation we have. Right now, there is about \$6.6 billion in delinquent taxes, that is unpaid taxes that should have been paid. These \$6.6 billion are owed by some 1.6 million taxpayers. These are the numbers we had as of December 31, 1993. Of these \$6.6 billion, \$3.6 billion were owed by individuals, self-employed workers, corporations, and include source deductions by employers.

Of that amount, \$900 million had been owed for less than 90 days. This was the case in 1993 for 21 per cent of taxpayers in arrears. And \$250 million had been owed for more than 90 days on small amounts. But \$5.35 million had been owed for more than 90 days on larger amounts. This was the case for 25 per cent of delinquent taxpayers.

Thus, of the 1.6 million delinquent taxpayers or corporations, 25 per cent, or some 400,000, representing the smallest group,

owe more than \$5 billion in taxes. That is to say that each of these 400,000 taxpayers owes a lot of tax money to the government. These are not humble and poor people. They are not people who are always in need.

On the Public Accounts Committee, we were told that we sometimes go easy on the people who have some difficulty in paying, because we do not want them to go bankrupt. We say: "We have to be understanding. Sometimes, you know, floods or fires occur. So companies are given more time to pay their taxes".

But for individuals whose income tax is deducted from their pay cheques, not even a flood will stop their employer from taking off their share of income tax and sending it directly to the government. Even if a fire destroys their home, these individuals will not be able to use the money that their employer has already deducted from their pay cheques for tax purposes. For salaried employees, the income tax is collected immediately. And for those who have different means of paying their income tax, the state is always willing to show some understanding, which gives these people an opportunity not only to take advantage of the system, but in many cases to abuse the system.

(1705)

I think that the government must take action to give the Department of Revenue more control over individuals and corporations that owe taxes to the government. There has to be greater control if the just society that we have heard so much about in this country is to be reflected in the way Canadians pay their taxes. If we want a just society, everybody must pay their fair share of taxes. We must not have half of the population paying taxes for the other half.

I know that my time has expired. I still have a lot to say and I hope that the questions and comments period will give me an opportunity to complete my remarks.

Mr. Louis Plamondon (Richelieu, BQ): Madam Speaker, I would like to congratulate my colleague on his remarks about this motion presented for the official opposition by the hon. member for Saint-Hyacinthe—Bagot. This opposition day motion clearly demonstrates how appropriate it is to warn the government of the consequences it will face if it continues to overburden low income taxpayers, the have-nots, the needy, and the unemployed, if it keeps doing what previous governments have been doing for years, and if it does not get its money where it should get it by following our ten point plan. Could the hon. member for Joliette who just spoke further explain the solutions advocated by our party, the Bloc Québécois, in order to help the government better understand public finances?

Mr. Laurin: Madam Speaker, I thank my hon. colleague for this opportunity he is giving me to add a few comments. Since the tabling of the last government budget, the Bloc Québécois has gone out of its way to propose numerous solutions to help reduce the deficit. One of the first measures we recommended

was the creation of a joint committee on the financial situation. The Bloc Québécois would have participated and we could have studied possible solutions together, out in the open. The government refused.

Given that situation, we took a different approach. We proposed solutions to the Standing Committee on Finance. We asked that government pass legislation to prohibit family trusts as we know them today, because they are tax havens for a privileged few in our society. These are real solutions. There are billions of dollars in those trusts.

Here in this House, and also in committee, we suggested that the government should focus more on finance and tax control. I have just spent the last ten minutes talking about taxes. Just think that there are now \$6.6 billion in unpaid taxes which delinquent taxpayers will not pay; \$6 billion is a lot of money and the interest on such an amount adds up to more millions. We asked the government to provide for stricter controls on those overdue accounts.

We asked the government to look into the issue of businesses, tens of thousands of businesses, which have not paid taxes over the last ten years, in spite of profits earned in Canada. Why do we allow those companies to profit from such a tax exemption system, albeit a legal one? That is not normal; all taxpayers, corporations as well as individuals, should pay their fair share of taxes in Canada. That is another solution that we proposed to the government.

We also proposed to slim down the government machinery. We talked about that many times. We also asked the government to avoid duplication in the various administration sectors, duplication of provincial and federal spending in the same areas.

(1710)

These are suggestions that we made to the federal government and, each time, we were met with an outright refusal. Why? Because in each of these solutions, the government saw an opportunity to decentralize its powers to the provinces, which it does not want to do, because its leitmotiv is to further centralize powers and to leave the provinces with their problems.

It is clear today that this government does not intend to make concessions to the provinces. On the contrary, it intends to give them more responsibilities, without the tax points which would go with those responsibilities.

Mr. Louis Plamondon (Richelieu, BQ): Madam Speaker, I would like to say a few words on the opposition's motion, which reads as follows:

That this House call upon the government in its next budget to avoid any tax increases targeting low and middle-income taxpayers and to consider instead trimming the fat from the government, eliminating tax expenditures which

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primarily benefit large corporations and wealthy Canadians and collecting on unpaid tax debts owed to the federal government.

It seems a bit strange that the opposition should feel the need, on the eve of the government's second budget, to ask it to think about getting off the backs of the disadvantaged and the unemployed and start spreading the wealth more equitably.

However, the government has never stopped talking, in its electoral promises and in the red book it waved about throughout the entire electoral campaign, about equity and tax reform. It always defined itself as the protector of the ordinary citizen. It spoke of balance. It spoke of redistributing the country's wealth. Yet, since it has been in office, it has done just the opposite.

Is this surprising behaviour from a Liberal government? Is it surprising that a government led by old crocks like the Prime Minister and the Minister of External Affairs, old political hacks, who have always backed down on their electoral commitments, who have always reneged on their promises?

Let us go back a bit in the history of this moribund party. A party without a soul, that fails to keep its promises, interested only in staying in power to fatten up the friends of the regime, and let them take a turn at the trough. This has always been the Liberal party style.

Do you remember, in the 1970s, when Robert Standfield promised in an election campaign, as the head of the Conservative party, that he would freeze wages and prices, and Pierre Trudeau, the head of the Liberal Party, said wages and prices should never be frozen? He was elected on this promise. What did he do six months after? Just the opposite of what he said he was going to do: he froze wages and prices. That is the Liberal party, for you: two different messages, one for the elections, another for once they are elected.

Once they are elected, the promises are forgotten. Everything is forgotten. The red book becomes a red, blue or green paper depending on the occasion, and electoral commitments become simply good intentions that, unfortunately, the current economic situation obliges them to put off—like the postponement of the Axworthy reform or the promises to help the disadvantaged.

Do you also remember, in the 1980s, when the Conservatives brought down a budget providing for an 18 cent increase in the price of gasoline, what the Liberals did?

(1715)

There was an historic vote, which in fact defeated that government on the pretext that an 18 cent increase in the price of gasoline was unacceptable. The Liberals said: "If we are voted back into office, there will be no increase in gas prices. We will exert better control over government spending. We will decrease the number of unemployed. All in all, we will reduce the deficit which has reached \$13 billion". Once again, we believed them. Very naive, in the opinion of many Quebecers and Canadians,

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we believed them. And what did they do once they got back into office? In less than a year, the price of gasoline increased by 65 cents, not 18, contrary to what they had promised.

During their term in office, from 1980 to 1985, the deficit rose from \$13 billion to \$38 billion. Sixteen months went by and no budget. In spite of this, Mr. Trudeau was travelling around the world. They were spending money left and right. Apparently they felt the need to interfere in all provincial jurisdictions to counter the rise of the sovereignist movement. Public expenditures were about \$76 billion, but gradually rose to just over \$100 billion.

So much for the Liberal government. Is it surprising that we feel compelled, as the official opposition, to enjoin the government to remember the less fortunate, to think of its election promises and the promises made in the red book? We have to make the government realize and state publicly that we remember.

I see members of the governing party lower their heads, and well they might. They are embarrassed in their ridings. They go to their ridings every weekend and are ashamed of all of these cuts.

Take the first budget, for example. They had so much hope after being elected. But no, the first budget made an incredible, unacceptable attack on the unemployed. And yet these same Liberals while in opposition had cried murder over the Valcourt reform. And the cuts made by the Minister of Finance in the last budget are 5, 10, 15 times worse than those made by Minister Valcourt in the former government. Such criticisms have been completely forgotten.

The Hon. Minister of Human Resources Development cried murder when there was talk of touching social programs. Now, he will deal the fatal blow to these programs. He proudly defends this, completely forgetting the commitments he made while in opposition and during the election campaign.

We could also talk about the Liberal Party of the 1980s, which has not changed, is still run by the same people, who broke all their commitments, even betrayed their people, for example the Prime Minister and the Minister of Foreign Affairs, in order to rise to the leadership of, or to an important position in, the party. So in 1980 they said: "Do not back sovereignty. This could jeopardize our seats. The dollar will fall to 80 cents if you do". At the time, the dollar was worth \$1.03. Suddenly after the Liberals came to power, the dollar sank to 69 cents.

That is the Liberal Party, and the same people are still running it. Can we believe them when they say they will table a fair budget? Never. So, we openly say to them: "The eyes of the

public in Canada and Quebec are on you. They are watching you. Your commitments are still printed in the red book and you will have to fulfil them. We beseech you to find concrete solutions". As the hon. member for Joliette said earlier, we recommended 10 ways to clean up the government's finances, to trim the fat, to make people who have the means pay and to unearth those who bury their money in tax havens. We have repeated this many times. We will see whether you will take into consideration our suggestions or if you will continue to break your promises.

Now, let us recall the last speech on free trade that the Prime Minister made in Montreal. He warned Quebecers that they will be shut out of free trade. However, when the vote on free trade was on, the Prime Minister travelled Canada-wide to preach against it, to spew out lies about it. Now, he warns Quebecers that if they declare sovereignty they may not be covered under the free trade agreement, which he now considers as an element that is essential to Canada's survival, even though he denied this throughout the 1988 campaign which was based on free trade. Two different messages, one for the election campaign, one for when he came to power. The Liberals as they have always been.

(1720)

I will end on the following note: As a Bloc Québécois member and as a representative of Quebec, I remind my fellow citizens, Quebecers, that trusting this government, trusting these politicians, has always led to disappointment. The time is long overdue for us to take over full power to tax and to pick and choose the services we want to share with this federal state.

Mr. André Caron (Jonquière, BQ): Madam Speaker, I congratulate my colleague from Richelieu on his heartfelt speech in which he shared his past experience with the House. Of course, he raised points denouncing the behaviour of our Liberal friends opposite who, when they were in opposition, criticized the Tories on the issue of cuts to social programs and often on the tax system. He told us clearly that the Liberal Party was not the same after the election.

I wish to ask my colleague from Richelieu if, on the basis of his experience in federal politics, he could explain to us how a party like the federal Liberal Party, which initiated major social programs, which used to pay lip service to the need to defend the most disadvantaged in society, is now cutting UI benefits and transfer payments to the provinces for social assistance and education, while at the same time closing its eyes to the fact that some members of society do not pay the taxes they owe the government. The question I want to ask my colleague is this: Based on his experience, how did the federal Liberal Party reach this point?

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Mr. Plamondon: Madam Speaker, I welcome this question. Nothing the Liberals do should ever come as a surprise. They will stop at nothing. But when you say that certain social programs were instigated by the Liberal Party, make no mistake about this party. It happens that it often formed the minority back in those days. There was a left-center trend in Canada, Quebec, America and even Europe then, and this leftist sentiment often found a voice in the third party, that is to say the New Democratic Party, who traded its support to the government for rather important social measures. Therefore, the credit does not go the Liberal Party for instigating the measures, because it simply acted to ensure its survival and remain in power.

Now, there is a shift toward the right, as can be seen with the emergence of the Reform Party. So, what do the Liberals do? They go with the flow, shifting toward the right, casually casting aside any commitment or promise made and anything it has been forced to do by the NDP in the 1970s. They are now forced by the Reform Party to renege on all that. They are making this shift to the right for the sake of staying in power.

The Liberal Party can also be expected to go to any length to succeed. It has never had an ounce of social conscience. Not only does it renege on its commitments, but this is the kind of party that will happily squander public funds and do whatever it takes to stay in power. You do not have to go far to find evidence of this. Take today for example, with these Canadian flag celebrations. This is hilarious. Have you ever heard of an organization celebrating its 30th anniversary? Of course not. You celebrate a 25th or 50th anniversary. And not a penny had been spent on the 25th anniversary of the flag.

(1725)

It has now been decided to spend \$1 million on propaganda against Quebec sovereignty. They will do anything, have 800,000 posters printed, 400,000 in Quebec alone. The propaganda effort is under way, taking up million upon million of dollars, but that is no problem. That is the Liberal way. You set up three floors of office space in an office building in Ottawa, pay salaries of \$90,000 to \$100,000 to everyone if necessary, and you have the money to set the propaganda machine in motion. The Liberals will do anything, anything short of having open and honest discussions, honouring their commitments and going back to their red book to check what promises were made and concentrate on fulfilling them. And these are basically the things the Bloc Quebecois is asking for in its motion.

The Acting Speaker (Mrs. Maheu): I am sorry but the hon. member's time is up.

[*English*]

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Madam Speaker, I

listened with intent to members of the Bloc and members of the Reform Party. I must say I heard a lot of rhetoric from the member for Richelieu but not many solutions to the problem he has put forward.

I am wondering where members of the Bloc have been. A lot of the points they have brought forward have been discussed. In the motion they have put forward today they refer to no taxes on lower and middle income taxpayers. As a Liberal member the last thing I want is taxes. I think Canadians are overtaxed. As a government and as a member of Parliament we are working toward reducing taxes if anything. That is what the Canadian public wants.

The member for Richelieu spoke extensively about commitments. The recent byelections show where the Canadian public stands and that the government has fulfilled its commitment. That is why we won three out of three seats in the byelections. It is a pretty good signal for the government. We are following the agenda we put forward in the red book. We are fulfilling those promises and we will continue to do so.

I heard both Bloc and Reform members talk about tax increases. I have never heard the minister say that there would be tax increases in the budget. He has said that we will have a fair taxation system. No taxes does not mean that we do not want fairness and equity. We want fairness in the tax system and we want equity in the tax system. That is what the minister did in the last budget and that is what I am confident he will do in this budget as well.

Bloc members have talked about the other part of the motion which deals with trimming the fat from government. This is why I say I do not know where they have been. That is what we talked about; we talked about getting rid of duplication in government.

Mr. Thompson: Talk, talk, talk. No action.

Mr. Dhaliwal: We took action. I do not know where the Reform members were; maybe they were sleeping. Look at the boards we got rid of. That bill was recently discussed. Look at the number of patronage appointments we have dropped: one-third. I have to hand it to the Minister of Intergovernmental Affairs who has reduced the number of political appointments from 3,000 to 2,000.

We are not a party that wants to add. We want to reduce. We want to look at what federal agencies make sense and what ones do not, what are duplications and where changes need to be made. Those members should wake up. They should learn to understand and hear, not just listen.

The bill that was before the House recently talked about a comprehensive program review on which the Minister of Intergovernmental Affairs has done an excellent job. It will look from the bottom up in a comprehensive review.

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Too often government keeps adding programs. We have learned that now is the time to do a very comprehensive review and ask: "Do we need this program? Does it make sense? Is it relevant today? Is the structure correct?" We have taken action and we will continue to take action on those programs.

If we look at the reductions of numbers on boards, some boards have been totally eliminated and other boards have had their numbers reduced. We can cut but there is a limit. We can only cut so much. I know Reform members want to slash and burn everything totally but that is not the solution. Those members do not understand we have to build the infrastructure, whether it is the cultural infrastructure or the scientific infrastructure.

(1730)

If Reform members would listen they would learn something but too often they are not listening.

People always want to build silicone valleys and tremendous infrastructures. Those cannot be done overnight. But it can be destroyed overnight by slashing the budgets. Members of the Reform Party were the people who were against the infrastructure program. They do not have a very good understanding of how important infrastructure is, whether it is the road system or the communication system. All those systems are very important.

As a business person I know how important that is. If a business person wants to transport goods some 100 miles away, without a good road system it could take four hours instead of two hours, which would be more expensive. Therefore, good infrastructure is very important.

The members of the Reform Party keep talking about this huge tax increase coming up. They know it is not true. Why are they doing it? It is because their membership is dropping and they want to increase their membership. They have sent out a brochure with all sorts of figures. In the middle of that brochure, lo and behold, is a membership form. What does it say? It says: "Join the Reform Party". It is political opportunism. Shame on you. Let us give the reality to the Canadian public. Let us give the truth.

We have to deal with the deficit and we have a clear program. As I said earlier, if the Reform members would listen they would learn but too often they have this one narrow view. Any other view to them is totally out.

We have to deal with the deficit. We have to do it with a rational, realistic and reasonable approach. We have set ourselves very clear targets. We set them during the election and we are going to follow through. We said we were going to bring the deficit down to 3 per cent of GDP in the first three years.

The members of the Reform Party had this crazy plan zero in three. They have abandoned that and are now calling it zero in five. They want to do it over five years now. They have realized that it cannot be done in three years.

Part of dealing with a deficit is not only dealing with the expenditure side but dealing with the revenue side as well. We have to make sure there is economic growth and confidence in the economy. Under the Reform program you would take \$40 billion out of the economy over three years. Is that going to build confidence in the economy? Is that going to create economic growth? Absolutely not. That is why a rational and reasonable approach is very important.

Reform members always talk about the pension—

The Acting Speaker (Mrs. Maheu): May I ask hon. members to address their comments through the Chair.

Mr. Dhaliwal: Madam Speaker, as I was saying, to deal with the deficit we have to have a rational and reasonable approach both on the expenditure side and the revenue side. We have set a clear agenda and clear goals. We are going to fulfil the goal that we set during the election. We continue to say that we will bring it down to 3 per cent of GDP.

On the other side is the revenue part of it. We want to make sure there is confidence in the economy. If you look at what has happened, we have done that. We have had 4.7 per cent growth in the economy. We have created 400,000 jobs. That creates confidence in the economy where people want to invest and make sure that we are able to create growth.

Another thing we have done is assist small businesses because we know they create employment and jobs. We want to make sure we reduce the paper burden on small business. We have taken steps to do that.

(1735)

An hon. member: Hear, hear.

Mr. Dhaliwal: The member is applauding because we know we have taken concrete steps to reduce the paper burden on small business.

Also, in the creating of wealth, we have set a very good agenda on the trade side. Members have seen what a successful program the Prime Minister has put forward to ensure that in this global economy we will be able to compete, that Canadian business will be able to go all over the world to promote their products, ensuring we are not left out of the global economy.

Not only do we have an expenditure program, we also have a revenue program to make sure we deal with the current economy.

We are going to deal with the deficit. Canadians want us to deal with it and I am sure members from both sides will support

the budget, which will deal with our difficult situation in a rational, reasonable and comprehensive way.

The Acting Speaker (Mrs. Maheu): It being 5.36 p.m., it is my duty to inform the House that, pursuant to Standing Order 81(19), proceedings on the motion have expired.

It being 5.36 p.m., the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

RELIGIOUS FREEDOM

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.) moved:

That this House, recognizing the fundamental Canadian right of religious freedom and the courageous contributions of our veterans of all faiths, urge the Royal Canadian Legion and its constituent branches to reconsider their recent decision so that all of their members will have access to their facilities without having to remove religious head coverings, including the Sikh turban and the Jewish kipa.

She said: Madam Speaker, I am splitting my time with the hon. Secretary of State for Multiculturalism and the Status of Women.

Although I proudly represent the riding of Windsor—St. Clair, I was not raised there. I grew up in a small town, a village actually, Thamesville, Ontario, in the riding of Chatham—Kent. I grew up in a warm, wonderful home with caring parents, four caring sisters, in a caring village of only 1,000 people. I grew up thinking that our way of life, my family's way of life, the way we related to one another, the expressions we used, our relationships to our extended family, the food we ate and all the things we did were just plain Canadian.

However, as I grew older and my personal world expanded, my perception of what was Canadian changed radically. My parents adopted three sons, my brothers, who are proud to be aboriginal Canadians. I went to a university. I made friends with men and women of colour, of varying religions and heritages. I married a Jew and I raised with him our daughter in a new multicultural world.

Eventually it came full circle as I came to know friends who were recent immigrants to Canada from Ireland. I visited their home. I watched their way of life, the way they related to one another, the expressions they used, their relationships to their extended family, the food they ate. I realized with something of a jolt that I was seeing my own roots. There remained things in my life that still hearken back to the Shaughnessys and the Brennans who came to Canada in the 1840s and to the Murrays and Bradys who came here at the beginning of this century.

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I realized then that I, a fifth generation Canadian on my mother's side, am different. I realized that I am a product of my heritage, and I am entitled to be proud of that heritage. Pride in my heritage is pride in my present. My heritage is very much a part of the Canadian fabric.

Over the centuries there have been vast waves of immigration to Canada. Aboriginal people migrated here; Europeans came. People came from the Middle East, Africa, India, Japan, Vietnam, Korea, China and points east. With them came their heritage, their culture and their religious beliefs. My maternal ancestors, like many of them, came here not voluntarily but because of persecution in Ireland.

(1740)

They were fleeing an artificial famine. They lost their property and were hoping to find a place where they could live in economic freedom and could practice their religion.

That is one very good reason why new Canadians come here today. I say that it is the duty of all Canadians to welcome them, their heritage, their religions and to honour their traditions and let them practice them, just as my great-great-grandparents were allowed to go to mass, to dance their jigs, to drink their beer and to live in peace.

This motion is not just about the Canadian Legion. This motion is about Canada, our multiculturalism and our tolerance of our fellow citizens. On Remembrance Day 1993, the Newton Royal Canadian Legion hall in Surrey, B.C. refused to permit four Sikh veterans into the hall because of their religious headgear.

The four individuals were a retired Indian air force technician and three Sikh World War II veterans. Thirteen other veterans trooped from the hall to show their support for the Sikh members.

On entering the Legion hall, removing hats out of respect for fallen comrades is a dearly and deeply held tradition. On May 31, 1994 delegates to the Royal Canadian Legion's national convention voted against a bylaw that was revised by the dominion executive council that would have required all of its 1,700 branches to admit those wearing religious headgear into public areas of Legion halls.

Today only about 5 to 10 per cent of the Legion's constituent branches are opposed to the wearing of religious head-dress as they feel it displays disrespect to Canada's war dead. They claim that it is their right to make this decision because they have a private club. They say that because they took a democratic vote, the majority must rule.

Both the Canadian Jewish Congress and the World Sikh Organization realize that this decision does not represent all veterans and is not binding on all Legion branches. I would like

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to point out that in zone 10 of the Royal Canadian Legion, which is the town of Tecumseh that I represent, the city of Windsor part that I represent and the town of LaSalle, the newest town of Ontario which is part of the riding of Essex—Windsor, no Legion discriminates against people based on their headgear.

I call on the Legions and I call on other organizations to recognize that headgear and other religious symbols are simply that. They are the symbol to that person of a deeply held belief.

The Quebec Human Rights Commission yesterday ruled that the wearing of a veil by Muslim women is not something that can be interfered with by the state, nor is it something that should be forbidden in schools or in public places. The Royal Canadian Mounted Police have accepted religious headgear as part of their uniforms.

My father, who is a veteran and my constituents who are veterans, are proud to march next to the many great Sikh veterans, the many great Jewish veterans who wear kippas or yarmulkas. They are proud to march with them and we all should be. Instead of forbidding them from entering our institutions, instead of giving them a hard time, we should be thanking them for the freedoms they have preserved, so that Shaughnessy Cohen can go to mass, so that she can serve in the House of Commons, the freedom that others have in this society that we would not have if it were not for them.

I call on this House to support this motion. I call on all members to urge the Royal Canadian Legion and its constituent branches to reconsider their recent decision.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Madam Speaker, I am pleased to second the motion brought before us and I thank the member for Windsor—St. Clair for raising this issue today, particularly as it comes so close to the beginning of a new year, one in which veterans will be much in our thoughts.

(1745)

This year we observe the 50th anniversary of the end of the second world war. We recall the Canadians who fought in that conflict, above all those who lost their lives on the field of battle and also those who returned after the war to continue working peacefully for the same principles for which they had once fought. Those principles were democracy, human rights, freedom of the individual, and respect for people of different appearances, cultures and religions. These principles have become woven into the very fabric of Canadian society.

I am sure all hon. members of the House honour Canada's veterans as well as the organization that has represented them with such dignity for nearly 70 years. I am referring of course to the Royal Canadian Legion. We admire its members for uphold-

ing Canada's traditions. The most important of those traditions are the principles for which legion members fought and bled on our behalf half a century ago.

Back in 1986 a commemorative volume was published to mark the legion's 60th anniversary. It is a handsome book, full of warm anecdotes and evocative images. At one point it notes how the legion has evolved along with the country. It states:

The people of today's Legion reflect the complex cultural mosaic of Canada. Though they hail from diverse ethnic backgrounds from Inuit and Indian to Greek, Jewish, Ukrainian, Polish and French Canadian, all Legion members are united by common ideals. They are joined by a spirit of volunteerism and a dedication to peace and democracy, patriotism and commemoration, mutual help and wide community service.

That spirit of service has made the Royal Canadian Legion a highly valued national institution. Through it our veterans have gone on contributing to our country in years of peace as they once did in wartime. It is a matter of deep regret now to find this organization embroiled in a controversy that threatens to lower the esteem of Canadians for this grand institution, the legion.

[Translation]

It is certainly not up to this House today to define the rules on how members of the Royal Canadian Legion should pay tribute to our country's victims of war. Nor should we decide how Sikhs and Jews should practice their religion in Canada. Rather, we must ensure that all Canadians are treated in compliance with the law and the fundamental principles which govern our society.

While very unfortunate, that incident forced us to reconsider these principles and ask ourselves if we comply with them. Indeed, this review could help us define the kind of country we want and how we can build it. And that should be the most significant aspect of what happened on November 11, 1993.

[English]

Imagine, Madam Speaker, that you should meet a gentleman of the old school whose distinguished bearing is a sure sign of his military background. He tells you that, following in his father's footsteps, he enlisted at the age of 18 and served for nearly 40 years in the armed forces. During the second world war he fought in North Africa at El Alamein, Tobruk and many other famous battles.

Since Remembrance Day is approaching, you invite this gentleman and some of his colleagues to join with you and your fellow veterans to mark the occasion. But when they turn up wearing their well-earned medals, you subject them to a public humiliation that shocks them and many of the participants in the observant ceremonies.

It is hard to believe that such an incident could happen here in Canada. But it did happen in 1993 when Lieutenant-Colonel Pritam Singh Jauhal and four other Sikh veterans from Surrey,

British Columbia were refused admittance to the nearby Newton legion branch even though they were invited guests. The door was barred to them unless they agreed to remove their turbans, something observant Sikhs could never do.

One would have expected them to have been made welcome in every way out of feelings of gratitude, respect for their years, or simple hospitality. Instead, less rational feelings held sway that day.

Though within weeks the president of the branch offered an unconditional apology, last May the legion's dominion convention revived the controversy by voting down a proposal to allow religious head-dress in legion halls. The convention thereby barred from legion premises orthodox Sikhs who wear the turban, as well as orthodox Jews who wear a skullcap or kipa.

(1750)

Legion members argued that their tradition requires all who enter legion halls to remove their head-dress as a mark of respect to those who fell in battle as well as to the sovereign. No one can question the desirability of showing respect, but surely there are different ways of doing this.

[*Translation*]

What are these issues, and why do they generate such concern? One of them may have to do with freedom of religion, while another is undoubtedly related to the right of all Canadians to equal treatment, without discrimination based on race or on national or ethnic origin. However, these rights are part of Canada's global social and political structure. What is at stake here is the very nature of that structure, the type of society in which we live, as well as the kind of country which we want for ourselves and for future generations of Canadians.

[*English*]

In a letter to the Prime Minister, Lieutenant-Colonel Jauhal and his colleagues recently wrote about their wartime service:

During the second world war alongside the Commonwealth armed forces, we too put our lives on the line to protect the Commonwealth and preserve the democracy in which different people could live together and enjoy freedom in peace. Irrespective of different nationalities, faiths and cultures, we all in the Commonwealth armed forces developed comradeship, esprit de corps and tenacity and formed ourselves into a well-knit united family. Not only did we respect each other, we would have died for each other.

During the second world war—no Canadian comrade asked us to remove our turban at that time. At Buckingham Palace Sikhs were allowed to appear in turbans before the King and Queen to receive awards. In Victoria last August the Queen met and chatted with each one of us. She did not ask us to remove our turbans.

If there is a note of bewilderment here, I think it is understandable. The Queen is a living symbol of Canada's traditions as well as those of the legion. If she is able to countenance the turban, to look beyond the headgear to the man, cannot the Royal Canadian Legion do likewise?

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The Sikh veterans who were refused admittance have filed a formal complaint with the British Columbia Human Rights Commission. I have little doubt that through such formal channels they can gain a ruling in their favour. But would it not be preferable to do the right thing willingly rather than under court order?

There is more at stake here than simply showing civility. The five who were turned away are Canadians as much as I am and everyone else is in this Chamber. Whatever their appearance or religion, they have the right to participate fully in our national life.

Still more, all of us are impoverished if any group is marginalized and denied full participation. Even in the case of those who refuse to accept religious head-dress, we gain nothing by putting the worst interpretation on their actions. In fact, I think we misrepresent them by doing that.

The comments of legion members who voted against allowing headgear suggest that they were acting to uphold traditions. In the decades since they fought for our country they have seen Canada change at a dizzying pace. Successive waves of immigrants have transformed the face of Canadian society. This change is thought by some to be jeopardizing our fundamental values and traditions.

Let us recall what our traditions truly are, what being a Canadian and possessing a generosity of spirit is all about. Ultimately, I think we can all agree it is not a matter of appearance. This country derives its identity and its greatness from the principles for which our veterans fought: democracy; basic human freedom; fairness; justice; and equality of rights for all. Just plain decency.

By acting on these principles we uphold Canada's traditions. By working to realize these ideals in our ever evolving multicultural society, we show that we have not forgotten the sacrifices of our veterans. We will always remember them.

(1755)

I am confident that the members of the Royal Canadian Legion will demonstrate in peacetime the same courage they showed in battle. For all of us, they can continue to set an example of generosity, of inclusion, and fairness.

I thank the member for allowing us to have this discussion today.

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Madam Speaker, as the veterans affairs critic for the official opposition, I welcome the opportunity to take part in this debate. However, we cannot expect the debate on the motion moved by the hon. member for Windsor—St. Clair to provide us with the answer to a

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problem involving the rights of the individual and the rights of the community. We can explain our respective positions and comment on them, but it would be hazardous for anyone to claim that he or she has the answer.

After establishing the principle of human rights a number of years ago, we started to establish the boundary between individual rights and the rights of agencies, corporations or companies. We know that these two kinds of rights—individual and collective rights—may or may not clash, depending on how tolerant or intolerant people are.

Individual rights have been recognized for many years by various charters of rights and freedoms. One that stands out is the charter adopted unanimously by the Quebec National Assembly in 1975. These charters recognize the right to fundamental freedoms such as freedom of conscience and freedom of religion, freedom of thought, belief, opinion and expression, freedom of peaceful assembly and freedom of association.

Some of these individual or collective rights may impinge on one another. We all know this fundamental principle: one person's freedom extends to where the other person's freedom starts. However, although Parliament can indicate how we should see the nature of this boundary between my rights and the rights of my neighbour, it is up to the courts to make a decision in disputes that may arise between conflicting rights. We can suggest where the boundary should lie, without actually changing anything. In this case, we think that, in time, a consensus will develop in favour of greater tolerance.

Tolerance, and by that I mean accepting the differences of the other person, is not always easy to accept when we are directly involved. Tolerance can quickly turn into resistance when we are directly confronted with a total departure from what we see as normal.

In this particular case, the Legion tells us that the wearing of the Sikh turban and the Jewish kipa is not allowed in the facilities of the legion, any more than any other head coverings. To the legion, the religious aspect of certain head covering is irrelevant. The Royal Canadian Legion argues that an organization has the right to impose certain rules and practices within the framework of its activities.

This position is not consistent, however. A spokesperson for the Canadian Jewish Congress pointed out last June that the Legion had no trouble with cowboy hats or baseball caps. Why the inconsistency?

At a Christmas party in 1987, a branch of the legion in Alberta barred a Sikh wearing a turban from entering its premises, although the hall had been rented for the occasion and the Sikh was not a member of the legion. He then filed a complaint with the Alberta Human Rights Commission. A tribunal finally asked the branch to apologize and amend its discriminatory regulations since the legion does not have the right to deny access to

public activities. The branch made minor changes without allowing full access.

The 1990 turban scandal provoked strong negative reactions in many branches of the Royal Canadian Legion against legitimate differences that are not prejudicial to legion members in any way. On November 30, 1993, Sikh veterans participating in Remembrance Day ceremonies in Surrey, British Columbia, were denied access to royal legion facilities because they refused to remove their turbans.

(1800)

In February 1994, the president of a local branch in Cornwall, Ontario was reinstated after being suspended by the provincial branch after he spoke against the wearing of turbans. Either to clarify the situation or to try to hold back the movement against the religious practices of fellow soldiers, the Royal Canadian Legion took the opportunity, at its annual convention in late May 1994, to urge participants to pass a resolution allowing Sikh members to wear religious head-dress on branch premises.

Those present rejected this proposal, forcing their national president to resign on the spot. Without a national policy, individual branches are still free to regulate access to their facilities as they see fit. This event has stirred up many reactions, here in the House of Commons as well as in the media. Local chapters of the legion that have formulated or maintained the restrictions concerning the wearing of head-dress have pointed out that they are exercising a right accorded to private organizations such as theirs.

In fact, the Royal Canadian Legion has its roots in a private organization formed on July 10, 1926, which through federal statute assented to on June 30, 1948 was incorporated as the Royal Canadian Legion. The best conclusion that I can offer this Chamber is undoubtedly the one that preceded us by 24 hours, in Montreal. Yesterday, the Quebec human rights commission published a legal opinion concerning the banning of the Islamic head scarf. It ruled clearly that such bans were a violation of freedom of religion.

In the same breath, however, it recalled that section 20 of the Quebec charter of rights and freedoms allows non-profit organizations to impose rules consistent with their objectives of a charitable, philanthropic, religious, political or educational nature. For the commission, this provision would not, however, allow interference with the freedom of conscience or religion of an individual.

The Quebec human rights commission is in a way proposing a set of rules under which the current debate on religious pluralism could take place. They set out clearly the legal principles that the courts should rely on in dealing with these issues. Although it emphasizes that the Quebec charter would prohibit any discrimination on the basis of religion, the commission does not recommend that the courts be asked to settle disputes.

Instead, it invites the opposing parties and the general public to arrive at a consensus on the broader issue of conflicting rights.

This is our choice. We hope that attitudes will evolve and that each of us will become aware of the worth of others, with respect for the self. We invite the Royal Canadian Legion to examine the opinions just published by the Quebec human rights commission.

[English]

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):
Madam Speaker, I am pleased to rise today to speak on Motion No. 310.

My fellow colleague's attack against the Royal Canadian Legion, an independent association of veterans who risked their lives to fight racism and oppression, is in my opinion unfounded.

The Royal Canadian Legion is not an organization permeated with bigots and racists—far from it. The legion is an organization of war veterans with their own valued customs and traditions to show respect for their fallen comrades.

Their methods of showing respect are their own and should not be subject to parliamentary inquiry. I feel strongly that my colleague has misinterpreted the whole issue.

During the 35th dominion convention of the Royal Canadian Legion which was held in Calgary from May 29 to June 2, 1994 the legion passed a resolution:

Branch bylaws or house rules shall include a provision for the wearing of head-dress in the premises and when doing so must provide that religious head-dress is not considered to constitute head-dress in the traditional sense.

Therefore, once a person who is required to wear head-dress by his faith has been accepted as a Legion member, or invited as a guest to a Legion branch, he is authorized admission to all areas of that branch that are normally open to the general membership or invited guests.

(1805)

This bylaw clearly states that once a branch allows an individual in as a member or as a guest that individual will have access to all areas of the branch regardless of religious head-dress. This is a sensible policy.

However, individual branches can comply with this bylaw as they see fit due to their grassroots independence from the dominion command. Individual legion branches have the right to accept or refuse all new members, period, regardless of head-dress. Therefore, the legion has taken effective action to ensure that all Canadians have access to their facilities.

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President of the Royal Canadian Legion, Mr. Hugh Greene, stated after the convention: "It is wrong to say that the convention banned turbans. The delegates did not vote to ban religious head-dress from branches. The vote was to rescind a national general bylaw that imposed a dress regulation on branches. This decision took the responsibility for branch head-dress rules back into the hands of the branches".

I find it hard to comprehend why my colleague wants this decision reversed. As she states in her motion:

—urge the Royal Canadian Legion and its constituent branches to reconsider their recent decision.

Is the return to a national general bylaw imposing a dress regulation in the best interest of all Canadians? I do not think so. I think it is important for Parliament to respect the right of organizations such as the legion to make and maintain their own bylaws. Nobody in Parliament would question the bylaws of the Kiwanis Club or the Optimist Club. Besides, the Royal Canadian Legion has been very generous in its interpretation of its customs. The vast majority of legion branches are following the resolutions passed by the conventions.

If the members across the way would listen for a minute, the statement made was that the vast majority of legion branches are following the resolution passed by the convention.

John Spellman, professor of Asian studies at the University of Windsor, documented that in the past 67 years and out of a membership of nearly 700,000 there have been fewer than six cases in all in Canada involving turbaned Sikhs not being admitted to Legion halls. No person of Jewish descent has ever been turned away. The Human Rights Commission has only ever decided against a legion branch once. Many veterans who require head-dress for religious reasons have been legion members for years.

My colleague's motion has called into question the integrity of the Royal Canadian Legion and I feel strongly that I must set the record straight. I would like to take this opportunity to tell the House what kind of organization the Royal Canadian Legion is.

We all know the legion was formed after the great war to help veterans secure adequate pensions and other well earned benefits for them and their families. Today's Royal Canadian Legion has many other stated purposes and objectives which include bringing about the unity of all who have served their country, furthering the spirit of camaraderie, striving for peace, goodwill and friendship among all nations, co-operating with the commonwealth and allied associations with similar aims and encouraging, promoting and engaging in or supporting all forms of national, provincial, municipal and community service or any other charitable purpose.

Today's Royal Canadian Legion benefits everyone in this room and all Canadians.

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(1810)

Its programs have had a very positive impact throughout the communities that are blessed with a legion branch. In 1993 the Royal Canadian Legion's 1,720 branches contributed \$63 million and over 2 million volunteer person hours to their communities.

The Royal Canadian Legion, through its service bureau which acts as an advocate for thousands of veterans and their families, provided assistance to those veterans.

In 1993 the Royal Canadian Legion provided \$6.8 million in direct support and over half a million hours of volunteer time assisting 67,000 veterans.

The legion is also active in supporting commonwealth veterans internationally. As a member of the British Commonwealth ex-service league, the Royal Canadian Legion has welcomed the responsibility for assisting Caribbean veterans through 15 Caribbean ex-service organizations in countries such as Jamaica, Trinidad and Guyana.

The legion has also assisted peacekeepers who have been injured during peacekeeping activities. We are all familiar with the Royal Canadian Legion's remembrance and poppy campaign. It raised nearly \$5.2 million in 1993 which is used to assist needy veterans and their families. It was also used to purchase medical supplies and funds, medical research and training.

In 1992 the legion's senior program provided seniors with \$3.9 million in direct support and contributed 400,000 hours of volunteer time assisting 57,000 seniors. It also provided hundreds of thousands of dollars to help train practitioners in gerontology and geriatric medicine.

In addition, the legion sponsors Meals on Wheels and provides transportation for seniors and disabled Canadians. It helps them reach day hospitals, recreational activities and medical appointments.

The Royal Canadian Legion is one of the country's leading community organizations. It contributes tens of millions of dollars to private charities annually.

In 1992, \$10 million was earmarked for direct support of youth activities such as the finest youth organization in the world, the Royal Canadian Air, Sea and Army Cadets across the country. Also, much needed money went to Scouts Canada. It provides the children and grandchildren of veterans with educational bursaries and scholarships.

I would like to take a moment to offer all my colleagues in the House an opportunity to pay tribute to the good deeds of the Royal Canadian Legion. I can only pray that the Royal Canadian Legion remains an independent, grassroots, democratic organization, for without the input of the grassroots, the legion would not be the progressive community organization it is today.

It has assisted more Canadians than any other non-government organization I know of.

Mr. Barry Campbell (St. Paul's, Lib.): Madam Speaker, it is with great pleasure that I rise today to speak to Motion No. 310 which urges branches of the Royal Canadian Legion which do not permit Jews and Sikhs to wear religious head dress in their branches to reconsider this discriminatory practice.

As my hon. colleague for Windsor—St. Clair suggests in her motion, all members of the legion must have access to legion facilities without having to choose between their legion affiliation and their religious belief.

As most of us know, the Royal Canadian Legion does excellent work among other worthy things in perpetuating the memory and deeds of the fallen. Founded in 1925 by Field Marshall Haig, the Canadian Legion of the British Empire Service League was organized to bring veterans' concerns to the attention of government.

In 1960 the organization was renamed the Royal Canadian Legion and continues to this day to act as an intermediary between veterans and government.

[*Translation*]

Today, the Royal Canadian Legion is made up of 1,720 branches and has over 570,000 members. The mere mention of the Legion conjures up the poppy campaign, the November 11 parades as well as the design and literary contest for high school students. Indeed, the Legion has taken on the task of bringing together, within a democratic and non partisan association, the men and women who fought in the various branches of the Armed Forces.

(1815)

However, the non partisan nature of the Legion has been put in question by the unfortunate incident where Sikh veterans were denied access to Legion facilities for refusing to take off their turbans. In trying to deal with subsequent allegations of racism, the Dominion Command of the Canadian Legion put forth a resolution to amend the rule concerning the wearing of the Jewish kipa and the Sikh turban inside Legion facilities. It read in part as follows:

[*English*]

Once a person who is required to wear a head-dress for (the Jewish and Sikh) faiths has been accepted as a Legion member, they are to be authorized admission to all areas of that branch that are opened to the general membership or invited guests.

Unfortunately at the general assembly in May last year more than 75 per cent of the legion's delegates voted down this resolution. In so doing they placed in jeopardy the non-sectarian nature of the legion. Those who voted to maintain a ban on head-dress within legion premises refused to depart from a principle to the effect that wearing a hat shows disrespect to the fallen. The national president was so outraged he immediately resigned.

Fortunately not all members of the legion have similar narrow views. A letter published in the February 1994 issue of *The Legion* reminds legion members of the spirit of friendship and camaraderie that is supposed to be found in legion halls. It states:

It seems to me some of my comrades have forgotten that one of the things they fought for was democracy and within that democracy is the right to practise religion. If, in so doing, it means that uncovering one's head would be an offence to one's god, then why should we be affronted? These people are not slighting the memory of those who paid the greatest sacrifice for freedom. Instead, we should be open minded enough to remember that some Sikh veterans fought in the same campaigns with great distinction, and wish the fellowship of their comrades in a Legion branch without being harassed by close minded discrimination.

[Translation]

In an effort to appease the strong public outcry against the proposed motion being rejected, the Dominion Command urged Legion branches to reconsider their decision. I am pleased to report to this House that almost 90 per cent of the branches have now passed motions recognizing the important contribution of Jewish and Sikh servicemen in the world wars and, consequently, repealed their discriminatory policy on religious head-dress. Unfortunately, another 10 per cent did not.

[English]

It is important to state once again that Canadians of various religious backgrounds, including Jews and Sikhs, have in the past served and continue to serve with great distinction in Canadian and other Commonwealth forces. Their faith did not prevent them from serving and dying for their country.

In the second world war alone, 10,235 Canadian Jews served in the army, another 5,889 in the Royal Canadian Air Force and yet another 596 in the navy. I am sad to remind the House that 429 Canadian Jews were killed in action from 1939 to 1945, over 200 were wounded and 84 were made prisoners of war. In recognition of their valuable contribution to the war effort almost 200 Jewish soldiers were decorated.

Should not all veterans regardless of their gender, ethnic origins and religious affiliation receive fair and equal treatment by the Royal Canadian Legion?

By refusing to adopt a resolution permitting Jews and Sikhs to wear their religious head-dress on legion premises, some members of the legion have shown themselves to be insensitive to the Canadian reality and to the members they are supposed to represent.

Canada is not a monolithic society. Unfortunately some are still unwilling to acknowledge our cultural and religious reality. Some branches of the legion have adopted regulations that may contravene Canadian and provincial human rights legislation.

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These branches need to be reminded that Canada has a long and well respected tradition of tolerance. The legion should reflect upon its decision and its actions in this light.

It is sad that in 1995 some still do not accept and respect our rich and diverse cultural and religious traditions. We must continue to work toward better understanding among all Canadians, not the opposite. This debate is extremely important for it causes us to reflect on the work that remains to be done; too much work unfortunately.

Members of the branches that have banned religious head-dress must be made aware that the kipa is not a hat to a conservative Jew. He does not wear it for vanity but in order to observe a religious injunction to cover one's head before God. With respect to the turban it is more than a simple regalia to an orthodox Sikh. It is a powerful symbol of the mystery which binds the man to his faith.

(1820)

Incredibly during the Calgary Stampede some branches allow their members to drink beer and socialize with their 10-gallon cowboy hats fitted nicely on their heads. The rationale behind this exemption is: What would the stampede be without our cowboy hats? Why do some legion branches believe that a legion member who wears a 10-gallon hat in the legion hall during stampede is only following tradition, while a Jew who wears a kipa or a Sikh who wears a turban is showing disrespect for the fallen.

I am concerned that Jews and Sikhs are being denied entry by some branches because some legion members are uncomfortable with fellow members who look a little different or whose headgear may demonstrate that they are a little different. These members think that maybe they do not belong. They belong as much as any other Canadian. Our differences do not divide us; they enrich us.

We each have a duty to denounce all forms of discrimination. Ironically it is in our own self-interest to do so. The Protestant theologian Neimoller said after World War II:

When the Nazis came to get the gypsies I did not say anything because I was not a gypsy. When they came to get the communists I did not say anything because I was not a communist. When they came to get the Jews I did not say anything because I was not a Jew. When they came to get me there was no one left to stand up for me.

We have a moral obligation to strive to understand one another as a people. Whether a Jew wears a kipa, a Sikh a turban, a Calgarian a cowboy hat or a Torontonion a Blue Jays cap, we are all Canadian citizens and have a right to express our beliefs without fear of discrimination.

I urge branches of the Royal Canadian Legion which prevent members from wearing a religious head-dress to reconsider

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their position so that they foster a climate of tolerance and understanding. I believe the legion should be an agent for tolerance and understanding within Canadian society. I am only surprised that this is not universally the case.

The legion should never forget the principles its members fought and died for. The legion, as should all Canadians, should remember the eloquent words spoken by our Prime Minister on the beaches of Normandy for the 50th anniversary of D-Day:

In death they are not anglophones or francophones, not from the west or from the east, not Christians or Jews, nor aboriginal people or immigrants. They were Canadians.

They died as Canadians and I think some branches of the legion insult the memory of these Canadians by excluding other veterans from legion posts.

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I am pleased to have the opportunity to speak to Private Members' Motion No. 310.

I would like to start by reminiscing a bit back to the sixties when I first immigrated to Canada. I remember a couple of incidents that happened during my early arrival to Canada that I will never forget. One was a fairly simple matter.

When we were first invited into the homes of some of our neighbours, my wife and I went tramping in like one always does in Colorado where we came from. When other guests arrived and I noticed no one had any shoes on their feet it kind of surprised me. I asked: "What is this? Don't you guys believe in wearing shoes any more?" They informed: "That is what is done in Canada. When we visit we take our shoes off". I said: "I can buy that. I will be prepared for it, though, in case I ever have to take my shoes off".

The next time we went out to visit somebody we removed our shoes because that was the way it was done. Of course when I went back to Colorado after getting accustomed to it, I took my shoes off when I went to visit and they laughed at me because that did not happen there. That is fairly minor.

I remember another time my wife and I attended a community dance. When they announced it was the last dance I grabbed my best friend, my wife, and I said: "Come on, let's have this last dance together". They finished and then they played another song. I thought we were going to have one more. It took about three twirls before it dawned on me that everybody else was standing still because they were playing: "God save the Queen". That was a little embarrassing. I twirled around the floor just about three steps too many not to be embarrassed. I felt a little strange. I can say the next time there was a community dance I not only stood with the rest of them but I sang the words; I learned them.

(1825)

I tell those stories because there were a number of things we had to get used to when we moved to Canada. Although we were not that far apart, a number of things were different.

Another thing I remember that caught me off guard was going into a club. It was not the legion; it was an Elks club, I believe. I did not realize the difference in Canada. In my state they had an Elks club. I was not a member but I always went there. In this club in Canada I did not have a membership so I was not allowed in. I accepted that as being the way it was. It took me and my family a number of months to get accustomed to different things that were happening.

What worries me about a bill of this nature is that it is a bill that says to a certain segment of society that it does not do things right, that we are going to legislate and do it the way it should be done. I realize it is just a motion to encourage the legions to reconsider. However my biggest fear is that if that is not the case and these wishes are not followed, would it some day become the wish of the House to legislate a rule that would affect an organization of this type?

When we start making legislation that controls the rights of individuals or controls the collective rights of organizations, we are stepping out of our bounds as legislators. I do not think we are here to start controlling things. I hope we do not get to that point in our lives.

I hope everybody here who has feelings today will express those feelings to the legions in the manner they should. I would not want it to be a collective thing coming down in any way, shape or form from the House saying: "We know what is best for you people out in Canada. Let's get away from that idea. We are going to do it for you. If not then we are going to have to do some other things".

I recall attending a golf tournament one time. A fellow drove about 300 miles to join us in that tournament. He came from Peace River and the golf tournament was in Red Deer. He walked in with his 12-year old son. Immediately the golf managers told him that the son had to leave because he had Levis on. Levis were not allowed. He said: "We came a long way. He is just going to caddy". It did not matter. Levis were not allowed on the course.

Are we to start going to golf courses and saying: "You have to change your dress code because you are offending some people?" Do we have to go to restaurants that say we have to wear a coat and tie to come in? They set the rules so we do not go in.

We should get away from the idea that we have to be involved in controlling the situation and not leave it in the hands of good common sense thinking Canadians. If we give them time to

organize their thoughts, rules and regulations, it will come into play where we can all be happy with it.

However when we start acting as government officials who know best and suggesting as legislators the way it has to be, it is wrong. It worries me that we would even consider to move in that direction. I encourage us not to do so by means of legislation, a member's motion of this nature or anything else.

If members wish to express their desires as they have done so well today, they should do so to the legion clubs in their ridings as individuals and not as a collective unit of government saying: "It is our way".

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Madam Speaker, first let me congratulate the member for Windsor—St. Clair for giving the House the opportunity to debate the issue. Also let me congratulate my colleagues who were so articulate in this situation.

I would like to inform the Reform member that we do have a law. It is called the Charter of Rights and Freedoms. Under the Charter of Rights and Freedoms it says that we do not discriminate. There is a item called freedom of religion. I encourage him to take some time to look at that.

(1830)

I do not think I can articulate better than members have already the concern in terms of the legion and how in certain branches—there are a few, not many—there is discrimination against Sikhs who wear headgear.

My grandfather came here in 1906 and was one of those who wore a turban. He would not be allowed in certain legions right now because of his turban. That is terrible. A member of this House of Commons would also not be allowed into certain legions and I find that unacceptable.

I would like to leave my colleagues with an example that happened in my riding. I think it articulates best what our young people are thinking. I believe we have to learn from our youth.

In a Churchill high school, which I attended as a student, the members voted to not participate in the Canadian legion poppy fund. They gave very good reasons when they said: "We want to support the veterans of this country, but we cannot do it through the Canadian legion". The students voted in a democratic election. The overwhelming majority refused to get involved in the poppy fund. It was not because they did not believe in the veterans but because of what the legion did, the discrimination of some legion branches. That is why they refused to participate.

That is leadership. That is looking ahead. But the students also said: "We are going to have our own poppy fund. We are not going to let those veterans down. We want to support those veterans so we are going to make our own poppies". I applaud

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those students for showing leadership and for showing us which way to go.

I am a Sikh, as many of my colleagues know. I am not a turban Sikh because I am not an orthodox Sikh, but I can tell you that this is very important to me. Frankly, I was disappointed in some of the comments made by members of the Reform Party. I know that many members from the Okanagan would also be disappointed.

That example shows that our young people are taking leadership. They are saying: "We do not accept discrimination. We do not accept bigotry. We want to tolerate people. We want to include people. We do not want to marginalize anybody. We do not want to exclude people. We want to bring Canadians together". That is what this is all about. We want to bring Canadians together. We want to understand each other.

My own children who are seven, twelve and thirteen share Indian food with other children. My daughter came home singing a Hebrew song. That is what sharing is all about, what understanding is all about, what tolerance is all about. That is what all of this is about. Racial harmony is linked to economic prosperity. It is also linked to a better understanding. As Canadians we have to move forward.

There have been times in Canadian history when there has been discrimination. We look back on it and ask: Did this really happen? In 20 years from now we will look back and ask: Did this really happen in Canadian history? And we will not believe that it did.

I want to thank all the members who have articulated this issue so well. I am sorry I do not have more time to speak. I am sharing it with another member.

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Madam Speaker, I am pleased and privileged to rise in the House today to speak to Motion No. 310 presented by my colleague, the hon. member for Windsor—St. Clair.

As the House is aware, I am the first turbaned Sikh to sit in the House of Commons. The turban is recognized by this House as religious headgear and no restrictions whatsoever are placed upon me. Likewise, Her Majesty the Queen has clearly indicated that the wearing of the turban in her presence is totally acceptable. The Queen's aide, Robin Janvrin, in a letter dated September 13, 1991 wrote: "I confirm that many Sikhs have been invited to Buckingham Palace over the years. They were not asked to remove their turbans".

Today's motion urges the Canadian legion to recognize that the turban is not simply a hat, but rather it is an integral part of the Sikh faith.

(1835)

The Sikhs have proudly served during the time of war all the while wearing their turbans. The fact that the turban has been recognized by the RCMP and the Canadian military as suitable

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dress for parade or duty should be extended to the wearing of religious headgear in the legions.

What was World War II all about anyway? Was it just fearless exploits and dramatic battles? Or was it about fighting for freedom, including religious freedom at a time of virulent anti-Semitism?

The brave soldiers of all faiths fought and died so that the living would be respected. They died so that a religious Jew would never be forced to remove his yarmulke and a devout Sikh would not be humiliated by being asked to remove his turban.

On the battlefield, no one asked Jewish and Sikh soldiers to fight and die without their religious headgear. Yet now, the yarmulke and turban are deemed disrespectful, on par with a cowboy hat, baseball cap or fedora.

In voting down the pleas of their own leadership to allow religious headgear into legion halls, the convention delegates violated the spirit of Canada's human rights laws and trampled on traditional Canadian values.

Today's motion would ensure that this situation would not be allowed to continue. I urge all of my fellow members in the House to support this motion and once and for all put this humiliating situation to rest.

The Acting Speaker (Mrs. Maheu): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TRANS-CANADA HIGHWAY

Mrs. Elsie Wayne (Saint John, PC): Madam Speaker, I rise to pursue a question that I asked the Minister of Transport last week in the House about a proposed route for the Trans-Canada Highway through New Brunswick.

In answering my question the Minister of Transport said that he could not address the matter because it was a provincial jurisdiction. What the minister failed to note was that the federal government cost shares on all trans-Canada projects. That makes it a federal concern.

Although the ultimate route has not yet been determined, the New Brunswick government is leaning toward the idea of an expanded Trans-Canada Highway from Fredericton to Mon-

ton, New Brunswick through Jemseg Marsh and CFB Camp Gagetown. This plan will cost an estimated \$1 billion and will cause environmental problems.

Under this plan, Saint John would not be on the Trans-Canada Highway route. As the province's largest city, its industrial centre and the city closest to the U.S. border, Saint John should be directly on the TCH. In fact, this new route would also cut off Sussex, New Brunswick and many other towns and villages along the way.

There is an environmental assessment being done of Premier McKenna's choice of the route. The possibility of the route going through a designated flood plain and going through Camp Gagetown, including one of the province's largest inland marshes is worrisome.

Citizens groups from my province say Premier McKenna's preference seems to fly in the face of a federal government policy calling for no net loss of water habitat for wildlife. Even if this is not of concern to the transport minister, it should of interest to federal ministers of the environment and defence.

The preferable route would twin Saint John, Fredericton, Moncton and St. Stephen and can be built for \$220 million. It could be done by upgrading the existing highways linking these four centres. This option will make the three largest cities in the province of New Brunswick equal and will pose no threat to the environment whatsoever.

(1840)

I ask the minister once again to reassure the House that the government will not contribute one federal dollar to a trans-Canada highway project that is not only exorbitant in cost but may also be harmful to the environment. How could any member of this government agree to spend \$1 billion when in fact it can achieve its objective by spending \$220 million?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Madam Speaker, I thank the hon. member for her question this evening.

Highways in Canada, except for those on federal property, are the responsibility of the provincial government. The member knows that. It is a simple fact but true.

I do not think there is anyone in Canada who is more knowledgeable or concerned about highways than Premier McKenna of New Brunswick and his transportation minister, the Hon. Seldon Lee. Therefore, quite simply, the appropriate place to raise questions about the routing of a highway within the province of New Brunswick is in the New Brunswick legislature, not the federal House of Commons.

Premier McKenna is doing the best job he can and we of course will do everything we can within our jurisdiction to assist him in his most laudable goals.

Adjournment Debate

As for the choosing of the route, as I understand it, the province hired a consultant to review the options to improve the trans-Canada highway in New Brunswick. I should point out the study did not involve the federal government whatsoever. The province is working toward a four lane highway from the New Brunswick-U.S.A. border at St. Stephen through Saint John to the Nova Scotia border. That is its right, its duty and its jurisdiction.

[Translation]

MANPOWER TRAINING

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, yesterday, February 14, I put a question to the Prime Minister. I reminded him that the tenors of the federal government keep on repeating, hoping to convince Quebecers, that we do not need to reform the constitution, since federalism is flexible and in constant flux.

Then, I said to the Prime Minister something like: "If you want to be taken seriously, why do you refuse to recognize Quebec's jurisdiction, requested time and time again, in the area of manpower training". There is a consensus among all Quebec parties in this regard. A consensus to which even the president of the Conseil du patronat, a well known federalist, subscribes.

Not only Quebecers share that opinion. The president of the Canadian manufacturers' association said recently: "Why is it that the federal government does not let the provinces exercise this responsibility?" There are powerful economic arguments in favour of it. Manpower training has to be geared to the job market.

The Prime Minister, instead of answering my question, said—and I can repeat it, since it is on the public record—"I know very well that she would remain a separatist even if we resolved the workforce issue." Of course.

However, what I find disturbing—and I cannot help but say it here—is that the Prime Minister is basically saying that he could not care less about what happens to young people, women and all those who need this efficient manpower training, because it is managed by the manpower agency we, in Quebec, have set up and which is not a government body. It is made up of representatives from the private sector, labour unions, municipalities, and of course, a few representatives from the Quebec government. It is an institution which should be recognized, if only the federal government cared about all those Quebecers who need manpower training.

The fact is that even if the federal government agreed to it, I would still be a sovereignist. But I will tell you one thing, it is because there have been so many situations like this one that many people like me know now that there is only one option for Quebecers, and that is sovereignty.

[English]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I will address myself directly to the question and not debate whether the member is or is not going to remain a federalist.

Let me reassure the hon. member that the situation of young people in Canada is an issue that concerns us all. Contrary to the member's claims in her previous questions, there is no conclusive data demonstrating that unemployment insurance changes contained in the 1994 budget have had an impact on provincial social assistance caseloads.

What the hon. member ignores is that new unemployment insurance claims and the number of UI claims exhausted have both been decreasing since the government came into power. What is more, strong employment growth and job creation in 1994 have been the most significant factors contributing to these decreases, bringing new UI claims down by 10 per cent.

The latest labour market data also offer hope. In January 1995 the unemployment rate for 15 to 24-year old Canadian workers decreased by 3.4 percentage points over the January 1994 rate. Employment is up by over 114,000 in Quebec alone since the government came into power, including 16,000 new jobs in January 1995.

In response to my hon. colleague's concerns about the UI fund, she should remember that UI pays for itself through the premiums of employers and workers and that there is still a debt of \$3.7 billion in the account accumulated over the past recession.

As employment continues to grow in the coming year, that debt may well be repaid, providing more room to reduce premiums while still giving unemployed people the assistance they need to get back to work.

I hope this answer is one the member can agree with.

The Acting Speaker (Mrs. Maheu): 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 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.48 p.m.)

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