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Friday, March 3, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Friday, March 3, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1995–96

The House resumed, from March 2 consideration of the motion that Bill C-73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995, be read the second time and referred to a committee.

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I welcome this opportunity to speak to the budget that was brought down Monday by the Minister of Finance.

Not that I am particularly pleased with the provisions it contains, far from it. Nevertheless, I feel it is my duty as a parliamentarian to engage in a critical analysis of the budgetary measures proposed by the government and to report on my conclusions in this House. I admit it was not very difficult to be critical of a budget I would qualify as insidious and inequitable.

This budget is disappointing in several respects, and perhaps I may elaborate.

I think that first of all, it can be said that the budget contains no specific measures for economic recovery and job creation, which is unusual, to say the least, considering the government's emphasis on these issues. Need I recall that during the election campaign in 1993, the Liberal Party promised it would champion job creation and fight unemployment?

My constituents, Quebecers and Canadians are still waiting for this vigorous recovery and the jobs promised in the Liberal Party's red book, which the Prime Minister brandished repeatedly as a sure fire recipe for prosperity. There is nothing new in this budget to create jobs and worse, the Liberal government has, without any compunction, made cuts in the only sizeable job creation program it managed to come up with so far, and I am referring to the infrastructure program.

This program was supposed to create nearly 45,000 jobs—temporary jobs—over a period of three years. The budget

intends to cut about \$200 million from this program over the next three years, which will inevitably result in the withdrawal of equivalent amounts by participating provinces and municipalities. So altogether, \$600 million less will be spent on job creation over the next three years.

(1005)

What is more, the government is virtually cancelling out the expected effects of the infrastructure program by laying off some 45,000 public servants over the next three years. This is exactly the number of temporary jobs that this program was to create, before it was announced that the program would be spread over five years.

Clearly this budget is continuing the practice instituted by the previous government of going after the unemployed instead of tackling unemployment itself. For instance, despite a significant surplus in the unemployment insurance fund, the government is announcing cuts of 10 per cent in the unemployment insurance budget. Needless to say the federal government is on the wrong track if it thinks that this sort of measure will help find work for the some 800,000 people who are unemployed and looking for work in Quebec.

While the fight against the deficit is being waged on the backs of the unemployed and public servants in the government's budget, and I will definitely come back to this point later on, we must also recognize that it is being waged at a cost to the provinces.

With its brief passages in French alluding clearly to the referendum, the Minister of Finance's speech spoke of the dynamic and changing nature of Canadian federalism based on the pseudo decentralization project, which is nothing more than a hollow promise and a huge operation to dump the federal deficit into the laps of the provinces. They will have no choice but to cut public services and increase income or other taxes or pass the cost on to the municipalities.

Not wanting to spoil its chances in the upcoming referendum, the federal government is taking great care to put off its sinister plan to make massive cuts in transfers to the provinces until next year, that is, until after the referendum. It will be cutting \$2.5 billion in 1996–97 and \$4.5 billion in 1997–98. And the \$7 billion cuts announced in the 1995 budget will be in addition to the \$48 billion cuts in transfers to the provinces since 1982 and the \$2 billion cuts in the 1994–95 budget.

Government Orders

The worst part of it all is that the provinces will have to continue to meet the standards defined by Ottawa. Those that fail to do so will be immediately deprived of what remains of federal funding, that is an increasingly paltry amount.

Furthermore, this so-called decentralization program will certainly not eliminate duplication, there will always be two ministers of health, two ministers of natural resources, of the environment, of revenue, etc. The alleged project to give more power to the provinces is hollow, because the federal government is not withdrawing from areas that come under provincial jurisdiction in exchange for a share of the taxes we pay to Ottawa. Is federalism cost effective?

For Quebec in 1996-97, these forecasts represent a reduction of almost \$700 million or 27.1 per cent of the cuts made to all the provinces. The federal government's way of proceeding in this regard will obviously have a definite impact on public finances in Quebec. Deprived of part of its revenues, which I might add were earmarked for welfare, health and post-secondary education, the Quebec government will be left no alternative other than to make drastic cuts in its own spending, not to reduce its own deficit, but simply to make up for the shortfall due to the drop in federal transfers. Quebec will obviously not be spared in the round of cuts planned for 1997-98. In looking at the Martin budget, the more one reads the more one realizes that it is more of a curse than a blessing to the people of Quebec.

The same can be said for the federal public service and more specifically for the Outaouais which feels it has been given an especially rough ride by the federal budget. The government has shown itself to be extremely insensitive in announcing the elimination of 45,000 jobs in the Canadian public service over three years. Of these 45,000 jobs to be cut during the next three years, some 14,000 will be in the Hull-Ottawa area, nearly one third of jobs cut in the whole country. It is easy to see that this decision would have a direct and very negative impact on the economy and social life in the area.

Of the cutbacks expected to total \$29 billion over the next three years, the federal government intends to cut nearly \$16.9 billion from the management and operations of its programs. So the federal deficit will to a large extent be reduced on the backs of federal public servants, especially those in the Outaouais region.

Even more unacceptable is the fact that the federal government knowingly made the Outaouais region economically dependent on it. Seeking to generate in Quebec and especially in the Outaouais a sense of belonging to Canada, the federal government began by creating the National Capital Commission in 1958. Pierre Trudeau's Liberal government, eager to give concrete proof of French Power as a means of hampering the sovereigntist movement in Quebec, proceeded to implant a large

number of federal government buildings on the Quebec shore of the Ottawa River in the 1970s. Probably taking the region for granted, the federal government seems to have no qualms about leaving the region to fend for itself in the wake of the disastrous cuts it announced. To repeat the jest made by the Quebec finance minister, which I feel hit the mark, the federal government is acting like a guy who gets a girl pregnant and then takes off.

(1010)

I agree with the Coalition des associations économiques de l'Outaouais, which is of the opinion that the federal government must assume responsibility for the region. It must help to absorb the shock of budgetary decisions on the Outaouais region, just like it does when there is a shortage of fish in the Atlantic or a drought in the Western prairies, by giving the region a one-time payment to be put in a fund for diversifying the region's economy. Unless I am mistaken, the budget makes no mention of such a compensation which, by rights, should be paid to the region. Does the government intend—and I see that the Minister of Intergovernmental Affairs, who is responsible for looking after the region, is sneaking out—does the government intend to give—

The Acting Speaker (Mr. Kilger): Order. As we all know, the rules of the House stipulate that no comment can be made either about the presence, and most especially about the absence, of members of the House, in view of all of the various demands and responsibilities of our positions.

Mr. Bergeron: Mr. Speaker, I apologize. Unless I am mistaken, the budget makes no mention of this compensation which, by rights, should be paid to the region. Does the government intend to make good on the request made by the Coalition des associations économiques de l'Outaouais? We are still waiting for an answer, and from what I can gather, we will not get one today either. Obviously, these massive public service staffing cuts are underhanded and pernicious, because they were made unilaterally in an authoritarian way.

In the months leading up to the budget, the government obstinately refused to reach an agreement with the Public Service Alliance of Canada, which represents 70 per cent of federal public servants. This union, however, was ready to negotiate and to hammer out what could have been a mutual and fair agreement with the government. No matter, the government rejected the union's proposal out of hand, not even bothering to negotiate.

The people are justifiably concerned about the quality of the services they are entitled to, which will now be provided by a heavily mortgaged public service. Would it not have been better for the government, instead of slashing its own public service as it did, to put in place mechanisms allowing it to stop wasting Quebec and Canadian taxpayers' money?

Government Orders

What does the government do to avoid wasting public funds, duplication and overlap? Of course, the government did not take any action to achieve this goal. That is why I strongly believe that, had it been otherwise, the cuts in the federal public service could have been less severe.

To get back to the glaring contradictions and questionable priorities in the federal budget, I note that the Liberal government has announced a \$532 million cut in the international aid budget. This decision is quite surprising, since he himself pointed out very recently in his foreign policy statement that international aid was crucial to meeting three objectives: prosperity, employment and international security.

Having cut the international aid budget by over 25 per cent, how can the government claim it is adhering to the principle of moral responsibility toward international aid for developing countries, in order to reduce poverty? The fact is, it cannot, Mr. Speaker.

Furthermore, how can they favour international trade development, when Canadian businesses are subsidized so that they are kept artificially dependent on the government? In fact, these subsidies hurt their competitiveness at the international level. This leads me to believe that because he did not have the courage to go further in reducing business subsidies, the minister will help keep these businesses in an unhealthy state of dependence that will hurt their development and hinder access to international markets.

In closing, I would like to say a few words about the budget measures with respect to agriculture. Clearly, the federal budget does not affect all farmers across Canada the same way. The federal government announced the abolition of the \$560 million Crow rate subsidy that helps finance Western grain transport.

(1015)

However, this measure comes with a financial compensation package in the order of \$1.6 billion for losses in land values, as well as \$1 billion in credit guarantees for grain purchases. In addition, Western farmers affected by the cancellation of the Crow rate subsidy will receive \$300 million over five years to facilitate the transition. On the other hand, Canadian milk producers, almost 50 per cent of whom are in Quebec, will see their federal subsidies cut by 30 per cent over the next two years.

I find it hard to understand the logical basis for compensating Western farmers for the loss of the Crow rate subsidy, while industrial milk producers, most of whom live in Quebec, will not be entitled to any compensation from the federal government. Is this a case of double standard? I am afraid so.

After crying wolf for several months to prepare the population for draconian budget measures, the Liberal government finally gave birth to a budget that is neither flesh, fish, nor fowl, that

defers until later many of the real solutions, and that insidiously ignores many of its potentially perverse and negative effects.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I must say that I was really disappointed with the Bloc's presentation. Perhaps nothing more should be expected from someone speaking on behalf of a party which has already made fundamental choices for ideological reasons and is therefore impervious to the truth.

The truth is that, last year, 433,000 new jobs were created in Canada. This is actual job creation, not just idle talk. In Quebec, 116,000 jobs. In the National Capital Region, a net total of 16,600 new full time jobs were created in 1994. These are the facts, not a bunch of unsubstantiated claims like those made by the previous speaker.

Yesterday, when the hon. member for Verchères said 14,000 public service jobs would be lost in the Outaouais region, he showed his profound lack of understanding of the region. The truth is that the total job loss resulting from the budget over a three year period will be approximately 3,000, not 14,000.

In all of Canada, 45,000 jobs will be cut but this does not mean people actually losing their jobs because in many cases these jobs will be filled by other employees reassigned as a result of the attrition process. I cannot expect the hon. member opposite to have deep knowledge of government, but I would ask him to at least stick to the facts and analysis. The truth about the budget tabled this week is that it is the only way to promote job creation in the long term.

When the hon. member says that this budget will result in the loss of a few thousand jobs throughout the National Capital Region, he makes it sound like job creation would necessarily ensue if the deficit in the federal budget were allowed to continue to build up. If that were true, Canada would have achieved full employment a long time ago, given its accumulated deficits.

The truth is that this is the only way to avoid hitting the wall like New Zealand did. In just a few months, New Zealand had to cut its public service by two thirds, not a mere 14 per cent like us. Our public service will continue to operate with 86 per cent of its employees in three years. Because New Zealand acted along the lines of what the hon. member opposite recommends, it had to cut its public service by two thirds. These are historical facts, not empty words like those spoken by the hon. member.

By shrinking the size of the federal government, which was long overdue, by forcing ourselves to streamline and downsize government, we are ensuring that the 1994 job creation effort can continue.

Government Orders

(1020)

If we had carried on with the deficit that we had, the rise in interest rates would very quickly have prevented investments in the private sector, thereby also preventing the creation of jobs. What we did was to foster the economic climate which will promote investments and new jobs in the private sector.

The member opposite has no idea of what is going on in the Outaouais, which is my region, when he says that the federal government is keeping it in a state of dependency. If you look at the 1971 census figures, you will see that, back then, one third of all the jobs for our region were in the public service. By comparison, last year only one fifth of the jobs in the Outaouais were in the public service.

In other words, 80 per cent of the jobs in our region are not in the public service. In the national capital region, there are more jobs in the service sector than in the federal government. It is based on that necessary economic diversification that our government developed a plan for the region which will allow the private sector to create jobs that are needed and that will reduce the excessive burden on taxpayers, since the federal public service had become too big.

I have a question for the member opposite regarding dairy producers. Quebec provides 48 per cent of the milk production in Canada and it exports that production elsewhere in the country. Should the province separate, where would it sell its milk, which costs two to three times more than the milk which we could get from the United States? It goes without saying that the rest of Canada would buy its milk at a cheaper price. Quebec's separation would totally destroy its dairy industry. While the federal government adjusts prices at the national level over a certain period of time, the member opposite wants to destroy the dairy industry in Quebec.

As regards public servants, the actual number is 3,000 for the Outaouais, taking into account the five provincial and three federal ridings. We are told that Quebec would absorb the federal public servants, there are 50,000 of them, plus the other 50,000 public servants they already have. They put the 3,000 public servants from the Outaouais and the 100,000 for all of Quebec in the same boat. These people would want us to believe that they will absorb all these public servants, a measure which would cost them \$4.4 billion.

Given the analysis made by the hon. member, my question is this: Does he know Quebec sufficiently well to hope to create a better future than the one that we, federalists, have found to be adequate for over 125 years?

Mr. Bergeron: Mr. Speaker, I have a problem with the minister's somewhat sweeping statements. When he says that more than 400,000 jobs were created across Canada, when he

says that thousands of jobs were created in Quebec, he implies that it was all thanks to the federal government.

Last year, the federal government did not set up a single job creation program, with the exception of the infrastructures program, which is a program of temporary jobs. The government is just riding the wave of economic recovery. Jobs are being created and it says: Look at that, we created those jobs. This is entirely misleading. The federal government had nothing to do with it, and I think it is rather absurd that the minister should go around bragging that they created those jobs.

The government planned to create 45,000 temporary jobs through the infrastructures program and then turns around and cuts 45,000 jobs in the Public Service. I heard the minister say that only 3,000 jobs would be lost in the Outaouais. I hope he is right. We are going to keep tabs on those figures and the region will as well. We can only hope the cuts will not go over 3,000.

However, that does not deal with the real problem. The minister says he knows the Outaouais area well, but if he took a more active part in the activities of the Commission on the future of Quebec in this area, he would realize that his knowledge of the Outaouais is partisan and incomplete, since a number of people who appeared before this commission kept telling us—these are not my words—that the region's economy was dependent on the federal government.

The minister quoted some figures just now. He said that, at one time, one of every three jobs in the Outaouais was in the federal public service. It is now one out of five. With the cuts being made by the government, it may go eventually down to one out of ten. My point is that considering the economic dependence the federal government has artificially created in the Outaouais, is the federal government—and the minister did not answer this question—is the federal government prepared to offer financial compensation by investing in an economic diversification fund, to compensate for the number of jobs lost in the public service? To get back to the notorious question, if I can call it that, because it is more like, I will not use the word misleading, but a very—

(1025)

An hon. member: Very pernicious.

Mr. Bergeron: —pernicious, thank you, a very pernicious statement that sovereignty would destroy Quebec's dairy industry. First of all, I want to say that I am dismayed at the minister's lack of confidence in Quebec's dairy industry, and furthermore, the minister ought to know that the milk produced in Quebec is probably the best quality milk in North America. There are no two ways about it. It is the best. No doubt about that. If you want to buy a quality product, no problem. Milk from Quebec can meet the highest standards in the world.

Government Orders

That being said, this can work both ways, since in Quebec we eat a lot of beef from Western Canada, which is probably more expensive than beef we could buy elsewhere. In the event of a sovereign Quebec, if the market dries up for Quebec dairy producers, we will buy our beef elsewhere. Business is business.

The Acting Speaker (Mr. Kilger): Order! Before we proceed, I must inform the House that at the beginning of today's sitting, we forgot to inform the House of the absence of the Speaker. I therefore order the clerk to make the appropriate entry in the *Votes and Proceedings*. Resuming debate. The minister of Intergovernmental Affairs.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I am delighted to participate in this debate. This is a budget of very strong measures, because this is what it takes to break the deficit's hold on our policies. This budget contains the most draconian measures taken by a government in 50 years.

[*English*]

The budget achieves our deficit goal without increasing personal income tax rates. For the second year in a row the government has refused to reduce the deficit on the backs of individual Canadians.

I am particularly pleased to have the opportunity to explain the process and significance of the program review, one of the core elements of the budget.

Last September in Quebec City the Prime Minister outlined the four key elements of the government's jobs and growth agenda. This week hon. members have witnessed with the unveiling of the 1995-96 budget the details of one of those fundamental elements, the program review.

Last year the Prime Minister asked me to lead, in co-operation with my cabinet colleagues, the most fundamental review of government operations in two generations. The review was meant to be and was an exhaustive examination like none ever undertaken before of every government program and service, with a view to getting government back to basics and focusing on the priorities of Canadians.

I worked closely with my colleagues and I want to take this opportunity to congratulate them once again for their commitment to the exercise designed to get government right.

Unlike previous governments we listened to Canadians and the result we have seen in the budget tabled by my hon. colleague, the Minister of Finance, demonstrates that we have the courage to set the country on a new, much more secure course.

I believe the Canadian people will agree that the budget and the program review results are ushering in a new approach to government.

(1030)

It will be a dramatically changed national government. It will be a government that is getting back to basics, a government that reflects the priorities of average Canadians, a government that is affordable, a government that protects the most vulnerable, and a government that responds to the true needs of Canadians.

[*Translation*]

The Prime Minister detailed our intentions last September before the Quebec City Chamber of Commerce saying that control over the size and cost of government was vital to economic growth and job creation. It was in this perspective that the program review was developed and became one of the basic components of the budget.

This review will enable the federal government to focus on its major priorities, to return to basics while enabling it to reduce its expenditures in an orderly fashion. The review was guided by three objectives.

First, to strengthen public administration of federal programs and services; efforts in this regard will lead to a smaller but more efficient federal administration, which will provide the programs Canadians consider important. Secondly, to help modernize Canadian federalism; the government should provide only those programs and services it is best suited to provide. Thirdly, to help the government attain its financial objectives.

This involved, therefore, totally rethinking what government did and what Canadians could allow themselves. In the future, departments will have to drop all but fundamental responsibilities. They are amalgamating like programs and services found within a department or spread among several departments. They are eliminating job duplication and costly overlap. They are reducing the operating costs of programs through new approaches, while raising standards of service. They are funding necessary programs through cost recovery and user fees.

It must be stressed that the aim of the program review was not to identify or make cuts solely in response to financial needs. On the contrary, we asked each minister to review their programs and activities according to six criteria.

First, public interest: Does the program or activity continue to serve the public? Second, the role of government: Is it necessary or legitimate for the government to be involved in the area of the program or activity? Third, federalism: Is the present role of government appropriate, or should consideration be given to transferring it to the provinces? Fourth, partnership: What programs or activities could be transferred wholly or in part to the private or volunteer sectors? Fifth, efficiency: How could the efficiency of the program or activity be improved? Finally,

Government Orders

financial capability: In financial terms, can we afford all of the resulting programs and activities?

[English]

I can briefly summarize at this point that we undertook an unprecedented review of government activities because this government believes first and foremost it is crucial that we get our own house in order. As we have seen, this budget focused on cutting spending, not on raising taxes. Second, we began from the premise that the priorities of the government must reflect the priorities of Canadians. We did not want a blind slash and burn exercise.

The approach we took in our program review was guided by three fundamentals: one, its fundamental objective to sustain growth and job creation; two, its fundamental challenge to get the economy right; and three, its fundamental requirement to refocus government on priority roles.

(1035)

Program review encompassed about \$52 billion worth of government spending. The result is that over the next three years program spending will decline by almost 19 per cent, more than \$16 billion. Some departments will see their spending cut in half.

The Department of Transport over three years will be cut by 50 per cent. The Department of Natural Resources over the same three years will be cut by 49.8 per cent. The public service will be reduced by 14 per cent, 45,000 positions over three years.

Program review will lead to long lasting structural change in what the government does. These are not, as my hon. colleague the Minister of Finance stated Monday, the phoney cuts we saw so often in the past, measures that pretended to define a slower rate of increase in spending as actual cuts.

The cuts in this budget are real cuts in real dollars. They were accomplished by refocusing government programs on basics, eliminating overlap and duplication, improving the efficiency of our operations and shifting market interventions away from direct subsidies. Let me give some examples.

In the past, agricultural subsidies have been tied to specific commodities which resulted in a large number of programs. The emphasis will now shift from income support to income stabilization.

Fisheries and oceans will focus its resources on science and regulation to ensure conservation and sustainable fish stocks. We will discuss with the provinces the possibility of eventual devolution of freshwater fisheries management.

Finally, assistance to business will be considerably reduced. Assistance will shift to repayable loans.

In many departments there will be fundamental change in how programs and services are delivered. For example, an immigration fee will be charged to newcomers and sponsors will have to provide financial guarantees.

Environment Canada will concentrate more on science and policy and finding new ways to deliver services. Environmental protection remains a priority in order to ensure the health and safety of Canadians. Pollution prevention will become a priority in partnership with the provinces, territories and industries.

[Translation]

A large number of specific measures are based on a common philosophy and foundation.

For example, we have taken important measures in this budget to substantially reduce business subsidies offered under all government programs. Subsidies will be reduced by close to 60 per cent over a three year period. Some programs will be discontinued or drastically reduced. For example, we will be eliminating the transportation subsidies offered under the Western Grain Transportation Act, the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act.

Some programs will be restructured or merged, for example, regional development organizations will be more geared to the needs of small and medium size businesses. Some activities will be transferred to other public administrations. For example, several responsibilities concerning inland waters will be turned over to the provinces; recreational harbours will be divested to municipalities; the forestry and mining development agreements with the provinces will be revoked, since the provinces have indicated that development of these resources falls under their jurisdiction; the operation of airports will be transferred to local authorities.

Some activities will be commercialized or privatized: the remainder of the government's share in Cameco and Petro-Canada, Canadian National, the Air Navigation System, Canada Communication Group. Cost recovery and user fees will be implemented for some services.

(1040)

Treasury Board will put in place a new spending management system which will improve the management of public funds.

[English]

The program review has allowed us to put our house in order in order to tackle the challenges of the next century. It fundamentally changes not only what we do but how we do it. The program review allows us to restore fiscal health to the nation's

Government Orders

finances and also to make necessary spending reductions in an orderly way. The program review actions in the budget only start what will be an ongoing process of reform and renewal of the federal government.

Clearly, as announced in the budget, these results will have a major impact on the public service. All regions of the country are affected by the cutbacks and reductions. This is no less true for the national capital region. I want to say that as the Minister responsible for Public Service Renewal and as a member of Parliament in the national capital region, I am particularly and acutely aware of the difficult period many public servants across the country are going through at this time.

The departure of employees who over the years have demonstrated loyalty, professionalism and dedication is the most painful part of any restructuring process. Decisions that affect people's livelihood are the most difficult to make. Departures are never easy. Let me reiterate this government's commitment to deal with employees in the fairest and most sensitive way possible. We will continue to work with the unions and local governments to ease the transition. We hope to keep layoffs and the number of employees on unpaid surplus status to an absolute minimum.

Some individuals will be accommodated through normal attrition. Some will take advantage of the departure and early retirement incentives announced by the President of the Treasury Board. Some individuals will transfer to the private sector as some operations are being privatized. Others will find work in the private sector. No doubt there will be a period of change and uncertainty as we move to what I firmly believe will be a revitalized public service in the coming years.

[*Translation*]

I deplore the fact that the representative for the Outaouais region, Mr. Blais, and some members of the opposition are misleading the local population and are creating more uncertainty. They are proclaiming that the budget cuts 14,000 public service jobs in the Outaouais region.

In fact, the total number of jobs that will be affected in all of the national capital region, on both sides of the river, will be 12,000 to 13,000 over the next three years. This means, therefore, that the real number of public servants in the Outaouais region that will be affected is more like 3,000. I cannot accuse them of telling untruths, since the difference between their current claims and the true figures is only one job to five, which is about par for them.

I am happy that regional players, including Hull mayor Ducharme and Outaouais urban community president Croteau, have taken a clear, credible and realistic stand on this budget.

With the various measures I mentioned and the co-operation of the private sector and all economic stakeholders in the region, we will manage to minimize job losses while at the same time diversifying the region's economy.

As the member of Parliament representing Hull—Aylmer, I have had the privilege of rubbing elbows with people of this area. I was able to observe how imaginative they are and how enthusiastically they tackle new challenges. I want to salute their courage in these tough times.

The budget is further proof of the flexibility of federalism; it is not stuck in status quo. The budget stresses our commitment to provide the people with good government in Canada. And this entails the challenge of bringing the deficit down and streamlining government. As part of our commitment, no region will be receiving preferential treatment nor be subjected to more cuts than the others.

(1045)

The new Canadian social transfer combines into one lump-sum transfer three formerly separate transfers, thereby lightening the administrative burden of the provinces. This transfer will ensure maximum flexibility in developing provincial programs suited to the needs of the regions. The new lump-sum transfer limits the restraint the federal government can impose in exclusive provincial jurisdictions.

This new and more flexible formula does not affect the quality of services provided to Canadians.

The terms and conditions set out in the Canada Health Act will be maintained and the provinces will have to abide by the provisions of the act with respect to health care.

At the same time, we remain committed to fiscal equalization, one of the cornerstones of the Canadian federal system, through which Quebec receives nearly \$4 billion per year.

The budget marks the beginning of a new era, an era in which the federation will be managed differently. Management will be simpler, more efficient and, yes, more sensitive to provincial jurisdictions. The budget give provincial governments full scope to meet the needs of the people.

The budget is convincing evidence of the fact that the federal system is a progressive, co-operative and dynamic system. Less than a year and a half into this Parliament, we have already tabled two budgets to substantially reduce public expenditures, something Ontario and Quebec will also have to do. We also restructured government organization. The measures outlined in this budget are the most stringent federal measures in fifty years.

[*English*]

We have abandoned the across the board cuts used by previous governments which proved to be counterproductive and inef-

Government Orders

fective. This budget is a rational way to bring the size and structure of government into line with our needs.

We agree with Canadians that a balanced budget is the goal and we will get there by setting realistic and achievable targets. This budget leads by example. We are cutting government first.

We believe this budget truly marks the beginning of a new era.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I have been listening to budget speeches for at least 30 years. Except for a brief 8-year period of Conservative government, the Liberals were in office for most of those 30 years. I have yet to see a Minister of Finance table a budget in this House and say that it is not a good one. All were guided by the same concern for fairness and justice. Not one of those ministers said that what he was proposing was not good. What I do not understand is that, after 30 years of good budgets, the end result is bad.

Some hon. members: Hear, hear.

Mr. Lebel: I was never able to understand that equation: the sum total of the good is a negative figure. And right now that figure is almost \$600 billion. The Minister of Finance tells us that all those who were here before him were in the wrong and that what they suggested made no sense. He adds that his budget is a real one and a good one. Sure. However, one the predecessors of the finance minister is the current Prime Minister, who also contributed to the growth of the deficit.

The minister just told us that there are people in the national capital region, in Ottawa–Hull, who are happy about the cuts made in the public service. The minister more or less acted the way he did with Saint–Jean. He eliminated 400 jobs and, at the very last minute, he managed to save 20 and claim that it was a miracle on his part. Let the minister bring those Hull and Aylmer residents and ask them in front of us whether they agree with the loss of 45,000 jobs in the public service. Let me give you an example. At the taxation data centre, in Saint–Hubert, there is a 6-month backlog to process the returns of businesses conducting R & D.

(1050)

Currently, there are businesses on the verge of experiencing major financial problems because they are not receiving their due from the federal government. The public servants cannot process their claim. And the minister would want us to believe that the budget tabled on Monday is the greatest thing since sliced bread. I do not believe that and let me tell you something else. Next year, the minister will once again say: “The others before me, including myself, did not do well. However, I know what I am doing this time”.

The minister should explain certain things. I remember one month when the unemployment rate dropped one tenth of one per cent. The Minister of Finance was elated. The economy was picking up and everybody was happy. The following month, economic activity rose by one per cent. Now, that was even better; things were really looking up. But I simply cannot understand these people. How did the minister manage to fool Outaouais residents and make them accept the elimination of 45,000 jobs, when in fact such a loss is a terrible thing. I would appreciate an answer from the minister.

Mr. Massé: Mr. Speaker, I am very happy that opposition members have asked me these questions, because they will give me the opportunity to set the record straight. Over the years, Canadian budgets may have resulted in a large deficit but, at the same time, they have produced what the UN calls the best country in the world, with one of the highest rates of income per capita in the world, a country that enjoys considerable peace and harmony compared with other nations, a country where life is good and incomes are high. That is what successive Canadian budgets have given us.

During the quiet revolution that took place in Quebec in the sixties, we as Quebecers managed to change our structures, values and policies within the federation as it was back then. This gave us the country we now have and want to keep, because it served us well. Speaking of the last budget, 433,000 jobs were created in 1994, including 116,000 in Quebec. What are the factors involved in creating jobs in a country?

Most jobs are not created directly by governments, whether it is Ontario, Quebec or the federal government. However, government policies produce a climate allowing the private sector to create jobs. Clearly, the confidence generated and the policies adopted by the Liberal government last year allowed the economy to create over 400,000 jobs, including more than 100,000 in Quebec. That is what our government has accomplished.

I am so pleased that the hon. member has brought up the matter of Saint–Jean, a community where we had reached with the former Liberal government in Quebec an agreement that the local population found acceptable, which would have kept the college open and continued to create jobs, which was, in fact, a hope for the future. When the new government, of which our Bloc colleagues, under the direction of their leader, are a mere extension, arrived on the scene, it decided, for its own ideological reasons, that it wanted no part of any agreement. These ideological reasons were disclosed by a minister, who has kept a pretty low profile since then.

In one month, we met with local representatives who know that the region needs the college and whose goal is not to promote their ideology but to create jobs and generate economic activity in the region. We agreed with these people to keep the college open and maintain the core that will eventually become a

dynamic institution that will continue to benefit the region. I am still very proud of what we did in Saint-Jean, despite the Parti Québécois government and its ideology.

(1055)

Third, I was asked if people in Hull agree. In fact, people in Hull think about what is happening in their community. They know how to evaluate the role of government, how to use it and how to enjoy one of the lowest unemployment rates and one of the highest rates of income in Quebec. They have voted Liberal for decades because they know which party has best served their economic, political and social interests.

[English]

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, during the last election the Reform Party ran in many ridings where civil servants would be affected by layoffs. The Reform Party was very honest and said we do have to downsize government. There will be some changes.

The Liberal Party ran against us in those ridings and said: "That brutal Reform Party. We would never do that. The poor civil servants. We would protect their jobs". The word that comes to mind is hypocrisy.

The minister is going to downsize his department. He is quoted in the Ottawa *Sun* this morning as saying that job cuts based on race or sex are illegal according to the charter of rights.

He says that the department recognizes the need for employment equity, respecting the various proportions that exist now and if possible will increase them.

Is the minister going to use this downsizing of the government to try and bring in some form of equity balancing, or is he going to do it by merit the way the laws of the land say he has to do it?

The article suggests that he is asking the department how it is going to do it. Who is in charge? Is it the minister or is it the bureaucrats? I would like to hear his answer.

Mr. Massé: Mr. Speaker, once again these are questions I am glad to answer. In my own campaign in Hull and Aylmer I indicated—the speeches and the transcripts are there for you see—the government would have to be downsized.

I was criticized by part of the electorate but in the end this was not hypocritical, this was the truth. It was told government had to downsize. Knowing the truth, it elected me with more than 53 per cent of the vote in the area. It knew what it was facing and agreed this had to be done.

On the second question, we have here two objectives that have to be realized. The first one is that equity in its largest sense has to be satisfied. There is no doubt that we have to apply equity

when we do any move in government, including restructuring government.

However, it is quite clear, and this is what I indicated to the *Sun* yesterday, when we make an exercise like that in a government, the managers who have the responsibility to manage that department will make the choices according to merit and ability that will keep with them the best civil servants.

There is no doubt also that whatever the categories of people, by sex or creed or colour, merit is distributed very equally in the population and that heads of personnel will come to a result that I am sure will conform to the principles of equity.

The Acting Speaker (Mr. Kilger): It being 11.00 a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

TRANSPORTATION

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, a safe and efficient transportation system is extremely important to all Canadians regardless of the mode of travel.

A proper transportation system will allow our citizens to travel safely and efficiently while providing the tools to enable our goods to reach our various markets.

As our markets become increasingly global, we will depend more and more on transportation systems to stay competitive both in price and delivery. In Atlantic Canada particularly we need a modern highway system that is both safe and efficient in order to compete in the North American market.

I encourage the hon. Minister of Transport and our government to continue to work with the provincial transport ministers to develop a transportation policy that will meet the needs of Canadians today and for the future.

* * *

(1100)

[Translation]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, last February the member for Longueuil reported on an advertisement by the Canadian embassy in Poland for potential immigrants from that country to Canada. The ad stated that Polish people would only be required to know English to immigrate to Canada.

S. O. 31

Now, the Canadian embassy in Portugal is guilty of the same thing. The Canadian Embassy placed an ad in the Lisbon newspaper *Expresso* to inform potential immigrants to Canada of the conditions for admission. Although it states that knowledge of French and English would be considered an asset in applying to immigrate to Canada, this ad was written exclusively in English.

Here is another significant example illustrating that Quebec should have exclusive jurisdiction over international relations. Quebec should be able to project internationally a true image of its identity and of the reality in Quebec.

* * *

[English]

AWARDS

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, it is a pleasure to rise in the House today to pay tribute to two of my constituents: Ivan Traill and Velda Bradley of Neepawa, Manitoba.

Ivan was awarded the Community Service Award. This former school principal started the student exchange program and the Fulford ski trail and worked on both the 1976 and 1992 summer games. He served on the elder hostel program and on the building committee for the Neepawa United Church. Ivan also helped bring cable television to Neepawa and is very active with the local access channel 12.

Velda received the Citizen of the Year Award. She is well known for her pastoral work throughout St. Dominic's Roman Catholic Church and very active in the Neepawa Ministerial Association.

Both these individuals deserve congratulations for their efforts. They have shown that one of the greatest rewards a person can achieve comes with the satisfaction of helping others.

* * *

[Translation]

TRIBUTE TO CAROL SHIELDS

Mr. David Walker (Winnipeg North Centre, Lib.): Mr. Speaker, I would like to congratulate Canadian author Carol Shields for the award she has just won.

[English]

Last week the U.S. National Book Critics Circle awarded its 1994 fiction prize to this author for her most recent work entitled *The Stone Diaries*.

The Stone Diaries is a warm, witty story of a fictitious Canadian woman's life. This work has attained both national

and international recognition. It was awarded the Governor General's Award for English language fiction in 1993, the McNally Robinson Award for Manitoba Book of the Year and was short listed for Britain's prestigious Booker Prize.

[Translation]

Carol Shields was also chosen author of the year by the Canadian Booksellers' Association. A native of Winnipeg, Mrs. Shields also holds numerous literary prizes for her other works.

[English]

She will be presented with the award on March 23 in New York.

[Translation]

My colleagues join me in congratulating Carol Shields once again and in encouraging her in her literary pursuits.

* * *

INTERNATIONAL WOMEN'S WEEK

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, this week men and women around the world are celebrating International Women's Week. On this occasion, I would like to emphasize the important social contribution made by women internationally and praise their many successes.

[English]

Status of Women Canada has selected "Creating a World of Equality" as this year's theme.

Internationally Canada has been a leader with respect to the advancement of women's rights and the empowerment of women in developing nations. Nationally Canada has made great strides in this area.

[Translation]

The fact remains however that we all, men and women, have much more to accomplish in this regard. As a Liberal member of Parliament and father of three young women, this week is especially meaningful to me. I remain full of hope that my daughters and young women everywhere will live in a world which will allow them to achieve their full potential, where "Creating a World of Equality" is becoming an increasingly important guiding principle.

* * *

[English]

CANADIAN BROADCASTING CORPORATION

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I rise today to voice my objection to today's court hearing of the CBC's application to televise the trial of Paul Bernardo.

(1105)

As the member of Parliament for Burlington, a riding that has been greatly affected by the crimes Mr. Bernardo is accused of committing, I believe that justice would be better served without the glare of television cameras.

I question why the CBC would apply to televise this case. Is it possible the corporation believes that Canadians wish to emulate the U.S. system with its phantasmagoric coverage of trials like that of O. J. Simpson? I say it is wrong.

Canadian courts are open and accessible. Individual Canadians interested in knowing more about our court system can attend all the various levels and can watch televised Supreme Court of Canada trials where witnesses are not heard.

It is not worth experimenting in this case. We cannot afford to take risks, intimidate witnesses and exacerbate the Mahaffey and French families' pain. Justice must be served. The trial must run smoothly. The trial should not be televised.

* * *

[Translation]

REFERENDUM ON QUEBEC SOVEREIGNTY

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, Robert Young, a respected political scientist from the University of Western Ontario, has stated that Canada would engage in negotiations with Quebec soon after a "yes" in the referendum.

Contrary to some recent studies which predict chaos and certain doom after a victory for the "yes" side in the referendum, the scenario described in Mr. Young's book is based to a greater extent on a deep respect for the most rudimentary principles of democracy. The political scientist does not hesitate in the least in stating that Canada would accept the decision of Quebecers and swiftly recognize the new country.

In spite of the federalist strategy intended to strike fear into the hearts of Quebecers, experts on Canadian politics are for their part now making their views known: Canada would in its own interest respect the choice made by Quebecers.

* * *

[English]

CROSS-COUNTRY SKIING

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise today on behalf of the constituents of Okanagan—Similkameen—Merritt to draw the attention of the House to the visitors' gallery where His Worship, the Mayor of Oliver, British Columbia, Rick Wilson, is watching the proceedings today. As well, 20 members of the British Columbia cross-country ski team are in the area to compete in the

S. O. 31

Canadian junior cross-country ski championship being held at Camp Fortune.

I would like to give special mention to some of the team members. The first is Tara Moran who won a silver medal in the five-kilometre classic technique at the recent Canada Winter Games and another silver medal yesterday at the Canadian cross-country ski championship. I would also like to congratulate Gavin Murdoch and Chad Bergen who won silver medals yesterday as well.

Competitions like this one serve all Canadians. Aside from having the opportunity to hone athletic skills, the competitors foster national unity and understanding by bringing Canadians together from all parts of the country.

On behalf of all members of Parliament, I welcome the British Columbia visitors to the nation's capital and wish the cross-country ski team continued success.

* * *

PREMIER OF ONTARIO

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, the provincial premiers whining about the federal budget is exceeded only by their inability to do simple math.

In Ontario it is a favourite pastime for Bob Rae to blame Ottawa for Ontario's economic woes. In his effort to get his pre-election posturing in an upright position, the Ontario silver spoon socialist continues to pout.

Where was Bob Rae when the federal government increased its education and health transfers to Ontario by 26 per cent between 1990 and 1994? He was shirking his responsibility by only increasing his provincial programs by 17 per cent, a full 9 per cent less than the federal government transferred to Ontario.

Bob Rae's outstanding contributions to Ontario are doubling the debt to over \$90 billion, downgrading Ontario's credit rating three times and running annual deficits of over \$10 billion.

* * *

NORMAN BETHUNE

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise today to join Bethune Memorial House in celebrating the birthday of Dr. Norman Bethune, born in my home town of Gravenhurst on March 3, 1890.

Dr. Bethune was a medical pioneer known in North America for tubercular research, in Spain for the first mobile blood service, and in China for building hospitals, training nurses and doctors, and treating the wounded.

His life was declared to be of national historical significance in this country in August 1972. His birth home was purchased and turned over to the Canadian parks service, which restored it as an interpretive memorial. The house has been open since

S. O. 31

1976 to visitors from around the world, especially China where Dr. Bethune's humanitarian works were considered heroic.

(1110)

On March 3, in conjunction with Frontier College, the Gravenhurst Public Library and Muskoka Literacy Council, Bethune Memorial House hosts a celebration of reading with story telling in honour of Dr. Bethune.

I wish all participants well as we celebrate Dr. Bethune's birthday.

* * *

VISION AWARENESS WEEK

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, it is important for me to bring to the attention of the House that March 6 to March 11 is Vision Awareness Week in Canada. This year's theme is "Hope is in sight: good vision and literacy, there is a clear connection".

It is a sad fact that many Canadians cannot read well simply because they cannot see well. One in six children has a vision problem that makes learning and reading difficult. If our children cannot focus on the chalkboard or on words in a book, how can we expect them to learn to read?

This problem is not unique to children. Three-quarters of adults with poor literacy skills also have problems with their vision.

The difficulty is that not all vision problems are easily detected. We know the earlier problems are detected and corrected, the faster we can get children and adults alike on the reading track and the faster they will be literate.

Awareness is the key. I ask my colleagues to join me and 2,800 optometrists in reminding Canadians—

The Acting Speaker (Mr. Kilger): Order, please.

* * *

[Translation]

SOCIAL PROGRAMS

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the income security minister Jeanne Blackburn yesterday denounced in no uncertain terms the federal government's withdrawal of funding for provincial welfare, education and health programs. In spite of the \$7 billion lost over three years due to federal cuts, the government of Quebec will still have to provide assistance to 240,000 children whose parents have turned to welfare as a last resort.

Like a blind executioner with an axe in hand, the federal government is hacking away at social programs without realizing the impact these cuts have on people. With a single stroke of the pen, Ottawa is forcing the Quebec government to make

painful choices among social services without so much as suffering the terrible consequences of its decisions.

It is high time for Quebecers to protect themselves from such unilateral cuts. The only solution available to us is to repatriate the taxes we pay to Ottawa and then decide among ourselves how much of the joint assets we shall share.

* * *

[English]

CHILD CARE

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the Minister of Human Resources Development has fumbled the ball on his plan to reform the child care system in Canada.

Various child care programs cost over \$8 billion per year, yet many still live in poverty and our courts are filled with charter challenges by families fighting the discriminatory nature of government policy.

My private member's Bill C-247 provides for a straightforward tax deduction per child to any taxpaying parent, regardless of the method of child care chosen or marital status. By empowering people to take more responsibility for themselves, the bill will give them tax free money to do so.

In the social reforms paper the minister addressed day care spaces and flexible work arrangements for parents but said nothing about current taxation inequities, charter challenges or stay at home parenting. "Such a move", he said, "would have been too racy", with which I am sure the member opposite would probably agree. I fail to see what is so racy to the member for Halifax about a tax break for overburdened parents.

It is obvious that someone with a different agenda—

The Acting Speaker (Mr. Kilger): Order, please.

* * *

FRESHWATER FISHERY

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the Canadian freshwater fishery has an important role to play in the economy of the country, in particular the economies of the northern regions of the provinces.

The Standing Committee on Fisheries and Oceans has completed a much needed review of the operations of the Freshwater Fish Marketing Corporation and has made recommendations to the minister of fisheries.

Those recommendations go too far according to reports I have received from groups involved in the fishery in Saskatchewan concerned about the future of the industry and therefore the future of those regional economies.

Changes can and must be made to the freshwater fishery that will improve participation, opportunity and income for the people involved.

Oral Questions

The minister of fisheries has received a request for a meeting with Saskatchewan fisheries groups. To ensure a complete understanding of this important issue from the perspective of those involved in the fishery and the communities dependent upon the freshwater fishery, I urge the minister to accept that invitation and meet with them as soon as possible.

* * *

INTERNATIONAL WOMEN'S WEEK

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, March 6 to March 10 is International Women's Week, a time set aside to honour the contributions of women in our society.

(1115)

My riding of Cumberland—Colchester is replete with women who have made outstanding contributions, not only in their communities but in Canada and the world beyond.

The Colchester Historical Society in its recent edition of *Colchester Women* has recognized the contributions made by outstanding leaders like Abbie Gray, Dr. Janet Baker, Rev. Wilena Brown, and Dr. Annie Dickson. The legacy of such women is an inspiration to those who follow in their footsteps.

Studies indicate that the higher the education of the mother of the family, the more likely the success of the children. As we head into International Women's Week, I encourage women everywhere to build the future of this country by striving to attain their educational goals. The hand that rocks the cradle is truly the hand that rules the world.

ORAL QUESTION PERIOD*[Translation]***THE BUDGET**

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, over the past decade, individuals have been called upon to assume a heavier tax load than corporations. This week's budget perpetuates this state of affairs by imposing a higher increase in taxes on the middle class than on corporations, in particular through increased excise taxes on gasoline. In 1995, individuals will pay four times more income tax than corporations.

My question is for the acting prime minister. Will the acting prime minister acknowledge that the budget calls upon individuals to assume a heavier tax burden than businesses, since 65 per cent of all of the income tax increases it contains will hit individuals?

[English]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am very surprised that the hon.

member has so misinterpreted the budget. We are very proud of the fact that this budget has absolutely no increase in personal income tax rates.

We have taken several steps to increase the contribution from the corporate side to the basic revenue structure of this country. We have made changes in the large corporate income tax rate. We have made changes in taxation with the banks. For the first time, given also the increase in profits in the private sector, I think we will find there is a tremendous shift to the corporate side away from the average family.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, that was exactly what I was talking about. How can the parliamentary secretary talk about a fair budget when we know that the only additional effort being required of banks and financial institutions is a temporary tax of some \$100 million staggered over two years, although the combined profits of the six biggest banks were \$4.3 billion last year alone? When is the government going to impose a real minimum tax on the earnings of profitable large corporations?

[English]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, this government is making every effort to make sure the banking industry and the financial institutions pay their fair share.

A number of measures that were first introduced last year have been reinforced this year. The tax structure is not temporary but permanent. These institutions will be paying their fair share. We will insist upon it.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Minister of Finance himself talked about implementing a minimum tax on the profits of corporations during the last election campaign.

Considering the finance department's commitment to closing tax loopholes and creating a fair budget, how can the parliamentary secretary justify that the 1995 budget does not touch tax havens, nor does it touch flags of convenience, which allow rich taxpayers and large corporations to avoid paying their fair share of tax, or that the budget does not tighten up family trust rules until 1999?

[English]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, in rapid succession the member has been able to misinterpret about three different measures in the last budget.

First, starting with the capital base of corporations, we have a tax structure now which eliminates many of the loopholes whereby corporations managed to escape taxes on the income side. Second, we did not sign any tax treaty with any country which provides for a tax haven. It is just the opposite. We ensure

Oral Questions

taxes are collected from Canadians and Canadian businesses doing business overseas. Third, measures involved with the family trust take place immediately. The other ones on the capital tax side take place in 1999.

(1120)

[*Translation*]

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, after getting themselves elected on a promise to create jobs and restore hope, the Liberals have literally broken their promises in the 1995 budget and, like the Tories, they feel that the unemployment problem will only be solved by eliminating the deficit. There are no jobs in the finance minister's two small clouds.

Since we still need over 800,000 jobs in Canada to reach the pre-recession employment rate, how can the Acting Prime Minister justify the total lack of active job creation measures in the budget?

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, again the opposition has misinterpreted the budget. We announced measures starting last year with the infrastructure program.

We have been very aggressive in creating jobs. With the better climate we have provided in Canada over 443,000 jobs have been created. I am sure the hon. member would like to read the red book more carefully than he has in the past. On page 16 and again on page 19 we emphasized the double track our new government had to take. That is to say, we had to create jobs and reaffirm our commitment to Canadians and at the same time we had to begin the deficit reduction program.

[*Translation*]

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, given the current employment situation, how can the Acting Prime Minister justify the fact that the only program introduced to stimulate employment, the infrastructure program, has been extended until just before the next election campaign, thus cutting federal job creation funds by \$200 million this year?

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, one of the prime reasons we have extended the infrastructure program and pushed \$200 million of work into the future is the very sensitive issue of environmental assessment. I am sure there is no member in the House of Commons who would wish us to ignore environmental assessments and to push projects through without their being properly evaluated. As these projects are properly evaluated, they will come onstream as originally planned.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, in spite of all the spin doctors and all the puff pieces, there is growing evidence that the financial markets have not been fooled by the budget. This week the Canadian dollar has fallen steadily and dramatically. Interest rates have risen on all forms of Canadian government securities.

Today the *Globe and Mail* says that the finance minister calls the cuts good politics. Will the minister tell us why the government has chosen good politics when the situation requires good economics?

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, if the opposition member would care to read through both the financial press and the general public press and look at the opinion polls such as Angus Reid presented this week, he will see that the budget has been accepted widely by Canadians as well as by financial experts. In fact, only yesterday Standard and Poor's reaffirmed our AAA rating. We are very proud of the reception we are getting.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, Moody's, Standard and Poor's, and other financial firms continue to provide warnings about the financial situation of the Government of Canada. They continue to evaluate our securities.

Yesterday, Standard and Poor's lowered its outlook on our foreign currency debt from negative to stable, saying that it reflects the possibility of a downgrade should the slow pace of deficit reduction fail to ease the government's debt and interest rate burdens over the next few years. The budget does not get the job done.

Will the minister admit that the cuts in the budget are inadequate to control the growth in debt and interest payments?

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, it is just the opposite. We all remain very concerned about the debt. That is why we took the dramatic actions we did on Monday. I want to remind the member that Standard and Poor's addressed itself to the 3 per cent foreign currency debt. On the other 97 per cent it gave a AAA.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, the government knows the cuts are inadequate. Yesterday in Toronto when the Minister of Finance was asked about additional cuts to the CBC, he joked: "Is this being televised? Because if it is, it is a very different answer".

What additional cuts are being planned to deal with the failure of the budget? Cuts to the CBC, cuts to old age security, cuts to unemployment insurance, cuts to health care. Why will the government not tell Canadians about these cuts in public and on camera?

Oral Questions

(1125)

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, no further cuts will be introduced due to the failure of the budget because the budget is not a failure.

The Minister of Finance and the Prime Minister have indicated that as one goes about reviewing an organization as large as the Government of Canada, naturally one will continually come across better ways of doing things. We will continue to do things better.

* * *

*[Translation]***CANADIAN BROADCASTING CORPORATION**

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, Monday afternoon, heritage deputy minister Michel Rochon communicated to CBC president Anthony Manera the Cabinet's budget decisions for the next three years, I repeat, the next three years.

Does the Minister of Canadian Heritage continue to deny that budget decisions have been made concerning the CBC's fate in the next three years? If not, does this mean that he has once again failed to honour one of his commitments, namely to provide the CBC with multi-year funding?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I think that our hon. colleague still does not understand the difference between a budget decision and the program review. It would seem this is where the confusion stems from. I have publicly explained these matters both in and outside this House.

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, how can the minister justify logically and rationally his decision to strike a committee of wise men and women to look at the CBC's mandate, after giving members of Parliament the mandate to do just that last August?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague does not seem to grasp too well what was referred to the heritage committee. Had she done me the courtesy of listening, perhaps she would understand better. This may explain why the hon. member and her colleagues never understand anything: they do not listen.

I think that our colleague has a gift for telling the future. We had not yet outlined how we intend to review not only the CBC's mandate, but also that of the National Film Board and Telefilm Canada. This means she will have to wait for the review mandate to be clearly spelled out. I can assure her that it will not be the

same as the mandate given the House of Commons heritage committee.

[English]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it is time to clear the air on the CBC issue.

On Tuesday the Minister of Canadian Heritage stated that the president of the CBC resigned for personal reasons, but last night Mr. Manera directly contradicted the minister. He resigned not for personal reasons but because the minister has secret and specific plans for cuts to the CBC over the next three years.

Given that the budget is a three-year document and given that we have a copy of the minister's plans precipitating the president's resignation, how can the minister justify not coming clean with Canadians about his plans regarding the CBC?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am asked to deal with two issues in the question, one on the motivation of Mr. Manera's resignation. I am not speculating about the motivation for his resignation. He can speak for himself.

As to the second matter, I think I have been clear in the House. The budget contains some indication for the next fiscal year. It is 4 per cent which amounts to \$44 million. The figures for the second and third year are derived from the program review.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it seems very odd that the president would resign if that in fact were the case.

When budgetary information is withheld from Canadians, it creates uncertainty and confusion. In this case, it has caused the resignation of the president of the CBC who accused the minister of failing to disclose the information to Canadians about future cuts to the CBC. The minister denies it. They cannot both be telling the truth.

(1130)

Since this is the second time the minister has placed himself in a compromising position, will he clear the air and promptly submit his resignation to the Prime Minister.

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I would like to know where our colleagues in Reform are coming from. One day they say they want to destroy the CBC. They want to privatize it. They do not want to see it any more.

I stand here saying we will defend the CBC. It will be a strong institution. It will be on the information highway and we are not going to have privatization. This is what I stand for.

*Oral Questions**[Translation]***MONEY LAUNDERING**

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Justice.

Yesterday, we learned that the RCMP's lack of co-operation with Swiss authorities had resulted in the release of two Canadian nationals who had been charged with money laundering and detained for six months in Switzerland.

Today, for the second time in a year, the U.S. State Department indicated that Canada is one of the countries where money laundering is most prevalent and easiest to do.

Since Canada is truly a sieve when it comes to money laundering, what is the government waiting for to legislate and put an end to that illegal activity?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, with the ease of international money transfers, money laundering by the underworld is a concern for all industrialized nations.

Through the inference of the Solicitor General, Canada is collaborating with other nations around the world to form a united front against this insidious threat to our economic security and, frankly to our laws against crime.

The Solicitor General, through his collaboration with the United States of America and European nations, is working closely with authorities abroad to take effective steps to deal with money laundering in Canada.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, as was confirmed yesterday, the Canadian government is certainly not co-operating with Swiss authorities. I also urge the minister to read the U.S. State Department's report. It has plenty to say about this issue.

Does the minister realize that, because of the lack of legislation, each year \$10 billion are being laundered in Canada, and does he realize that his failure to act only encourages such illegal activity?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, with respect to the incident referred to by the hon. member, the reports also indicate that action has been taken. We are collaborating with authorities abroad to make sure that effective steps are taken in that case.

In so far as legislative change is concerned, we believe that the legislation in place at present is sufficient to meet the

challenge. As I have said in the past, the Solicitor General, working with other nations, is taking effective steps to make sure that happens.

* * *

EMPLOYMENT

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the minister of public service renewal acknowledged that job cut decisions based on race or sex are illegal under the charter of rights and freedoms.

Yet he indicated that government personnel managers might turn a blind eye to the charter and it is more likely that minorities will keep their jobs when the government implements public service cuts.

Will the minister acknowledge it is his duty, like every other Canadian, to respect and abide by the charter of rights and freedoms?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, it is very easy to indicate exactly what the facts are before questions are asked.

The newspaper quotes me verbatim as saying: "Mr. Massé said he had been assured workers' rights will be respected. 'The charter of rights indicate when you are doing a restructuring in industry you have to designate your surplus workers on totally objective reasons,' he said. 'You cannot use equity reasons of that type in order to designate them'".

That indicates exactly what was said. It is totally in conformity with the charter of rights and with our policies.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the minister is trying to obfuscate the problem because the charter of rights does not allow discrimination based on sex and gender and that is exactly what he has said in the article.

(1135)

Will the minister confirm that he will give specific direction to government personnel managers to abide by the charter of rights and freedoms and tell them that employment equity plays second fiddle to the charter of rights and freedoms?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I do not give orders to directors of personnel. That is something deputy ministers in departments do.

The member opposite has to recognize that in this case we will apply the rules as we normally do.

[Translation]

THE BUDGET

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, my question is directed to the Acting Prime Minister.

In its budget, the government intends to spend \$3.5 billion to compensate Western grain producers for eliminating the Crow subsidy which totals nearly \$600 million annually. This compensation will be a direct incentive for the diversification of agricultural production in Western Canada.

Considering current budgetary constraints, how can the Liberal government justify replacing a grain transportation subsidy of \$560 million with financial compensation and guarantees totalling \$3.5 billion?

[English]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, a number of actions were taken on the agricultural front dealing with both the WGTA and the dairy subsidy. I remind hon. members these are two different agricultural sectors. We had a question from the Reform Party yesterday from a different perspective.

We are working with each of these communities to make sure that we do things properly. The dairy subsidy is being approached in an entirely different way than the grain transportation subsidy. As we work our way through the communities we will continue making announcements to make sure these subsidies are both reduced and properly looked after.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I may recall this is a ratio of 6 to 1. How can the Liberal government justify this inequity which deprives Eastern producers of any form of compensation, although they will be the first to suffer as a result of competition from Western farm producers who are being subsidized by the federal government to diversify their production?

[English]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I would remind the hon. member for Frontenac that the changes made to the Western Grain Transportation Act are one time and final. As of August 1 this year the western grain transportation support will be over and done with. The dairy support—it is one of the hon. member's concerns—will still be 85 per cent in place as of August 1, 1995.

The changes we have made to the agriculture and agri-food budget have been fair and equitable. They will be effective.

Oral Questions

I would also remind the hon. member that Quebec has not been unduly affected by the budget. If I look at the changes in the research branch, the reduction in staff in the province of Quebec at the end of all this—

The Acting Speaker (Mr. Kilger): Order.

* * *

THE BUDGET

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, the Reform Party, in criticizing the budget and management of the economy, has been speculating that Canada will not be able to sustain the economic growth rate required to meet the deficit target.

Would the Parliamentary Secretary to the Minister of Finance provide the doom and gloomers on the other side of the House with real facts and figures on Canada's economic growth?

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I welcome the opportunity the question from the hon. member for York—Simcoe gives me to tell the House that the economy is coming along quite well.

Statistics Canada said this week that the economy has improved and that we have had the fastest growth rate in five years. It was 4.5 per cent throughout the year. For the first time in 40 years we are now competitive with the United States on every measure. That is why our exports are driving the economy.

Most important—and all members of the House will appreciate this—finally consumer confidence is growing. With a 7 per cent increase in retail sales I believe every Canadian feels he or she is participating in the renewal.

* * *

(1140)

PENSIONS

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, let us not forget what we have learned today, that the Liberals now define spending cuts as a better way of doing things.

The Liberals' two-tier pension plan through trough regular and trough light will continue to make millionaires out of defeated cabinet ministers. On Monday, the President of the Treasury Board acknowledged that members of Parliament contribute double what is normal in the private sector to their own plan. He said that in the House.

How can the Liberal government justify this double standard of asking Canadians to sacrifice while most ministers continue to stuff their mattresses?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, it is funny that members of the third party talk about

Oral Questions

stuffing mattresses. They do not say anything about double dipping, even though a few of them understand it quite well.

The cuts we announced in the budget of 19 per cent over the next three years are very substantial cuts. In one year, we cut the MP contribution by 33 per cent. On top of that, salaries of members of Parliament have been frozen for six years. Therefore the compensation package overall for members of Parliament has been going down.

It has been going down to help meet our deficit reduction targets, to help get our fiscal house in order.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, for the information of the President of Treasury Board, we would support any legislation he introduces to eliminate double dipping.

On Monday, the Prime Minister said he cannot reform the MP pension plan retroactively because “there is a rule in democracy that we do not pass retroactive legislation”.

Considering the fact that the Liberals applied retroactive legislation to the Pearson contract, public service contracts, the EH-101 contract, the Canadian taxpayers working overseas, can the minister explain why the Liberal fat pack is not subject to the same rules as those Canadians?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, it has been said many times in the House why the Pearson deal and others were changed. It was a bad deal for taxpayers.

What is a good deal and a show of leadership is when the members of the House cut their compensation packages. That is what has happened in the case of MPs' pensions.

* * *

[Translation]

CONTENTS OF THE BUDGET

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, a government member admitted that members of the Liberal caucus were informed of the contents of the federal budget a week before it was tabled in the House on Monday, which gave them a chance to prepare for cuts that would affect their ridings.

Would the Acting Prime Minister confirm what was said by the hon. member for Guelph—Wellington, in other words, that budget secrecy was violated by her colleagues in the Liberal caucus.

The Acting Speaker (Mr. Kilger): Order. I must ask the hon. member to rephrase his question so that it concerns more directly the area for which the minister is responsible and not what another member may or may not have said.

Mr. Lefebvre: Mr. Speaker, I would like to ask whether the Minister of Finance briefed the Liberal caucus before the budget was tabled?

[English]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the comments of the hon. member for Guelph—Wellington were taken out of context.

She was referring to the fact that we have had the most open budget making process in Canadian history. The Minister of Finance should be congratulated for consulting widely, not just with his parliamentary colleagues but with industry and all Canadians.

She was referring to the fact it was well known because my colleague, the President of the Treasury Board and the Minister of Intergovernmental Affairs had talked about the downsizing of the public service. It was in the public domain. It was not a leak of the budget.

I should tell members that all of us in the ministry were only informed of the budget's contents shortly before the minister presented it to the House.

[Translation]

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, I would like to ask the minister why only Liberal members had this opportunity?

(1145)

[English]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I do not think the hon. member listened to the answer.

I have been around for budgets before in other governments. The fact is that the Minister of Finance followed the true parliamentary tradition in terms of developing the budget in secrecy but did consult widely with all Canadians.

In no way did the comments of the hon. member on this side of the House conflict with what the Minister of Finance brought forward last week.

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NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, yesterday the Minister of National Defence announced an eventual 20 per cent cut to his general staff by 1998. This is too little too late. Canada will still have a ratio of generals to troops double that of Germany or the United States.

Can the minister justify the fact that even his target reductions leave his ratios out of whack?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am very

glad that the Reform Party is supporting what we are doing in terms of streamlining the Canadian Armed Forces from top to bottom. I welcome that.

The previous government did announce a reduction at the general officer level by 20 per cent in 1991 and that has now gone through the system. We announced, consequential to the white paper and from the budget, that there would be a further reduction of 25 per cent at the general officer level and 20 per cent of the colonels.

Contrary to what the hon. member said, this does bring us more into line with our NATO allies with respect to the officer to general ranks ratio.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, let us take a look at that.

Currently we have 12 generals per 10,000 troops in the Canadian Armed Forces. The United States and Germany have 5 generals per 10,000 troops in their forces. With the government's reductions that ratio will change to 11 generals per 10,000 troops.

Does the minister really expect the Canadian people to believe this is a cut at the top?

Hon. David Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member mentioned two countries in which their armed forces are structured somewhat differently with respect to the way the general officers are apportioned in their tasks. However, he did not mention other countries in the NATO alliance in comparison with which we have a better ratio.

* * *

URANIUM

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, uranium production employs hundreds of Canadians in Saskatchewan and other parts of Canada. Exports to the United States last year amounted to \$500 million.

The industry has been concerned that recent U.S. arrangements with Russia might threaten to destabilize the U.S. uranium market by providing for U.S. imports of large quantities of low cost Russian uranium.

Would the Parliamentary Secretary to the Minister of International Trade advise the House what steps his minister is taking to protect the Canadian uranium exports to the United States.

Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade, Lib.): Mr. Speaker, we have taken vigorous action on this issue. Back in March 1994 we initiated consultations with the United States on this issue. Our motives are to ensure that the export of Russian uranium to the United States does not unfairly discriminate against uranium exports to the United States. We were given assurances by the Americans that would not be the case.

Oral Questions

Throughout it all we have worked closely with the industry in Canada. We are pleased to report that the outcome was a very positive one. We will continue to monitor the situation very closely. It is our hope that it will be an open and fair market for all concerned.

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OLD AGE SECURITY

Hon. Jean J. Charest (Sherbrooke, P.C.): Mr. Speaker, I want to return to an issue that I and my colleague raised earlier this week in the House of Commons. It has to do with old age security benefits.

The Deputy Prime Minister answered unequivocally that old age security benefits would not affect women who are 65 and older even though the budget plan, a government document, states unequivocally that the basic principles for reforming OAS shall be the provision of OAS benefits on the basis of family income.

(1150)

How does the government square that response with the stated principle in this document? If that is the answer, what then does the document mean?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I think the hon. member raises an important question. It is for this reason, as he well knows, that the federal government will be meeting with provincial counterparts in the fall to discuss the issue of pensions.

It is interesting the hon. member would mention the principles but would not speak to the fact that some of the principles include undiminished protection for the less well off seniors, greater progressivity of benefits by income level and control of program costs.

Pensions are a very important part of this government's generous and compassionate approach toward social security.

Hon. Jean J. Charest (Sherbrooke, P.C.): Mr. Speaker, I am glad my hon. colleague referred to a meeting the government will have with the provinces. I assume this is not improvised and that the government will have prepared.

Are the hon. member and the government ready to table here in the House of Commons studies and documents that the Government of Canada will have prepared with projections on what the application of this principle of applying OAS benefits to family income would have?

I want a clear answer. Will the government, yes or no, table all the documents it has prepared for this meeting?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I am quite surprised that the member, being a former

Oral Questions

cabinet minister, would not know that we are duty bound to meet with the provinces every five years to review the friendship plan.

We are not only going to consult with provinces, we are going to go further, as we always have since we have formed the government, to consult with Canadians about this very important issue.

It is important that the pension plan of this country be sustainable. That is something that we are going to make sure happens.

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[Translation]

HIBERNIA PROJECT

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, my question is for the acting prime minister.

In spite of the government's wonderful speeches, the budget has not put government spending in order. Within the natural resources department alone, the Hibernia project will swallow up \$172 million this year, not to say \$66 million more in interest free loans.

Why has the natural resources minister not taken the opportunity with this budget to dump the Hibernia project immediately, this money pit which will never be profitable and will only ever eat up hundreds of millions of dollars that could be better spent elsewhere?

[English]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, the member well knows we are an 8.5 per cent participant in the Hibernia project. It is a project that has been studied with clear indication that it will be a viable project when it is done. It will contribute to our energy security when it is finished.

[Translation]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, does the parliamentary secretary realize that the private sector's complete lack of interest in Hibernia confirms that this money pit will never be profitable? Do you admit that your government will have a lot of trouble handing it over to the private sector?

[English]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, maybe we can do the math for the member opposite. We are seeing private sector involvement to 92 per cent. That seems to be a very strong commitment by the private sector to this project.

IMMIGRATION

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, here is another one of those isolated incidents for the minister of immigration. It is just one of three isolated incidents that are currently underway in my riding.

After a five-year crime spree, including an armed home invasion and drug trafficking, a Mr. Vu Van Li had his deportation order overruled by the famous Mr. Lam of the Immigration and Refugee Board who said that Mr. Li just needed to take anger management courses.

(1155)

Will the minister not admit that irresponsible IRB decisions like this are putting the safety of law-abiding Canadians at risk?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the hon. member should have showed along with his party support for Bill C-44 which deals with the problems of criminality in immigration.

As the hon. member well knows, we cannot comment on individual cases. I know that the hon. member with his interest and his party will also support the reforms announced yesterday by the minister of immigration to the Immigration and Refugee Board to make it a better and more viable institution in this country, and we know we would have this party's support for this kind of policy.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, the changes announced yesterday by the minister look more like a fast track way to let more criminals into the country than to address the way of controlling entry.

Mr. Li was involved in an armed home invasion in 1989, assault with a weapon in 1990, and drug trafficking in 1994. Day after day we bring up isolated incidents like this for the minister.

When is the minister going to agree that rearranging the deck chairs on the *Titanic* of the IRB is not going to solve the problem and when will he scrap the IRB as Reform has suggested?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, again, yesterday saw major reforms in policy announced by the minister to the Immigration and Refugee Board.

Today the chair of the Immigration and Refugee Board will be announcing further changes within the administration of that board. While there have been problems in this board, this is a good board and it serves Canadians well.

If the Reform Party and the hon. member for North Vancouver are so concerned about criminality it might have behoved them to support Bill C-44 when it was in the House.

*Oral Questions***INDIA**

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Recently several Canadian citizens have been arrested or harassed while travelling in India.

There is evidence that the Indian authorities are detaining individuals without charge. Coincidentally this harassment and unfounded police interrogation are directed particularly at Canadians of Sikh origin.

Will the minister on behalf of the Government of Canada send a strong message to the Indian government to put an end to this practice and human rights violations with minorities in India?

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, the Canadian government is very concerned about the detention of some Sikh Canadians who have been travelling to India.

To be more specific, recently there was a case in which a Canadian was held for about a week and others recently for shorter periods of time.

Our high commissioner in New Delhi has followed up on every case of detention that he has been aware of and through him and other officials here in Ottawa we have relayed to the government in India our concern about this issue and hope that it will be dealt with.

* * *

LABOUR

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, my question is for the Minister of Labour.

A strike is now looming between CP Rail and two unions. Negotiations could break down by Monday and CP has said that in that event it would use replacement workers.

What is the minister doing to ensure that negotiations do not break down, thereby avoiding a potentially bitter labour-management dispute?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, following the release of the Hope report the parties were urged to resume negotiations and settle their differences through collective bargaining.

I am pleased to report that bargaining has resumed at all three railways with intensive talks being held at CP Rail in an effort to conclude an early settlement.

[Translation]

THE BUDGET

Mr. Jean-Paul Marchand (Québec—Est, BQ): Mr. Speaker, we learned from the budget that allocations to Canada Mortgage and Housing will be cut by almost \$215 million in 1995-96. More than half this amount, over \$105 million, was earmarked for public housing.

My question is for the acting prime minister. Would he not agree that, by cutting public housing subsidies this way, the government is directly attacking the basic needs of the most vulnerable families in our society, contrary to the promises made in the red book?

(1200)

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to confirm, in this regard, that the federal government will continue to support and subsidize public housing, at a cost of \$2 billion a year. This is for some 660,000 public housing units occupied by over a million families including many natives living on and off reservations.

However, deficit reduction requirements dictated cuts in this sector as in all other sectors, departments and services. The Minister of Finance acted responsibly, and Canada Mortgage and Housing Corporation had to accept these cuts.

* * *

[English]

LOW LEVEL FLIGHTS

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I have a brief question for the Minister of Indian Affairs and Northern Development.

The federal environmental review panel has recommended that the Department of National Defence be allowed to double the number of low level training flights over Labrador and Quebec. However it has imposed a number of conditions, including the early settlement of land claims, the establishment of an institute to study and monitor the effects of the flights and the establishment of a joint management board for the George River caribou herd.

The minister is aware that the panel refused to listen to issues raised by aboriginal people relating to their land. Is he prepared to recommend rejection of the report? What steps is he willing to take to ensure that the conditions are met as established by the panel?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the report of

Privilege

the environmental panel was given to the Minister of the Environment and me a few days ago. We decided to make it public at the earliest opportunity.

As to the future of low level flying on the east coast out of Goose Bay, that will be decided by cabinet in due course.

* * *

PRIVILEGE

BUDGET SECRECY

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, you will remember that yesterday, as recorded in *Hansard*, I raised a question of privilege. I informed the House that I would raise this matter today after question period. Furthermore, I advised the whips of the other parties in the House, including the member for Guelph—Wellington, of my intention to raise this question of privilege because it is a question that relates to comments she made.

I rise today on a question of privilege. My query comes after reading a column that interestingly enough is entitled “Question Period”. Question period is published in each weekly edition of a newspaper very well known here on the Hill, called the *Hill Times*. Members of this place will be familiar with a specific column, a vox populi, very similar to other vox populi we see in other media, where four individuals are asked a question, often of members of Parliament, often of individuals who work on the Hill, and they offer a response.

This week’s question was: “Is there too much secrecy surrounding the budget?” The Bloc member for La Prairie, for example, answered:

The government has to maintain secrecy around the budget, not to favour certain investors. But there should be more transparency about the budget, to give a better idea of it without giving precise measures and details.

That is what the member for La Prairie is reported to have said.

Two other respondents, the members for Ottawa Centre and Provencher, also echoed their hon. colleague’s understanding of secrecy. However, and this is the point of fact, the member for Guelph—Wellington gave a very troubling answer. In response to the clear and concise question: “Is there too much secrecy surrounding the budget?” she is quoted as saying:

I don’t think so. There were some MPs who were told beforehand if major cuts were coming to programs in their ridings. They asked for that in caucus so they could prepare to ask questions.

I will just repeat the words because they are serious: “some MPs were told beforehand”. Needless to say, I find this statement very troubling. I want to explain why I find it troubling but I also want to explain why I feel this to be a prima facie violation of my rights and privileges as a member of Parliament.

I want to quote another parliamentarian on this same issue who outlined the importance of the budget being confidential until budget night. By the way there is some real irony in this quote. This is a quote that I draw from the *Debates* at page 2283 of *Hansard* of December 12, 1979. It reads:

The confidentiality in which the details of a budget are kept secret is a constitutional practice which forms an integral part of a parliamentary system. Such practice is based on the principle that no individual, whoever he may be, must know in advance the details of a budget which he could use for personal gain.

(1205)

That quote is from the right hon. Prime Minister, speaking in the House of Commons in 1979. I am sure the Prime Minister intended to include the Liberal caucus in his designation when he said “whoever”.

To facilitate your work, Mr. Speaker, I also reviewed the past occasions when the House had to deal with budget leaks. Not to undermine the seriousness of any budget leak allegations, I am sure you will also agree that with the incidents of the past came also odd and unusual circumstances.

You will remember a photographer having snapped a picture of the Minister of Finance at the time, Mr. Lalonde, reviewing budget documents, and that incident being the object of debate in the House and another question of privilege. I also remember, Mr. Speaker, and I know that you were in the House at the time, a colleague of mine who had one of his documents fall into the hands of the media before the formal announcement of the budget.

In the past, when dealing with such rather isolated incidents, your predecessors ruled: “There was some doubt whether the convention of budget secrecy falls within the area of privilege”. In fact, that is a quote which can be found in *Jurisprudence parlementaire de Beaudesne*, with which I am sure other members are familiar.

I quickly realized, and I am sure you will too, Mr. Speaker, that the very nature of this revelation makes this case a precedent which stands by itself. Never have we had, as far as I know in any research that we have done, any situation where a specific member of Parliament has boldly admitted to having obtained privileged information relating to the budget before it was formally announced. Nor are there any precedents where a whole caucus of this place, according to the statement made by the hon. member for Guelph—Wellington, was actually informed in advance of the contents of the budget. I have not found any precedents in that regard.

Mr. Speaker, we have nowhere to turn but to you. We are not in the presence of a leak of a titbit of information to a controlled number of people for what has never been more than a very short period of time, like the situations we have faced in the past. Neither have we ever been in the presence of what I reasonably fear to be a concerted effort on the part of someone to give a

great deal of information to the largest body of members in the House, namely the Liberal caucus, at a day and time we can only yet still ignore.

I will not get into all the questions that this situation brings up, and you will know that there are many dimensions to this question. They are all very grave. Most of the time they have called for the resignation of the Minister of Finance.

I want to raise a very specific issue in regard to this principle. I am putting this question of privilege because I believe that the matter I am talking about poses a grave hindrance to my ability to accomplish my duties as a member of Parliament for the riding of Sherbrooke.

It is greatly troubling to me, should such actions be found to be true, that the people of my riding and all Canadians would find disrepute and maybe even contempt for this place. In such circumstances I fail to see how any of us would be able to accomplish our work properly. That is surely a question of privilege for myself and for every person here.

Even more sad is what this could mean for free speech. I respectfully ask that you consider in your ruling whether debate in this House can be truly free, frank and sincere if members are led to believe that the contents of the budget that are supposed to be secret for all, without exception, when in the end the truth is revealed to us that the members of the governing party were privy to a special complicity with the Minister of Finance.

(1210)

The budget is at the heart of why we sit in Parliament. It is at the very heart of what this parliamentary institution is all about. We are here to vote on behalf of our constituents the moneys that allow us to live in a democracy and not pursuant to the whims of an all powerful despot.

That is why the first Commons took away powers from the monarch and that is why this member is claiming back those privileges today. I respectfully ask that you consider this matter, Mr. Speaker, with great attention, urgency and severity.

In conclusion, what we are facing today as a question of privilege is a situation where certain members of the House of Commons, namely the Liberal caucus, according to a public admission by the member for Guelph—Wellington, received privileged, secret information before budget day to the detriment of the members who sit on the opposite side of the House.

Based on that fact, Mr. Speaker, I ask you to rule on this question of privilege.

Privilege

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, there are two issues before the House. First, is this a legitimate question of privilege? Second, was there a breach of the secrecy of the budget?

I will deal with these two issues in reverse order. We should all be reminded that the member who has just raised this question of privilege knows about cabinet secrecy. I would have hoped that in his remarks he could have borne that in mind a little more than he did. I am sorry that he failed in that regard.

I wish to bring to members' attention the question of the secrecy of the budget. There was no breach in the secrecy of the budget. On reading the article yesterday in the newspaper, I telephoned the hon. member for Guelph—Wellington and spoke to her about her comments in the *Hill Times*.

I asked her to put her response in writing and to send it to me so that I could share it very briefly with the House today. In the memorandum she sent to me, which I am perfectly willing to table with the Clerk later with the consent of the House if such were forthcoming, is the following:

To: Don Boudria, Chief Government Whip
From Brenda Chamberlain, M.P.
Re: Our Conversation

In reference to your question, I was referring specifically to the caucus briefing which was held approximately one hour prior to the tabling by the President of the Treasury Board of measures to deal with downsizing in the federal public service.

That downsizing document was tabled on February 21. It has nothing to do with the budget document. There may well have been issues tabled by the President of the Treasury Board that were later reflected in budget decisions.

That may be so but it was not information that was given to Liberal members of Parliament and denied to anyone else. As a matter of fact, the tabling occurred at ten o'clock that morning. That is easily verifiable and I am sure all hon. members, including the member in question, were here that morning.

The hon. member remembers well that the document was tabled. I read from the letter in question:

This announcement took place one week before the budget and dealt with downsizing in the federal public service, which was part of the federal budget. If you have any further questions please do not hesitate to contact me.

I will certainly table the letter if it is the wish of the House.

The second issue is the following. Is it in fact a question of privilege? I wish to bring to members' attention *Beauchesne's* sixth edition, page 13, citation 31(5) which says:

Budget secrecy is a political convention, and if breached,

Privilege

It was not as we have just identified:

—the Minister may be attacked through a substantive motion, but not through a question of privilege.

(1215)

That was ruled that way on April 19, 1983.

In addition, Mr. Speaker, I wish to bring to your attention the following decision made on November 18, 1981 by the then Speaker, the late Madam Sauvé: “Certainly the matter of budget secrecy is not dealt with through questions of privilege and there are very important precedents which I will recall to hon. members”. She then cited a whole number of cases where it has been ruled not to be an issue of privilege.

In summary, there has not been a case of breach of budget secrecy and there is not a question of privilege now before the House.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I would have preferred to speak before one of the government members replied, who would then have been able to respond to my comments as well.

Like the hon. member for Sherbrooke, I wanted to quote what was said by the Prime Minister when he was in the opposition, on a similar question concerning a budget leak. I will not repeat the same quote, but I would like to quote what was said by the hon. member for Saint-Maurice in *Hansard* of July 24, 1975: “The tradition of secrecy ensures that all Canadians will be kept at the same advantage or disadvantage with respect to any budgetary matter and that any announcement will be made first in this House and not privately to those who rightfully have no access and should have no access to that information”.

When, as the hon. member for Sherbrooke pointed out, we look at what was said by the hon. member for Guelph—Wellington, the members of the Liberal caucus must have known how the budget would affect their respective ridings before it was brought down.

I do not think a member of Parliament should have advance knowledge, before Parliament and members of this House, of the consequences of budget cuts for his or her own riding. This raises a number of questions for me, as a parliamentarian, and my constituents will have a few as well.

If it is true that the Liberal caucus had advance knowledge of this budget, there must be Liberals who obtained some personal or political gain from that knowledge. They were able to prepare answers for their constituents before anyone else, and that is a personal gain.

Furthermore, what assurances does Parliament have that the minister did not, following his presentation of the budget to the Liberal caucus, change parts of his budget in response to undue pressure from members of his party? How can we be sure? We cannot.

I do not, and the official opposition does not think the hon. member’s response to the comments by the hon. member for Shefford was satisfactory. Mr. Speaker, correct me if I am wrong, but in the past, when there were leaks or alleged leaks, the matter was usually referred to a committee of the House for clarification.

Considering that the hon. member’s reply fails to satisfy members on this side of the House, I would like the Chair to take the matter under advisement and refer it to a committee, for thorough clarification of an issue that goes to the very core of the Canadian parliamentary system. It is the government, through such practices, that is making trouble in this Parliament.

[English]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I thank the hon. member for Sherbrooke for bringing this matter to the attention of the House. It certainly is a very serious concern in light of citation 31 of *Beauchesne’s*:

Budget secrecy is a political convention and if breached, the minister may be attacked through a substantive motion, but not through a question of privilege.

Certainly this is a very serious matter.

(1220)

Representing the Reform Party in this House we ask questions of a general nature regarding rumours around the budget and we are told that the specifics or even generalities could not be dealt with in this House until the budget was tabled.

It comes as some shock to me to find out that one caucus in this House was made privy to the details of the budget. According to this article in the paper, the question is whether there is too much secrecy surrounding the budget, not the documents that the hon. government whip was talking about. This is a very serious matter.

Never at any time was our caucus approached by the departmental officials of finance or the minister on whether we would want a briefing on details that would affect even our individual ridings.

Were I as a member of Parliament to have known that there would be a Crow buyout in the budget prior to its tabling, I could have communicated to people back in my riding of this matter. It affects the value of land. It affects the transactions between farmers who may have been actually selling their land at that time. It is a very serious matter with millions of dollars at stake.

I am rather shocked and I want to assure this House that my caucus was not made privy to any of the details of the budget in any manner, particularly as it related to situations of cuts that would affect our riding.

I add my concern and ask the Chair to deal in a very severe way with this important matter.

Privilege

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I will deal very directly with the allegation made by the hon. member for Kindersley—Lloydminster, supported by the hon. member for Sherbrooke. There was absolutely no question of a budget leak in this case.

There is no evidence that has been adduced by the hon. member to support that, absolutely no evidence.

Mr. Charest: Read the *Hill Times*.

Mr. Milliken: I have read the *Hill Times* and I know the hon. member read the *Hill Times*. The answer that was given has been fully explained in a reply, given in writing, by the hon. member for Guelph—Wellington which was read by the chief government whip a few moments ago.

The Acting Speaker (Mr. Kilger): I have listened attentively, as all members have on this issue. A question of privilege is an important matter and a serious matter for all parliamentarians. I would ask that we keep the discussion in the parliamentary fashion that we have thus far, that we might conclude this matter.

Mr. Milliken: Mr. Speaker, certain hon. members of the opposition were invited to a briefing on the budget well in advance, a briefing that was not provided to government members. I had no idea what was in the budget until I walked into the House and heard the budget being delivered.

That was not the case with certain members of the opposition who were invited to a briefing. That is standard practice and there is no suggestion in the answer that was given by the hon. member for Guelph—Wellington as explained in the memorandum that she has tabled here that there was anything but that procedure followed. She has explained that the procedure she was talking about when she answered the question dealt with events long before budget day.

I refer once again to citation 31 of Beauchesne's which has already been quoted. I need not read it again. I want to remind the Chair that when we had a case of a budget leak with the hon. Michael Wilson during the last Parliament, a major leak in which the whole document got out, there was a question of privilege raised and debated for an entire day in this House on that very issue.

There was never anything referred to a committee. The Chair never made a finding that there had been a breach of the privileges of the members of this House, even though there had been a complete leak of the budget. I think the hon. member for Sherbrooke was in the cabinet at that time.

What I am saying is that there is no evidence of any leak here today in respect of the budget. If there were, according to the citation of Beauchesne's and in accordance with the practice

followed in respect of Mr. Wilson's major leak, the whole thing went out. In light of the precedent established then, I submit there is nothing that the House should do to take note of this unless the hon. member for Sherbrooke wishes to set down a motion condemning not the member for Guelph—Wellington but the Minister of Finance for allowing any information to get into her hands.

In the face of the denial, I suggest such a motion is not supported by any evidence and it would be a waste of the time of this House, as is the question raised by the hon. member.

(1225)

The Acting Speaker (Mr. Kilger): The Chair will recognize the hon. member for Sherbrooke for a final comment, but I wish to apprise the House that I would hold that comment to a minimum amount of time. The Chair does not want to restart the whole debate. I have listened attentively. It is an important, serious matter. It will be dealt with as its seriousness requires.

Mr. Charest: Mr. Speaker, thank you for your patience. I do not want to rehash past events. For the benefit of all members of the House, let us focus on what is really at issue here. I feel compelled to stress this because there is a very important distinction in the situation we are facing today relative to precedent.

The precedents referred to are on the notion of confidentiality, budget secrecy as applied at large. We are facing a new situation today in which certain members of the House of Commons were informed beforehand according to this bold admission.

Mr. Speaker, that is the evidence you have. May I point out according to precedent that is the prima facie evidence you have before you today. That is the reason I think you will find here a question of privilege.

The parliamentary secretary has hoisted himself on his own petard when he rises in this place to say there is no evidence and then goes on to explain the rebuttal of the evidence that happens to be in front of this House. To make that statement is so gross as to deny that this statement actually exists in a document that was distributed to the public at large.

This is the last point I want to make. Let me read the quotation because it goes directly to the heart of this matter. The member for Guelph—Wellington said: "I do not think so. There were some MPs who were told beforehand if major cuts were coming to programs in their ridings".

The last phrase goes to motive: "They asked for that in caucus so they could prepare to answer questions".

My colleague from the Bloc Quebecois—

The Acting Speaker (Mr. Kilger): Order. I think the Chair has heard all the arguments from the members who participated.

*Routine Proceedings**[Translation]*

As I said earlier, I realize that a question of privilege is a serious matter for all parliamentarians. As is customary, the Chair will certainly prefer to wait until the hon. member for Guelph—Wellington is present to hear what she has to say.

[English]

The Chair will certainly want to give an opportunity to the member for Guelph—Wellington to express her point of view more before making a definitive ruling.

I want to thank the well experienced hon. member for Sherbrooke for raising this question of privilege and the chief government whip, the member for Berthier—Montcalm, the member for Kindersley—Lloydminster and the member for Kingston and the Islands for their participation.

The matter raised by the hon. member for Sherbrooke, if founded, is more an issue of contempt than a question of privilege. That being said, the Chair will take the matter under advisement, review the hon. member's comments as well as all related parliamentary practice and precedents, and report back to the House as soon as possible.

Mr. Charest: I rise on a point of order, Mr. Speaker. The hon. government whip kindly offered to table a document that the member for Guelph—Wellington apparently sent to him. I suggest to the House that there be unanimous consent so that document could be now tabled.

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

(1230)

INTERNATIONAL WOMEN'S DAY

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, next week, on March 8, women and men around the world will celebrate International Women's Day.

This day was designated in honour of these early campaigns to improve working conditions for women. This day has become a global celebration of women's accomplishments and advancements. But it was born when women were struggling to achieve the very basics of equal rights.

[English]

In the ensuing years women have made many important gains, overcoming many obstacles to achieve through merit their rightful place in the workforce. They have overcome professional barriers in virtually every field of human endeavour. They have overcome many stereotypes and have excelled in fields where doors were closed before such as medicine, law, politics, cultural industries, military, business and so on.

Women have demonstrated conclusively that no task is beyond them, given fair and equitable access. Women have also achieved success in the business world. A recent study conducted by the Canadian Federation of Independent Business found that almost 40 per cent of small businesses are operated by women, up from 30 per cent in 1981.

Women have steadily progressed in closing the wage gap. The average Canadian woman now makes 72 cents of what a man earns. More important, for university graduates the gap is gone. Young women and young men starting out in their careers with the same university education earn the same salary.

Although women have made inroads into almost every profession they still face multiple challenges. Sexual harassment in the workplace continues to undermine and marginalize the position of women. Many still face obstacles to advancement: either the famous glass ceiling that stops women's progress at middle management levels or the corporate philosophy that is overly hostile to family considerations.

[Translation]

The recent Statistics Canada study on the wage gap was quite revealing on this point. While young women start off on an equal footing, wage-wise, when they graduate from university, they steadily lose ground as they get married and have children.

Even most of the independent and ambitious women who go boldly into the business world hit the wall of sexual discrimination. And a study by the Canadian Federation of Independent Business revealed that 42 per cent of women entrepreneurs experience difficulty getting financing. This despite the fact that women entrepreneurs are generally more successful than men.

We must address these issues. After all, women work for the same reasons men do—they want and they have to. Women's contributions to our economy, and to our society, are indisputable and indispensable.

[English]

It is estimated that if all employed women were to leave the workforce, the number of low income families in Canada would

Routine Proceedings

more than double. Given their key role, I think it is time society recognized their worth. We must pursue a fair distribution of unpaid work in the home where women still carry a disproportionate burden of work.

We must persuade industries to develop family friendly workplaces to help root out sexual harassment and discriminatory practices. We must urge banks in particular and the financial community in general to recognize the achievements of women entrepreneurs and give them the fair and equitable consideration and support they deserve.

(1235)

Women do not want a free ride. They want their fair share. I think that has become fairly obvious. Governments must continue to have a role in the drive for women's equality, even in the face of restrictive fiscal constraints.

Violence against women, sexual harassment, inequalities and inequities in employment opportunities, the wage imbalance and gender discrimination must all be addressed. I am pleased the government is continuing to push forward on all these fronts.

I congratulate my colleague, the Minister of Justice, for such initiatives as the sentencing reform bill, the firearms control legislation and his quick action to address the defence of extreme drunkenness.

I congratulate my colleague, the Minister of Finance, for his budget commitment to remove barriers to the success of small businesses and to provide practical assistance to them to survive and grow. It is essential that small businesses have access to the financing they need to continue being Canada's number one creator of jobs.

To this end the budget announced that the government would be working with the banks to develop meaningful performance benchmarks for small business financing, benchmarks that will be used to monitor future progress which will include women.

We must also continue to support women in their family responsibilities. The new Canada social transfer announced in the budget offers the potential for a more flexible framework for child care funding. We need improvements in the accessibility of child care and in the quantity and quality of child care, public and private, in all regions of the land and based on choice in those areas.

As my colleague, the Minister of Human Resources Development, begins his work with the provinces to develop shared principles for the transfer, I know he plans to focus on the needs of women and their families in general and on their requirements for child care in particular.

[Translation]

I will also continue to work with my colleagues to ensure that government policies and programs are examined through a

gender equality lens, so that their impact on women is considered at every stage of the policy development process.

A particular focus must be on the needs of women from different ethnocultural communities, aboriginal women, women with disabilities, and those living in rural or remote areas. We must continue to help them achieve their independence. These are all challenges that we must confront if we are going to achieve our ultimate goal of fairness and equality. This September fourth's United Nations World Conference on Women will be a unique forum for advancing women's equality. It will produce a global Platform for Action to accelerate progress towards equality.

[English]

I look forward to working with the men and women of the world at this conference as we lay the groundwork for eliminating the barriers facing women around the globe. More important, to all my colleagues I say I look forward to coming home from the world conference, getting to work and collaborating with all our stakeholders at the regional, provincial, federal, private and public levels to implement the platform of action for Canada. Our society, and that includes all Canadian men and women, has a responsibility to begin laying the further groundwork for equality right now.

The ongoing push for equality may be entering its most difficult phase. It will require that women stand up for themselves and boldly take the position that is rightfully theirs. It cannot be done by government alone. It cannot be done by one voice, by the voice of opposition on either side of the House.

It will require them to be forceful and advance their views. It will require men to play their role as full partners in this adventure in growth and development. At the very least I would suggest that men acknowledge the current of history. They must recognize that from now on society will be that of equal partners because we have earned that right from the very start.

(1240)

While some men may still resist this idea, I say to them that equality of the sexes is not only attainable but is desirable from all points of view and for all concerned. Is this not what we all want both for our sons and our daughters?

We need to leave behind the battle of the sexes where women's gains are interpreted as men's losses. We have to accept that when women finally achieve equality everyone will be better off. We will all stand to gain.

I close in reminding everyone that it is purely mathematical because when women who make up 52 per cent of our population are able to make a full contribution to society, 100 per cent of the population will benefit.

Routine Proceedings

On this International Women's Day I want to send a message of hope to all Canadians, women and men. I say to them that by working together we can reach our full potential, every one of us; by working together we can shape our joint future.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, on March 8, women from Quebec, Canada and the world over will celebrate International Women's Day. Some of us will spend the day with our loved ones, our families, our colleagues from work or with the women's groups and organizations that we are involved in.

Others will watch from the sidelines, wondering when governments are going to stand up and take action to improve the living conditions of women.

The federal government would have us believe that it is attentive to women's needs. However, its daily actions speak louder than its words, speeches and policy statements. Let us call to mind just some of the Liberal government's acts.

The Liberals' first budget, February 1994, announced unprecedented cuts to the unemployment insurance system. With one stroke of the pen, they took more than \$5.5 billion out of the pockets of the unemployed over three years.

The Liberals decided to take their unemployment insurance cuts in a totally new direction and to hit workers with unstable jobs, who cannot do without unemployment insurance. This hurt women most of all. Women have the dubious honour of holding the majority of unstable jobs.

They reduced the benefit rate and access to them. They dramatically shortened the length of time that benefits can be claimed. They took drastic measures, asking the unemployment insurance fund to foot a disproportionate chunk of the deficit fighting measures.

In his proposed social program reform, the Minister of Human Resources Development went as far as suggesting that eligibility for benefits be subject to a family income test. Since we know that women earn about 72 per cent of what men earn, we know very well who will be penalized by such a measure.

We know that women earn less than their partners and that they often hold unstable jobs. Often, they are the ones who lose their jobs and go on UI. They are maintained in this dependent condition. What a move towards equality.

Women immediately saw what the minister was driving at: women whose spouse's income is above a certain limit are disqualified in spite of the fact that they have been contributing to the UI fund. Attacking financial independence dearly won over the years, the government now wants to turn women into second-class citizens having to depend on their spouses for their every need.

That is why so many women came forward when the Standing Committee on Human Resources Development held its hearings on the social reform package.

They unanimously denounced the minister's proposal, forcing the committee to recommend that he not pursue this issue. We will see in the fall if the minister will choose to ignore the committee's recommendation and implement his proposal anyway. In that case, he can expect fierce opposition on the part of women and the Bloc Québécois.

Monday's budget also speaks volumes about what this government has in store for women.

(1245)

The Liberals strike again. Monday's budget contains further cuts, cuts totalling at least \$700 million in UI funding and \$7 billion in transfer payments to the provinces for welfare, health and education. In reality, what will be hacked is cash transfers to the provinces, with a 40 per cent cut in direct federal contributions to health, education and welfare.

What will these blind cuts translate into in actual fact? Either cuts in health and education services or cuts in welfare, which will mean yet more women losing their jobs. Pension reform was also announced. Again, the government is contemplating tying old age pension benefit entitlement to family income. This government is certainly bent on subjugating women to their spouses. Poverty is obviously a sin for which this government wants to make women pay dearly.

The number of public service positions was cut back. Again, women at the lower echelons will be penalized. Also, what is the use of reviewing the Employment Equity Act if it will not be enforced? Coloured, disabled and native women are highly likely to lose their jobs, as they are at a disadvantage to begin with and at the lower echelons. The 160,000 Canadian women on UI and 230,000 Canadian women on welfare were not smiling on Monday night, they were afraid. The 100,000 single parents who rely on social assistance shivered when they realized that they might be deprived of what little they have left.

What about the election promise made by the Liberal Party regarding the creation of 150,000 new day-care spaces? The 1994 budget provided that \$120 million would be invested as early as this year. Today, all we know about that promise is that the Minister of Human Resources Development is discussing with the provinces. If these discussions are anything like the ones the minister is having regarding the social program reform, the Holy Spirit will have to step in to ensure that this promise is fulfilled.

Another measure directly affecting women is the increase in the fees for adult immigrants who apply for permanent residence in Canada. This is more or less tantamount to an immigration tax of \$975 for immigrants, a number of whom are women, in

Routine Proceedings

addition to the basic amount of \$500 which they must pay just to have their application looked at.

This government wants to mark International Women's Day. Great! However, the government is hiding the plight of many women and the fact that it is not giving them any chance to improve their lot. Women must always fight to be treated with fairness and ensure that the organizations which represent them get meagre financial support. By the way, these organizations face new financial constraints, with government cuts of close to \$1.5 million directly affecting them. How will they survive? The government could not care less.

I should point out here the courage and the determination displayed by women's organizations in their daily struggle. We have to constantly urge this government to act rather than to make nice speeches, or at least to act according to its rhetoric. This government proclaims to be an international leader in the promotion of equality for women, but it should first ensure that Canadian women are not victims of backward measures because of its own decisions. This government seems to deny women's reality and we wonder about its strategy to ensure that women have better working conditions and can make gains in the workplace?

Some positive measures are needed, including job-creation programs designed for all Canadians, not just 48 per cent of them, such as the totally inadequate infrastructure program.

[English]

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is my pleasure to speak on International Women's Day. As the secretary of state mentioned in her remarks, this day was designated in honour of early campaigns to improve working conditions for women. I would like to take this opportunity to acknowledge the efforts of some of these women.

(1250)

In December 1993 the Manitoba legislature granted Dr. Charlotte Ross a licence to practise medicine. What makes this event unusual is that Dr. Ross obtained her medical degree 118 years earlier. Charlotte Whitehead Ross has links to this House. Her father, Joseph Whitehead, was the member of Parliament for the constituency of Huron North in the Confederation Parliament of 1867.

After being refused entry to any medical school in Canada because she was a female, Charlotte Ross obtained her medical degree in Pennsylvania in 1875. She practised medicine in Quebec for five years and then in Whitemouth, Manitoba, for another 32 years. She was the first female physician in both provinces.

The Manitoba legislature denied a request to license her in 1887 but she continued to practise unlicensed until 1912, four years before her death. She was a true female pioneer, a woman who was forced to confront state sponsored chauvinism with no employment equity or human rights legislation to protect her. In the proud tradition of western pioneers, Dr. Ross did what so many other prairie settlers did when confronted by arcane government regulations, she ignored them. Charlotte Ross' defiance undoubtedly helped make it easier for other women to follow in her footsteps.

In marking International Women's Day I am extremely proud to acknowledge the accomplishments of my great-grandmother.

Another woman who deserves recognition for her contributions in pioneering a role for women in the workforce is a constituent of mine, a friend and a mentor, Mrs. Ivy Pat Dillon. Prior to World War II at a time when the only job most women could get was as a secretary or a clerk, Mrs. Dillon worked as a manager for a company in the fledgling aerospace industry. She did not get there because of any affirmative action program or government initiative. Pat Dillon was a success because of her talents and her abilities.

Many other women of that era had to leave promising careers because they were expected to leave the workforce when they got married and raise a family. My mother was one of those women. She chose to give up a nursing career to raise a family of nine children. While she may not have climbed the corporate ladder, she made an enormous impact on her family, friends and community in many ways as a wife, a mother and a volunteer worker.

These women all overcame the challenges of a society that was very different from today's. Was it discriminatory? Without question, but societies evolve. It is just that some things take longer than others.

The greatest single factor in changing men's attitudes about equality in the workplace is not legislation. Rather, it is the fact that women have shown that they can compete with men on equal footing.

As a female baby boomer I have experienced amazing changes in the attitudes of both men and women toward the concept of equality. My working career has taken me from a clerk typist earning \$210 a month to being an owner-operator of a small business, to a senior government administrator, to a self-employed realtor and finally, to a parliamentarian. During my career I have faced a wide variety of attitudes from males and females.

In her speech the secretary of state commented on the fact that women entrepreneurs experience difficulty getting financing. I can attest to that personally. When I approached a bank in 1980 to get financing to expand my business, I was shocked to learn that it wanted my husband to co-sign for the loan. This was required despite the fact that my husband had nothing to do with

Routine Proceedings

the business, despite the fact that the business was successful, and despite the fact that I had been mayor of that community for three years.

I am happy to report that this attitude has changed. Perhaps it is because women are now in management positions. The last two managers of my local Royal Bank have been female.

However some attitudes have not changed. One of the most chauvinistic individuals I have ever encountered I met last month. This gentleman was of the opinion that no woman who is married should be permitted to work. He thought that married women who work are responsible for unemployment among men. Not surprisingly, he did not get a very sympathetic ear from me.

(1255)

What I did find extremely sad about this attitude was the fact that the male who held these opinions was only 29 years old. He is a product of affirmative action mentality. He believes that as government has legislated more opportunities for women, it has been at his expense. He views himself as a victim of discrimination.

We cannot legislate attitudes. For women to show their male colleagues that they belong, they have to prove they can compete with them on a level playing field.

I am proud of the fact that to gain my seat in this House of Commons I proved I could compete on a level playing field. Unlike some of the female members from the government side, I was not appointed as a candidate. To secure the Reform Party nomination in my constituency, I ran against five male competitors. At a nomination meeting attended by over 600 voting delegates, I won a first ballot victory. In the subsequent election, all other candidates from the major parties were males. Obviously, I won that election.

There was no special consideration because I was a woman. I competed on a level playing field. That is the way it was supposed to be and that is the way it has got to be. If we want a society where men and women are viewed as equal partners, we cannot accomplish this by punishing young men of today for the sins of their grandfathers.

I am pleased to see the statistics that women graduating from university today will earn the same salary as their male counterparts. It is a reality that these women will lose ground when they absence themselves from the workforce to have children. The logical way to address this problem is for these women and their spouses to draw equally upon their registered personal savings plan to make up the difference.

The alternative would be for medical science to develop a way for men to share the joy of childbirth. However, even if science could develop the technology, it would not be of much use. I

think all mothers would agree that men do not have the pain threshold to survive childbirth.

In this celebration of International Women's Day, I share with the secretary of state the goal of true equality of the sexes. I just do not accept that legislation is the way to accomplish it. It gives the impression that women are incapable of obtaining equality solely based on their performance.

Yes, women today will experience chauvinism and discrimination in their lives. But as one of my staffers says, a woman has to work twice as hard as a man to get half the credit. Fortunately, this is not particularly difficult. I believe it is a good sign on the road to equality to know that this quote comes from a male staffer.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 65th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of standing committees.

I move that the 65th report of the Standing Committee on Procedure and House Affairs be concurred in.

(Motion agreed to.)

* * *

PETITIONS

LIGHTHOUSE KEEPERS

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I would like to present a petition signed by over 200 residents of my riding of St. John's West. The petition is in relation to a decision to destaff lighthouses in Newfoundland.

The undersigned residents of Canada draw to the attention of the House that Newfoundland and Labrador has one of the most treacherous coastlines in Canada. Even with the latest technology many lives have still been lost while navigating these coastal waters. Many lighthouse keepers have assisted mariners with lifesaving measures above and beyond the capabilities of technology. Therefore the petitioners call upon Parliament to recognize the valuable service provided by light keepers and to reconsider the destaffing of lighthouses.

(1300)

Earlier this week I made a statement regarding this important issue. I fully support this request and ask Parliament to reconsider the decision.

JUSTICE

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, I have the privilege to present a petition on behalf of approximately 15,000 Edmontonians. I also understand that there are several petitions being presented on the same issue that equal approximately 64,000 names.

The petitioners would like to draw to the attention of the House the inadequacies of the Young Offenders Act. They request that a complete and thorough review of the existing legislation take place aimed at changing sentencing and repeat offending.

It is my pleasure to submit this petition and to also inform my constituents and Edmontonians that I thoroughly concur with these petitioners.

GOVERNMENT SPENDING

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is my pleasure to rise to present four petitions to the House with a total of 545 signatures.

The petitioners are praying and requesting that Parliament reduce government spending instead of increasing taxes and that it implement a taxpayer protection act to limit federal government spending.

It is my pleasure to support this process and I am pleased to present these petitions to the House.

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present a number of petitions today. The first four petitions collectively contain well over 3,000 signatures.

The petitioners are requesting that Parliament not attack the recreational firearms community and support only legislation which severely punishes one who uses a weapon, including a weapon other than a firearm; protects the rights and freedoms of the law-abiding recreational firearms community to own and use firearms responsibly; passes careful scrutiny to see that it will improve public safety in a cost effective manner; repeals present firearms control legislation which features tortuous language and which has been characterized by the courts as one of the most horrifying examples of bad draftsmanship.

EUTHANASIA

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the petitioners of the fifth and sixth petitions which I have here wish to draw Parliament's attention to the consequence of legalizing euthanasia.

The petitioners request that Parliament not support euthanasia or doctor assisted suicide.

Routine Proceedings

HUMAN RIGHTS

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the seventh petition requests that Parliament oppose amendments to the Canadian Human Rights Act or Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation because such an inclusion will provide certain groups with special status, rights and privileges.

CANADIAN WHEAT BOARD

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the last petition I present today on behalf of my constituents concerns the Canadian Wheat Board.

The petitioners request that Parliament continue to give the board monopoly powers in marketing wheat and barley for export.

GOVERNMENT SPENDING

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I have five petitions to present today. The first one is signed by Mrs. Sisko Hamer-Jackson and 312 other residents of North Vancouver. The second one is by Mr. F. G. Williams and 26 other fellow Canadians. The third one is by Ross McCarlie and 25 other persons. All three are on the same subject.

The petitioners are praying and requesting that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

HUMAN RIGHTS

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, on the other two petitions that I would like to present today, the first one is signed by Helen Hughes and 26 other North Vancouver residents.

It calls upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

The last petition that I have to present today is sent in by Arlene Boreham and 41 other people in North Vancouver.

The petitioners pray and request that Parliament not pass Bill C-41 with section 718.2 as presently written and in any event not include the undefined phrase sexual orientation as the behaviour people engage in does not warrant special considerations in Canadian law.

ASSISTED SUICIDE

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, I have the privilege today to present two petitions.

(1305)

The first petition asks Parliament to ensure the presence of provisions in the Criminal Code prohibiting assisted suicide and make sure they are vigorously enforced.

Government Orders

RIGHTS OF THE UNBORN

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, the second petition wants to extend the protection for the unborn child by amending the Criminal Code to extend the same privileges to them as to born children.

ASSISTED SUICIDE

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, I have a petition that has been duly authorized by the clerk of petitions and has signatures on it from my constituency in the Woodstock and Hartland area.

Those signing are petitioning Parliament to ensure that the present provisions in the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no change in the law that would sanction or allow the aiding or abetting of suicide or any activity designed to terminate human life.

HUMAN RIGHTS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I have three petitions today.

The first one deals with potential changes to the Canadian Human Rights Act in terms of sexual orientation. The petitioners are opposed to that.

The second petition also deals with the sexual orientation issue in the human rights act. These petitioners support that potential government action.

GUN CONTROL

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, the third petition relates to the potential firearms legislation before the House. These petitioners express concern about the provisions as presently before the House.

BILL C-41

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, I am pleased to rise to present a petition signed by numerous residents of the Kingston area requesting that Parliament delete a section from Bill C-41.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Questions Nos. 87, 130 and 132 could be made Orders for Return, those returns would be tabled immediately.

I may say that in respect of Question No. 87, the hon. member for Calgary Southeast has been complaining recently, I will put it politely, that she has not received this information. I am pleased to table it and I hope the week we are not sitting will

afford her an opportunity to read the material, given its rather voluminous nature.

I am tabling only one copy here today because of the bulk. The other two copies are in *Journals*. I am also tabling the Orders for Return of the other two orders agreed to by the House.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House that Questions Nos. 87, 130 and 132 be deemed to have been made Orders for Returns?

Some hon. members: Agreed.

[Text]

Question No. 87—**Mrs. Brown:**

For 1992 and 1993, what was the total amount of funds received by individuals and groups from the Canada Council, who were these individuals, for what specific projects did they receive funding and how much did they receive?

(Return tabled.)

Question No. 130—**Mr. Strahl:**

With regards to the determinate and indeterminate federal employees declared surplus in all the departments and agencies of the federal government, what are the reasons/categories for their surplus status, how many employees are in each category by department/agency, and how many employees in each department/agency are receiving pay without actually performing work?

(Return tabled.)

Question No. 132—**Mr. Strahl:**

With regards to determinate and indeterminate employee reclassifications across all departments and agencies within the federal public service, what was the number of reclassifications by month and by department/agency across the public service from November 1993 to the present, and what were the reclassifications by level, by month and by department/agency across the public service, from November 1993 to the present?

(Return tabled.)

[English]

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): I wish to inform the House that pursuant to Standing Order 33, because of the ministerial statement, Government Orders will be extended by 28 minutes.

GOVERNMENT ORDERS

[English]

BORROWING AUTHORITY ACT, 1995-96

The House resumed consideration of the motion that Bill C-73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995, be read the second time and referred to a committee.

Government Orders

The Acting Speaker (Mr. Kilger): I want to remind the House that pursuant to Standing Order 74 we are now at the next stage of debate in which members will be entitled to a 10-minute maximum intervention without question or comment.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, Bill C-73 is the Borrowing Authority Act of 1995-96. Unfortunately it is becoming an annual event in the House of Commons that we debate the Borrowing Authority Act every year after the budget.

Every year since the early 1970s we have had to introduce a borrowing authority in order for the government to carry out the intentions and the policies introduced by the Minister of Finance in his budget.

During these last 30 years or more the borrowing authority has now increased our indebtedness up to \$550-odd billion. We know unfortunately that we are going to be doing the same again next year as we increase the borrowing authority another \$30-odd billion, \$25 billion the subsequent year, and on and on.

When will it stop? That is what we want to know. We have been asking questions in the House of the Minister of Finance, of the Prime Minister, of any member of the government who is prepared to give us a simple, straightforward answer. When can we expect this budget to be balanced?

(1310)

In due time, the Liberals say. We have been waiting for over 30 years. They created the problem in the 1970s which was carried on by the Tories in the 1980s. They are going to perpetuate it in the 1990s. How long before we stop having this annual rite of debating borrowing authority to dig ourselves further and further into the whole?

One day foreign lenders and the international investment community will not worry about our borrowing authority. They will say that we are not going to get it. They are the ones who are going to say it is all over. It is not going to be this House of Parliament that is going to say we can go out and borrow more money. The international lenders will say that is it, we are cut off. Then what?

The Reform Party has been trying to tell this House to balance the budget in three years. If foreign lenders tells us there is no borrowing authority we will be balancing this budget in three weeks. The Minister of Finance and the Prime Minister refuse to balance the budget or even tell us when we are going to stop this annual fiasco of more and more borrowing.

We had the Minister of Finance table a budget the other day. This was the toughest budget we have had since the second world war. This was really going to cut the fat and get down to the real nitty-gritty of managing the nation's finances.

The following day the President of the Treasury Board tabled the estimates and guess what, spending is going up again. Even though this was the toughest budget since the second world war spending is going up again. Let us stop fooling the Canadian people and let us get the job done. That is all we ask.

The polls are now showing that half of Canadians took one quick look at the budget and felt it was not tough enough and not quick enough to balance the budget. They said for goodness sake, can this government get its act together and get the job done.

All the Minister of Finance could do was increase taxes again; more taxes again on gasoline which affects every person in this country more or less, certainly almost every family. Remember that we have no inflation in this country any more. That means when the government increases taxes on gasoline it is going to affect every family because virtually every family has a car.

This means that these families are going to have to squeeze their budget because the government is going to take more from them. They will have to do with less and adjust their budgets downward in order for them to accommodate the fact that the government is reaching further into their pockets because this government cannot do its job of living with less, doing with less and spending less. It has said that it needs more money and Canadians are going to give it whether or not they like it. That is the fault of the way in which this country has been managed for the last 30 or more years. The government could also tap the taxpayer for more money. That is not going to work any more.

We could always tap the international investor for money but that is not going to work any more. The day is rapidly approaching when we are going to have to say that we have to live within our means. We must do it now or we must do it as soon as we can to get the budget balanced and be able to return to some idea of prosperity in this country.

There was another budget introduced about 10 days ago called the taxpayer's budget. The Reform Party said the job can be done in three years. Not only can the job be done in three years, it can be done without increasing taxes period.

Let us compare the taxpayer's budget with the Liberal budget which spends more money liberally and leaves the taxpayer with less money. Remember I said the taxpayers were going to have less money. There is no inflation in this country. The taxpayer is now going to have less money because the government wants more. It will squeeze \$9.9 billion out of the taxpayers this coming year. Next year it will be \$1.3 billion. The subsequent year it will be \$1.4 billion. These are the figures of the Minister of Finance, by the way.

Government Orders

(1315)

That will carry on ad infinitum until the date we can turn things around and say: "Here is a tax decrease". The extra \$1.4 billion a year will carry on every year. That should be compared to our taxpayers' budget which said the job could be done and there would be no more taxes.

What about the deficit? According to the figures of the Minister of Finance, in the year 1995-96 the deficit will be \$32.7 billion. The Liberal government has been around for 18 months. The deficit was \$40-odd billion when it arrived. After this draconian or toughest budget since the second world war—and this is the minister's second budget—he will only get it down to \$32.7 billion.

The following year it should be \$24.3 billion and maybe \$20 billion after that. Who knows after that as the country goes into an economic decline, with UI and other costs like welfare going up and tax revenues going down? They know that will happen. My goodness, are there no business people over there? Tax revenues will go down, expenditures will go up and we will have lost control of the budget again.

What about the taxpayers' budget? The figure in 1996-97 would be \$23 billion, not the \$32.7 billion of the Liberal government. In the subsequent year we would be down to \$11 billion, while they would still be up at \$24.3 billion. And, hallelujah, in the following year at the end of 1997-98 we would be down to zero, a balanced budget, and the Liberals would still be around \$20 billion.

If they are still over there in that year, we will still be over here talking about another borrowing authority. However if we are over there and they are over here they will not have to worry about borrowing authority speeches after all. We will not need them.

What will the Liberal budget do for job creation? We already know that it is not too rosy in the public sector. There will be 45,000 less jobs. In the private sector there is more debt and less jobs. That is fairly simple. We know that already. Whereas in our budget we acknowledge there will be a negative impact on the public sector because we will have to do what those folks are doing because we will have to fix the problems you created.

The Acting Speaker (Mr. Kilger): I would ask the hon. member to direct his comments to the Chair. I feel left out again.

Mr. Williams: Mr. Speaker, I would not want you to be left out. I apologize. If the Liberal government remains over there it will have its work cut out. Jobs will be denied because of the fact that debt will still be mounting.

On it goes. We produced a 58-page document, almost as big as the one the Liberals produced with all the masses of the public

service, statistics and budget analysis right across the country as they spent millions of dollars. What did it all matter? We now find out that the big consultation before the budget was at the Liberal caucus just before the budget was brought down. Perhaps that was the big consultation that influenced the Minister of Finance. All this consultation across the country was for show.

A borrowing authority as an annual event has to stop. That is what we are saying. We cannot afford any more. Therefore let us make a commitment or let us make a real resolution in the House that we may have this one and perhaps two more debates on borrowing authority and no more.

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I appreciate having the opportunity to talk about the budget. I would like to start by congratulating the Minister of Finance.

The Minister of Finance has put forward a responsible, well developed and, something members opposite have a hard time with, fair budget.

(1320)

It is a fair budget, a responsible budget and a good budget because the government recognizes that it has a dual responsibility when dealing with Canadian affairs. It recognizes that it has a fiscal responsibility. That is why the budget is prudent. It recognizes that we operate in a businesslike way but recognizes that we are not a business. It recognizes that we need to get full value for each of the dollars we spend.

In addition, the government recognizes that it has a social responsibility and that certain things are done in government not just to earn a profit but because they are the right things to do. We do them because we recognize as a government that we have responsibilities and obligations to individual Canadians. We intend as a government to adhere both to our fiscal responsibility and to our social responsibility.

I do not think there is any question in terms of fiscal matters that our responsibility has been carried out and carried out well. For the first time in almost a generation a Minister of Finance established a deficit target last year. Not only did he hit that target. He did far better than what he said he would be able to do.

Second, the minister set a medium term objective of 3 per cent of GDP in the next two years. He set out a strategy that will see us do that. It is a clear and concise strategy. It is an achievable plan that will see our deficit reduced to 3 per cent of GDP.

Despite what members opposite might say, this is not a smoke and mirrors budget. These are real cuts. This is not what happened in the past where the talk of reduction was simply that we would spend a little less than the increase we had planned. These are real cuts in actual spending and they are being done

Government Orders

with no personal income tax increases. They are real reductions, despite what the member opposite said.

In the first year we will cut expenditures by \$3.9 billion. In the following year, 1996–97, it will be \$5.9 billion. In the third year of the plan it will be \$7.2 billion. That is a decline in a three-year period of almost 19 per cent. It is the largest decrease in government since we demobilized after the second world war.

The minister in establishing the budget did two very important and prudent things. First, his estimations in terms of growth and interest rates were very prudent. In terms of growth he projected a smaller amount than what the average private sector suggested. In terms of interest rates, both short and long term, he set his projections higher than what the private sector was suggesting. He built in a cushion to ensure that the budget is fiscally responsible.

Second, he set up contingencies in the next two years: a contingency of \$2.5 billion in the first year and a contingency of \$3 billion in the second year. He has made what I believe is an important commitment, that if he does not need the contingencies to achieve his deficit reduction targets the moneys will be used to further reduce the debt.

The minister has gone about setting a budget like we do when we set our household budgets or our small business budgets. He has taken what was in front of him, set out a reasonable plan over a reasonable period of time, built in contingencies and come up with a strong, workable plan.

In addition to the fiscal responsibility the minister has recognized the social responsibility. Although we are to cut some funding from social programs, it is important to remember that when the budget is fully implemented we will be spending as a government more than \$50 billion on the social safety net of the country, more than \$50 billion to protect the men, women and children of Canada. That is an important principle which the minister understands. It is an important Liberal principle and I am proud to sit with a government that recognizes it.

It is a budget that is fair and equitable because it asks all segments of Canadian society to participate in the exercise. It does not ask one part of Canadian society to carry an unfair burden. It is not suggesting that some segments should not have to participate at all. That is why the budget covers a wide range of areas.

(1325)

Large corporations have been asked to participate by providing some increased revenue. They have been asked to participate by a decrease in subsidies going to businesses.

The federal government is putting its own house in order first. It is going to cut its expenditures by 19 per cent. That is the largest part of the cut.

Individuals have been asked to participate as well, as they should, not through increased income tax, not through taxing RRSPs, not through taxing dental and health benefits, but through a modest tax on gasoline.

He asked the provinces to participate as well. He asked them for a 4.4 per cent participation which is only half as much as what the federal government is doing itself. I think that is important. It is absolutely ludicrous when provincial premiers suggest that we as a government should totally exempt them from participating in the deficit reduction exercise.

Finally, as members of the finance committee which did a prebudget exercise unlike what the member opposite suggested, we adhered to the three principles that came out of the committee meetings. The first was that expenditures should be the largest portion of the action, not taxes. We did that with a 7:1 ratio. Second, we had to get our own house in order first. We did that with a \$29 billion three-year cut in our own expenditures or a cut of 19 per cent. The third was that we would be fair and equitable. We did that by having all segments of Canadian society participate.

In conclusion, let me say unequivocally that I support the budget. I support the Minister of Finance. I support the government. We have achieved the dual objectives of fiscal responsibility and social responsibility. I am proud of what the minister has accomplished.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I thank you for this opportunity to comment on the budget tabled by the Minister of Finance last Monday. Beyond the rhetoric and eloquent speeches, a cold hard look at this budget uncovers the extent and consequences of the federal system's inability to reform and to respond adequately to the aspirations of Quebecers and of Canadians.

Author Jean-François Lisée recently published two works whose titles are evocative of the con job the government has just pulled, the havoc it has wrought, and they are in the back of my mind as I analyse the unseen side of the finance minister's budget, the hidden aspects of its condescending rhetoric which does not tell us the truth about what is really at stake.

First of all, this budget misleads Canadians when it purports to be hard on everyone. This is not the case. It attacks the neediest members of our society, who will bear the brunt of the major cuts, and leaves undisturbed the large corporations and banks. Large corporations will still be able to escape the tax man, and banks will be taxed very minimally, compared to their astronomical profits.

Government Orders

Second, this budget misleads Quebec and the provinces, when it claims to be courageously attacking the federal deficit, when in fact it is offloading the greater part of that deficit onto the backs of the provinces. Seven billion dollars in expenses have been transferred in this manner, but no power went with it.

Third, this budget is destructive of social programs, and in particular health programs. The official speech conceals the truth of the matter, when it implies that the principles underlying the Canada Health Act are not affected and remain unchanged. Some treat when the federal government orders the meal for Quebec and the provinces and leaves them to pay the tab.

Fourth, and this is the most disturbing, this budget flies in the face of the government's claim to be embracing flexible federalism, the latest version of its favourite theme. There is no flexibility in this budget, other than that demonstrated by the Minister of Finance when he sidesteps his responsibilities and dumps them onto the provinces. Everything else remains unchanged. National standards, spending authority, overlapping of departments in areas of provincial jurisdiction.

(1330)

With this new budget, the government is once again waging an all out war on the least fortunate members of society. For the second year in a row, the unemployed and the small wage earners are bearing the brunt of the cuts, while major corporations and banking institutions go nearly unscathed.

The finance minister announced new cuts to the unemployment insurance program, while he will only temporarily increase capital tax for major banks. He will beg banking institutions for a paltry \$100 million, while, in 1995, the Royal Bank alone recorded profits of around \$1.2 billion.

Moreover, this government refused to listen to all those, including the Bloc and the Conseil du patronat du Québec, who were asking for the elimination of all business subsidies. The finance minister chose instead to cut \$300 million from social housing instead of using the \$1.5 billion still earmarked for business subsidies.

Is this the federal approach?

Major corporations and banks can rest easy. The finance minister clearly indicated in his budget that, once again, the unemployed and the poor will be stuck with paying the bill for the inefficiencies of this unworkable federalism; at the same time, he maintains, until the end of the century, the privileges enjoyed only by the rich through family trusts.

The budget is very clear: within the next two years, the federal government will deprive the provinces of 7 billion dollars worth of transfer payments for health care, post-secondary education and the Canada Assistance Plan for which provinces will have to

pay out of their own pocket. This is what we call offloading your deficit onto the provinces. Indeed, the federal government should put its financial house in order, but not at the provinces' expense.

Quebec is being loaded down with a big chunk of Canada's deficit, while, for its part, the federal government keeps interfering in Quebec's jurisdictions. Quebecers will keep on paying the cost of all the duplication inherent to the federal system. We will still have two health departments, two human resources development departments, and two environment departments, to name only a few.

This is the new Canada promised by this bad budget. This so-called decentralizing budget is, in fact, nothing but an empty shell, since the federal government will continue to intervene in areas of jurisdiction belonging to the provinces.

The irony in all this masquerade is that, while cutting by 27.1 per cent the transfers to Quebec, the federal government continues to impose to the provinces the same national standards, in particular those coming under the Canada Health Act.

In 1979, when that bill was proclaimed, the federal government was paying 45 per cent of health and post-secondary education costs. Since transfer payments were frozen in 1992, the federal share has been reduced to 29 per cent. With the new measures contained in this budget, the share of the federal government will be down to a new record low of 15 per cent.

How can the minister have the nerve to want to impose national standards when the federal share of health care has dropped 35 per cent since 1979, despite a substantial increase in health care costs, and will decrease again more than 55 per cent with this new budget?

It seems to me that the federal government will have no choice but to leave to the provinces complete management of the health care system.

I said earlier that this budget will mean the floundering of our social programs as we know them today. We all know that Quebec and the provinces are faced with very steep increases in the costs of health care. This is mainly due to the following factors: aging of our population, new and more expensive medical technologies and a substantial increase in the cost of drugs.

Just like previous budgets when the government froze all transfer payments, in this budget, the government announces massive cuts to transfers to Quebec and the other provinces of funds earmarked for health.

(1335)

It does not matter if these transfers are combined with others to create one single envelope, the result will be the same: there will be less money for health care and the government will be jeopardizing the fundamental principles of our health care system.

Government Orders

The finance minister should have been honest and open with the Quebec and the Canadian people. He should tell them that these cuts to the provinces mean the end of our health care system as we know it now, because that is the real issue here.

Look, for example, at the recent statements made by the prime minister and the Minister of Intergovernmental Affairs, who contradicted the Minister of Finance who said, and I quote: "The conditions of the Canada Health Act will be maintained. For our government, those are fundamental."

How can the Minister of Finance still imagine and argue that Quebec and the other provinces will be able to continue to deliver the same quality of health care services to the people? How can Quebec and the other provinces implement the five principles of the Canada Health Act imposed by Ottawa when the Minister of Finance passes on to them billions of dollars of deficit by means of cuts to the social programs?

The Minister of Finance should have shown courage and tell upfront to his fellow Canadians: "Unfortunately, because of the errors we have made, mainly in the Chrétien and Lalonde budgets, we can no longer afford our health care system as we know it now".

Instead of assuming his responsibilities, the finance minister is trying to get out from under them. The government shuns its responsibilities when it passes its deficit on to Quebec and the other provinces. This government is misleading the Canadian people by not telling them that the health care program is doomed because of this budget.

Let me conclude by saying that this budget is misleading, since it does not mention the cuts that are still to come. It widens the gap between the rich and the poor in our society and puts an end to a good number of features of our social programs.

Canadians must know that. Quebecers in particular must be aware of it before they make a final judgment on the federal regime, which obviously fails to solve its own problems and, even more, to renew itself according to the expectations of Quebecers.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, it is certainly a pleasure to comment for a few minutes this afternoon on the budget that was presented this week.

I want to start by passing on the comments that I made to members of the press in my riding when I spoke to them on budget night. When asked what my reaction was I said it was one of excitement because this is not the first budget that I have seen. I certainly have not been present for the considerable number that some members in the House have, but this is the seventh one.

This budget fulfils the expectations and hopes for the majority of Canadians. I have been telling my constituents for the last number of weeks and months as they offered suggestions to the government that our challenge was to meet the requirements out there with fair and equal treatment for everyone along with being effective. We met those criteria.

We know that two situations in Canada today are clouding the issue. One is the uncertainty of the future of the province of Quebec. I am pleased to say that the majority of the people in Prince Edward—Hastings say: "My Canada includes Quebec".

Fortunately for all of us, more and more Quebecers are realizing that every day and they have every reason to. More and more Quebecers are realizing that a strong central government is what is good for this country and what is good for everybody. All of us will be better off as Canadians and as human beings if we are part of the family we call Canada.

The finance minister pointed to the second cloud which is the debt and the deficit. I do not have to remind anyone of the size of that: over \$500 billion in debt, a \$42 billion deficit a year ago, some \$80,000 a minute to cover the interest on it, and I could go on.

I need to say no more in emphasizing the fact that the government has a tremendous challenge. Our country has a tremendous challenge. This challenge can only be successfully met with competence, compassion, reform and hope. We made a great step toward that on Monday night with the budget.

We have been honest with Canadians by saying that we too know there is a lot more yet to do. What we did on Monday night was done by pushing the needed measures as close to the edge as possible and doing it without playing havoc with the economy which is growing at a faster rate than just about any other country in the world. Certainly it is the fastest of any of the G-7 countries. Things are on the move. Perhaps they are not moving as fast as we would like but they are certainly on the move and they are going in the right direction.

We knew we were being watched. We were being watched by the international community, by the money markets, the domestic financial institutions, the domestic money markets, the business community. We were being watched by everyone, including all Canadians.

We did what was needed but we did not enjoy it. I can say we did not want to do it because it is not nice to say that we are going to reduce employment, that we are going to have to make some changes. When I say we did not want to do it, it was not because it did not need to be done. It did need to be done. As the Prime Minister has said so clearly and so often, we did it because it was necessary.

It reminds me of some advice I gave to the finance minister leading up to the budget and the slogan used by the prominent company, Nike: Just do it. And we did it. We did it by making \$7 worth of cuts for every \$1 increase in revenue. We did it after

Private Members' Business

having listened to Canadians in the greatest consultation process that has ever taken place leading up to a budget.

We did it without increasing income tax. We did it without taxing dental and employer provided medical plans. We did it without making many changes that would affect to any great extent registered retirement savings plan contributions.

We did it without taxing lotteries. Many people thought we would. A number of people said not to tax lottery winnings. I told them that if they were to win a million dollars and had to pay tax on it but did not want to, I knew some people who would take their ticket for them.

We did it without changing the capital gains tax for small business and farmers. In so doing we again recognized the importance of small business and farmers in the Canadian economy.

Yes, we did it on the revenue side by increasing the tax on gasoline 1.5 cents a litre. I think that is fair and equitable from coast to coast. We also did it by cutting the size of government. Yes, I recognize that people in Prince Edward—Hastings riding in the civil service will have to contribute and will be contributing.

The Acting Speaker (Mr. Kilger): Order. It being 1.43 p.m., pursuant to Standing Order 73, it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

Some hon. members: On division.

(Motion agreed to, bill read the second time and referred to a committee.)

(1345)

Mr. Boudria: Mr. Speaker, because of the ministerial statement we should be starting private members' hour in 15 minutes. However, if members are agreeable and with unanimous consent perhaps we could start private members' hour immediately.

The Acting Speaker (Mr. Kilger): The Chair might be of some help if the chief government whip would approach the Chair for a moment.

Mr. Boudria: Mr. Speaker, I rise on a point of order. Pursuant to what we discussed briefly earlier, if you were now to seek

unanimous consent you would find that instead of suspending the House for 15 minutes, which is what we would normally do at this time, we could perhaps start immediately with private members' hour, as no other bill is before the House.

The Acting Speaker (Mr. Kilger): The House has heard the suggestion of the chief government whip. Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): It being 1.50 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]

INCOME TAX ACT

Mr. Jim Silye (Calgary Centre, Ref.) moved that Bill C-247, an act to amend the Income Tax Act (child care expenses), be read the second time and referred to a committee.

He said: Mr. Speaker, I rise today to present my private member's bill C-247, an act to amend the Income Tax Act on child care Expenses.

This bill would give all parents a tax deduction of \$5,000 or \$3,000 per child to assist them with the increasing costs of raising their children while at the same time eliminate the current tax discrimination against stay at home parents and those who do not use day care. All parents would have the same deduction available to them regardless of their incomes, status, marital status, labour force, or chosen method of child care.

(1350)

I would like to read an excerpt from a discussion paper that was sent to me, not by a special interest group but by Cheryl Stewart and Sandra Evans of Ontario. It reads:

We are Canadian mothers who work at home full time nurturing our children.

We both had successful careers in the paid workforce prior to choosing to stay home and raise our children.

We are concerned about the direction that this process is taking toward institutionalized child care and how it is virtually ignoring other forms of care—particularly those who choose to care for their own children.

According to Statistics Canada, 68.5 per cent of women in two-parent families with children under three, and 62 per cent with children between the ages of three and five, remain at home on a full time basis or work part time. When all women in two-parent families with children under 16 years of age are taken into consideration, 57.6 per cent have decided to either remain at home full time or work part time.

Private Members' Business

These figures show us there is a large percentage of women who have made their choice to stay at home with their children. Despite this fact, they are not entitled to the same tax treatment as those who use day care.

As a direct result, our courts are filled with cases of individuals and families alike who feel that the Canadian income tax system discriminates against them. Calgarians, Jim and Laurie Boland, for example, were told in Federal Court that a parent that chooses to be at home with a child is not entitled to the same privileges as those who pay for child care.

The judge ruled that the Income Tax Act admittedly denies the Bolands equal benefit under the law but because stay at home parents are not "a discrete and insular minority" they are not protected by the charter of rights and freedoms.

This is just one example of people fighting a system that does not reflect the realities of society. Currently provisions in the Income Tax Act make the child care expense deduction only to families who pay institutions to look after their children. The deduction can only be claimed by the lower income spouse of a married couple, which makes it useless when one parent stays home to raise the children.

In other words, if you put your child in receipted day care, the government will reward you, but if you opt for a different arrangement like most Canadians do, you are on your own. It is just a matter of time before the courts overrule this decision. Maybe it is time for the legislatures in Canada to set the agenda as opposed to responding to court decisions.

You only have to look at how the Thibaudeau decision on child support payments sent the Minister of Justice scrambling. The fact is that this legal discrimination must and should stop. As the dynamics of the family continue to change, parents should be free to choose the method of child care that best suits their situation, as opposed to having government reward one choice over another. It is the choice that I am trying to emphasize today. Flexibility and freedom of choice should be the key elements of our approach to child care.

It is obvious that people cannot afford non-subsidized day care and have limited choices other than to stand in line and wait for a spot in a subsidized program. Why not give them the financial means and the options to choose other forms of child care? Provide all families with the \$5,000 tax deduction, leave the money in their hands and let them choose whether to stay at home; unregulated day care, nannies, relatives or friends are the best options for them.

Interest groups all talk about the need for more flexible child care. Here we have true flexibility. Leave more money at the source and stop financially encouraging families to choose outside receipted child care.

Let us look at this from a different perspective, a different angle. Currently there are 360,000 child care spaces in Canada, 150,000 of which are subsidized for low income families. Is the answer more spaces as the Liberal government thinks, or is it more choices as I think?

The purpose of my bill is to amend the Income Tax Act to allow the deduction of a fixed amount of \$5,000 or \$3,000 as child care expenses, depending on the age of the child, regardless of the income of the parent and the amount of child care expenses actually incurred. Quite simply, the bill provides for a straightforward income tax deduction per child, up to age 14, to any taxpaying parent regardless of the method of child care chosen.

(1355)

Therefore, Bill C-247 is based on three fundamental principles: funding the family, not the institution; giving freedom of choice to parents for their preferred method of child care; addressing the shortcomings of our current system and the subsequent increases in the financial burden on Canadian families.

The fact is that Canadian families have been taxed to the hilt. With Bill C-247 parents would be free to choose how to best spend their money. If they choose to send the kids to day care, so be it. If they choose to have one parent stay at home to raise the children, let us give them the freedom to make that decision. My main concern is to treat everyone equally. Leave money in the hands of the people who earn it and need it, and let them make their own choices on how to run their lives.

The vast majority of federal funding for children's programs in Canada is provided in the following ways. There are actually six different mechanisms by which people get assistance.

The child tax benefit went into effect in January 1993, replacing the former family allowance program as well as the refundable and non-refundable child tax credit. This program delivered benefits of \$5.2 billion between July 1993 and June 1994.

The Canada assistance plan, which comes under the human resources department, shares in the cost with the provinces and territories of providing social assistance and welfare services. This program delivered benefits totalling \$2.8 billion in the year 1993-94.

The third mechanism is the child care expense deduction. It is a tax measure intended to assist parents with the cost of receipted child care. This program cost Revenue Canada just over \$330 million in fiscal 1993-94.

The fourth mechanism is the equivalent to married tax credit, which is a non-refundable tax credit available to single parents to help ease the burden of raising children alone. Only one child can be claimed. This program cost the federal government just over \$565 million in fiscal 1993-94.

Private Members' Business

The fifth mechanism is the goods and services tax credit of \$213 million per year.

In addition, the Liberal government in the red book promised to spend an additional \$1.4 billion with the provinces to create 150,000 regulated, non-parental child care spaces over the next three years. This is apparently on hold with the latest budget. Hopefully that will be confirmed later on today.

Currently in Ontario there are about 7,000 vacant child care spaces in non-subsidized day care, while 25,000 people are on waiting lists for subsidized day care. If we put stay at home parents or any families that do not use outside receipted day care on the same financial footing as those who do, then some of those child care spaces would be freed up as parents choose different options and the list of 25,000 would shrink.

The government could then take part of the revenue that it was going to spend on more spaces and target it specifically at the poor families in the form of subsidies and benefits. That would be a true social program for the truly needy, a welfare assistance program that helps people who are in need, if it is a demonstrable need.

We are considering spending billions of dollars to apply a national program and national standards to families that are different in composition, situation, work and educational schedules, income, age, cultural and linguistic profiles, urban and rural settings, and the list goes on. The only common denominator I can see is that these people all have children.

Does it not therefore make sense to give families the economic tools to make their own decisions depending on their own specific needs? Let us consolidate the list of programs which I outlined and adopt Bill C-247 for all wage earners and introduce a social welfare package that, I submit, would be of significantly less cost.

(1400)

If one totals the programs I have mentioned, it is over \$8 billion. We can certainly have a two-level plan and make the cost for the social and welfare programs a lot less.

Using Revenue Canada statistics, using the government's main statistics bank, for taxes filed in 1993 it is estimated that Bill C-247 would cost the federal government \$3.6 billion in tax revenue losses. One can call them tax expenditures.

The government may come up with another set of figures that says \$6 billion but maybe the cost is \$4 billion or \$5 billion. What is a billion these days? People seem to throw it around like it does not matter.

The question that begs to be asked, however, is where that money comes from. Where does the money come from for this new program that everybody gets a deduction? The answer, 92

per cent of my bill is related to families with incomes above \$30,000.

Simply put, one needs income to claim a tax deduction. Last year the \$5.2 billion child tax benefit which was designed to help lower income families paid out \$2.1 billion to families with incomes in excess of \$30,000.

If members narrow the targeting of the child tax benefit to those making \$30,000 and under, that would free up \$2.1 billion to pay for Bill C-247. Do not forget I said there is a two-tier system, over \$30,000 and under \$30,000. We have just freed up \$2.1 billion to help cover the costs of Bill C-247.

Where does the additional \$1.5 billion come from? If I stick to my \$3.6 billion in costs, which I could round up to \$4 billion if the government would like me to, a portion can come from the \$1.4 billion. We have found \$2.1 billion now. A portion can come from the \$1.4 billion that will be spent on subsidized day care, the future spending they will not have to spend. Leave the current day care facilities in place and reduce that list of 25,000 people who are waiting. They can go to the ones that are empty in the private day care centres or they might choose other forms of day care.

Eliminate the need for the equivalent to married tax credit, the \$565 million, because quite simply with Bill C-247 single parents would be left with more of their own money and be able to claim more than one child as is currently the case.

They would not need this assistance because as the recipients of child care payments, they would have the offsetting deduction to eliminate the tax payment. There is another \$560 million.

The final costs would be made up through the elimination of handling charges on the money that is redistributed by Ottawa through tax credits. The beauty of a deduction is that the money stays at the source, leaving more disposable income for people, lower processing fees for Ottawa and greater netbacks for everybody.

I believe that the power of the lobby for day care is overly evident in governmental policy to date. In his social reforms discussion paper, the Minister of Human Resources Development addressed day care spaces and flexible work arrangements for parents but said nothing about current taxation inequities, charter challenges or, more specifically, stay at home parenting.

One of the biggest single problems that this government has is that it always fails to identify the right problem, just like the deficit and the debt. It wants to lower the deficit. However that is just a contributing factor to the debt. It should be attacking the debt and how to solve that problem.

Such a move would have been too racy, the Minister of Human Resources Development said on a Calgary talk show, to consider a proposal of deductions for children. I fail to see what is so racy about a tax break for people who work just as hard in the home,

Private Members' Business

but it is obvious that someone with a different view has the minister's attention.

The red book deals once again with the day care spaces but not with other significant issues affecting families in the 1990s. For example, it specifically addressed a child care system that enables parents to participate fully in the economic life of the country. That is on page 35, for members opposite.

In other words, do not stay at home, work. What about people who choose to directly participate in the lives of their child? Is this not valuable? When the Tories were in power they proposed Bill C-144 which basically stated that parents of children six and under would be able to double the child care expense deduction of \$2,000 in 1988.

(1405)

For the benefit of larger families the plan would have removed the \$8,000 family limit for child care expenditures.

Parents staying at home to care for their children or those without receipts for child care expenses would have been able to claim an additional \$100 tax credit per child in 1988 and \$200 in years after that; not significant amounts, but recognition of the problem was a step in the right direction.

Bill C-144 was hammered by the lobby groups for subsidizing for profit care and spending money on tax breaks as opposed to subsidized spaces. It died on the Order Paper, on October 1, 1988.

Day care advocates continue to claim that true equality for women cannot be achieved until a universal day care system is in place. I argue that a balance must be struck to encourage a system that enables parents to participate fully in the economic life of the country and/or if they so choose to participate fully in the raising of their children.

The key word and the key problem this bill is attempting to resolve is choice, eliminating the discrimination. The current legislative agenda does not recognize that people want the freedom and resources to choose what is best for their children. They are tired of governments and government bureaucracy trying to influence their actions through old-fashioned social engineering.

I recognize that child care comes under provincial jurisdiction. This is the federal contribution to that system. In conjunction with provinces they could discuss the various ways and means of developing the social safety net to target those who are truly in need.

Bill C-247 is of national interest as it addresses the highly contentious issues of national child care, funding for child care spaces, the discriminatory aspects of the Income Tax Act for

individuals using non-receipted child care, the stay at parent. It encourages the focusing of social spending to the truly needy and provides families that are not in need of social programs with tax incentives to spend their money the way they see fit.

The time has come to bring tax laws up to speed with the modern era. We must modify present tax laws, not only to bring about greater fairness but to reflect the changes that have occurred in our society.

The Bolands from Calgary challenged the discriminatory nature of the Income Tax Act. The Schachtschneiders challenged the discriminatory nature of the Income Tax Act in its apparent favourable treatment of common law couples as opposed to married couples. Ms. Thibaudeau challenged the discriminatory nature of the Income Tax Act in its treatment of child care payment recipients.

Unless we act now the only way these issues will be truly addressed in the House is if the Supreme Court or the federal courts render a decision that contradicts or negates existing legislation. We have an opportunity as legislators to initiate discussion and action on this issue which, after all, is how things are supposed to work.

The Income Tax Act is by no means perfect. Bill C-247 would go a long way in addressing the reasons for the charter challenges. Contributions to the work force should once and for all be on the same level as contributions in the home. I recommend that we stop playing one off the other and start giving stay at home parents financial, political and social respect. They deserve the opportunity to work not only in the home but in the workplace as well. They deserve the opportunity to live the lifestyle they choose to live on their own without having to consider tax implications and the costs, the netbacks or the net benefits they are receiving.

As I mentioned, the five or six existing programs are just like the Income Tax Act. They make up part of the Income Tax Act, with 2,137 pages of convoluted, mixed up mishmash that is difficult to understand. If we took those six programs, combined and consolidated them to make two, one for over \$30,000 and one for under \$30,000, this government and parliamentarians would be proud to present a system of child care better than what we currently have.

(1410)

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the hon. member for Calgary Centre for the opportunity to present the views of the government on this issue. I appreciate the time being set aside during private members' hour to give him, his colleagues and other interested people the perspectives that I, as parliamentary secretary, can bring to bear on this issue.

Private Members' Business

[Translation]

Members will recall that the Reform Party's alternative budget presented last week called for massive spending reductions, including \$15 billion on social programs.

It is surprising, therefore, that Bill C-247, tabled by the Reform Party member for Calgary Centre, proposes action that would increase federal and provincial tax revenue costs by a whopping \$6.5 billion annually. That is right, an extra \$6.5 billion a year at a time when all Canadian governments are striving to reduce both their deficits, and Canadians' tax bills. Maybe the The Taxpayers' Budget should have been entitled Out of The Taxpayers' Pockets.

Bill C-247 is also surprising given that Reform's budget says that government must "build on the Canadian tradition of self-reliance—and make assistance available only to those who are genuinely incapable of providing for themselves". However, Bill C-247 does not limit assistance to those who need it. Rather, it would allow fixed child care expense deductions of \$5,000 or \$3,000 for all, regardless of the income of the parents or the amount of child care expenses, if any, actually incurred.

In effect, Bill C-247 would actually create a new child tax benefit. And sadly, because it would depend on a taxpayer's marginal tax rate, the benefits would actually be greater for those in high income brackets than for those in lower brackets.

Unlike the measures proposed in Bill C-247, the current child tax benefit targets substantial assistance to low and middle income families with children.

Delivered monthly and tax free, it provides a basic annual credit of \$1,020 per child, plus \$75 for the third and each additional child.

That assistance is reduced by 5 per cent—2.5 per cent for one-child families—of family net income over \$25,921. Also included is a work income supplement of up to \$500 per family with net family income under \$25,921. This helps to meet the extra costs associated with participating in the work force.

A supplement is provided for parents who choose to remain in the home to raise their pre-school-aged children. This year, the supplement is \$213 for each child 6 years old or younger. Assistance for families is also provided through the child care expense deduction.

(1415)

It recognizes for tax purposes the child care expenses that taxpayers must incur in order to earn income, to attend a recognized educational institution full time or to take a vocational training course.

The deduction acknowledges that these taxpayers have less of a capacity to pay taxes than other taxpayers with an identical

income, but who do not have child care expenses. As a result, up to a limit, income used to pay for child care expenses is not taxable.

The deduction is applied to earned income in order to ensure that tax assistance is provided for child care expenses incurred to earn that income.

This reflects the general view that parents not employed outside the home are expected, and indeed have a responsibility, to look after their children.

Bill C-247 would completely change the nature of the current deduction. It would also be prohibitively expensive at a time of fiscal consolidation. As such, we can neither afford, nor should we even entertain, the amendments proposed by the member for Calgary Centre. I therefore urge this House to deny passage of this bill.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I rise today to speak to Bill C-247, an Act to amend the Income Tax Act (child care expenses) tabled on May 6, 1994 by the member for Calgary Centre.

The purpose of this bill is to amend the Income Tax Act to allow the deduction of a fixed amount of \$5,000 or \$3,000 as child care expenses, regardless of the income of the parents and of the amount of child care expenses actually incurred.

The existing statute does not apply to stay at home parents. Only those families whose children attend profit making establishments are allowed the child care expenses deduction.

The bill means that parents can decide how they want their children cared for and deduct a fixed amount of \$5,000 for children seven and under and \$3,000 for those aged eight to fourteen, regardless of their income and the actual expenses incurred.

Upon initial examination, this bill seems to make sense. However, I would like to have more detailed information on what it will cost, given that the deductions now allowed represent the major part of day care costs for the government. I would also like to know how many families and children would benefit from this bill. The government must manage its resources wisely. Given their scarcity, I would think that priority must be given to women who work.

That being said, statistics show that in 1961, in 65 per cent of families with a child under the age of six, one parent stayed at home. In 1991, this sort of family structure represented only 12 per cent of families. Nowadays, over 70 per cent of pre-school age children attend day care regularly while their parents work.

(1420)

Child poverty is increasing dramatically. The government's cuts in social programs have further worsened the situation.

In addition, the cost of raising children at home is rising. Who would dare to say that those parents who stay at home are not working? And yet, the monetary value of this work is not recognized.

In this sense, the bill provides a modest financial benefit for families in which one parent stays at home to care for the children. We know that there are very often no more vacancies in day care centres.

The present income tax regime is unfair to single income families. The child care expenses deduction applies only to two-income families, whatever the total. Families may claim a maximum of \$5,000 per child, for children less than seven years old, and a \$3,000 deduction for children 7 to 14 years old. No deduction is allowed for one-income families because the legislation assumes they have no child care expenses to pay. These are the families who need financial support, particularly single parent families which, in most cases, are mother and children units. Children in those families are the first ones to be struck by poverty.

In our modern world, we can see that, for a great many families, it is vital for the mother to work outside the home. This participation in the workforce is sometimes threatened by the lack of child care services.

Under certain circumstances, women are forced to stay home and that can cause serious problems. These women suffer from isolation and lack of social recognition. Therefore, the government should take the necessary steps to ensure their social and economic equality. Years spent at home caring for children result in a considerable loss of income and great difficulties when reintegrating the labour force.

According to what I have just heard the hon. member for Calgary Centre say, it seems the Reform members support this bill for very old-fashioned reasons. Even though I tend to agree with this bill, I cannot share the philosophy and the line of thought of the hon. member sponsoring it. His objective seems to be to promote a more traditional and conservative view of the family. He would like to see women stay home in greater numbers. I think this would be a move backwards that would profit neither the women themselves, nor society which would no longer benefit from their valuable contribution in important areas.

On the other hand, we must examine this bill in the current context of the government social policy which is very regressive. There is a blatant lack of an overall and fair child care program. And if we consider that a great number of women choose to stay at home to raise their children, the bill proposed by the hon. member for Calgary Centre makes sense, of course, if that is the free choice of these women. Then, the government must respect this choice, recognize the economic value of the work of these women at home and give them this modest financial benefit.

Private Members' Business

(1425)

This bill is far from being the ideal solution, but it gives the opportunity to revive the debate on child care.

Our society wants children, but parents who have them and raise them are penalized.

I support this bill only inasmuch as the mother or the couple choose that kind of child care of their own free will. If they do so, they should not be unduly put at a disadvantage by the federal tax system.

Surveys show that the general public supports some kind of government financial assistance to families where one parent stays home to take care of children.

The government and our society should find a comprehensive solution to that problem. I certainly hope the Minister of Human Resources Development will examine this whole issue of assistance to families and particularly children, because it is urgent. The federal government should work hand in hand with the provinces to provide more child care services.

I should add that comparative studies in the United States, Canada, and Europe suggest that it is inadequate and unfair to hand out money to families to pay for child care instead of using tax dollars to fund a child care system, which is probably the way of the future.

In conclusion, I would like to say that, eventually, we should also examine the issue of assistance to families who take care of the elderly, the chronically ill, or the handicapped.

[English]

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I am very pleased to have been asked by my colleague from Port Moody—Coquitlam to present some aspects of our position in the debate on Bill C-247, an act to amend the Income Tax Act relating to child care expenses.

As stated earlier, the purpose of the bill is to amend the Income Tax Act to allow for the deduction of a fixed amount of \$5,000 or \$3,000 according to the age of the child, regardless of the income of the parents and the amount of child care expenses actually incurred.

The bill allows the deductions to be claimed by one parent, either parent where the child is living with both parents or each parent when the parents are living apart and the child spends some time with both parents. In the case when parents are living apart, the deduction would be split between the two parents according to the amount of time each parent spends with the child. The real purpose of the bill is to allow parents the freedom to choose the method of child care for their children.

Today's economic realities mean that the role of government has to be entirely rethought. Thirty years of more and more government social spending has only produced less and less security for Canadians. We in the House must face the challenge

Private Members' Business

of turning our welfare state into a secure society which requires a new philosophy of social security.

In discussing the issue of child support payments, it is best to lay out some principles and then determine if the bill adheres to the principles. There are five principles that we should be following in the debate.

The first one would be the self-reliance of Canadians and to recognize the family as the primary caregiver.

The second one would be to empower families, community and charitable organizations to play an increasing role.

The third one would be to focus social spending on the need.

The fourth principle would be to entrust resources and responsibilities to the level of delivery where it is most effective or decentralized.

The fifth would be to reduce spending and limit government spending.

(1430)

On the first principle we must realize the increasing importance of families and their role in the nurturing of children and the viability of the economy.

Reformers support policies that allow families to be recognized as serving a unique and important role and to be given a choice in the method of child care their children receive.

There is a clear and fundamental philosophical difference between the Liberals and the Reformers on the whole child care and day care debate. Liberals believe in a state run day care and promised \$120 million for day care in their red book, which incidentally was not met in the recent budget. This promise was essentially fuelled by special interest forces and would result in increased cost to all taxpayers. It is also an anti-family choice.

Reformers oppose a state run day care. We believe that day care is most efficiently run by the private sector and that government subsidization of day care, the nanny state, is not financially sustainable. In these views we are supported by a majority of Canadians who according to a recent Maclean's poll prefer to raise their children in the home. They also believe that parents must have the right of choice.

The second principle to follow is that a dollar left in the hands of a family is more effective, more efficient and more desired than in government programs. The present child care expense allowance is intrusive. It interferes with parental decision making by discriminating against those with families where one parent stays at home to raise children. The bill would empower families with a real choice.

The third principle is focusing on social spending on need. It may appear that the bill does not focus on need since the bill provides a deduction regardless of the income of the parents. It

should be noted that the bill is intended to work within a flat tax system.

The fourth principle is to entrust resources and responsibilities to the level of delivery where they are most efficient and most effective. Under this principle it would be prudent to eliminate the child tax credit and replace it with a tax deduction.

Why should more money be sent to Ottawa, churned through the government bureaucracy and then funnelled back to Canadians? This results in less money being available to those who are really in need.

Under a tax reduction the parents would determine the best use for the money. They could apply it to their own needs. It would make them choose responsibly and they would see the direct result of the money.

The fifth principle the bill addresses is the reduction of government spending because the cost of a tax reduction would be offset by the elimination of the tax credit. The bill would allow parents to stay at home resulting in greater employment opportunities. There would be no need for a national day care program. Savings would also result because funding would be directly to individuals and families and not to institutions and professionals.

In conclusion, the bill recognizes that families are the best hope for a bright future and that healthy families, not dysfunctional types, are a source of strength for future generations.

The bill moves away from the folly of state run day care programs generated by special interest groups that favour government intervention and social engineering. We must rethink our responsibilities and our priorities.

The Acting Speaker (Mr. Kilger): The member for Calgary Centre had given an indication that he wanted a few minutes under right of reply.

The House must understand that no other member can speak after the member closes under right of reply. I hope he can do this in the matter of two to three minutes.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, there are two comments I would like to make, just to wrap up. When we heard from the Parliamentary Secretary to Minister of Finance, basically he said that the program would cost an extra \$6.5 billion.

I want it entered into the record that what he is not doing and has failed to recognize in my comments is that this bill would consolidate the current existing programs which add up to slightly over \$8 billion and offset the cost of this program. Even if we use \$6 billion as the cost, what he has failed to do in his budgetary planning is to recognize that those people who make \$30,000 or more get \$2.1 billion of the child credit out of that \$5.2 billion. We must subtract that from the \$6.5 billion.

Private Members' Business

With the lack of need to spend the \$1.4 billion on future day care facilities, given that the present ones would be sufficient to handle the demand for the waiting list of 25,000 people, those would be additional funds that would be available. Although the Liberals now are not going to spend that money, which they promised they would in the red book. It looks like another broken promise from their election trail.

In summary, it is an important mathematical dollar item to consider. We have to consider whether the current system with six different ways of providing child care assistance in this country is sufficient. Is it meeting the needs of the people? My presentation today has shown sufficient cause for the need to address this. It is not sufficient.

There are some solutions. I have offered some. It may not be the total answer, but it offers a solution through consolidation and giving people the choice, helping to put the money in the families' hands and letting them decide how to spend that money. After all, they earned it in the first place. They should know better how to spend it, not the state and not funding institutions.

This government should consider a method of child care support and child care payments in its social engineering and its social package that would truly leave more money available for people. Let them have the choice. Also, reduce the overall cost. Despite what the Parliamentary Secretary to the Minister of Finance said, if we consolidated this plan it would save this country \$1 billion.

The Acting Speaker (Mr. Kilger): There being no further members rising for debate, and the motion not being designated

as a votable item, the time provided for the consideration of Private Members' Business has now expired. Paper.

Mr. Silye: Mr. Speaker, I rise on a point of order. For those members present in the House, I would like to seek unanimous consent. I know this bill is non-votable and was deemed as such by the subcommittee. However, after due consideration by all members in this House, would the members give unanimous consent to make C-247 votable?

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: No.

Mr. Silye: Mr. Speaker, I rise on a point of order. I would like to move that the bill be not now read a second time, but because of discriminatory challenges to the Income Tax Act and Parliament's commitment to end child poverty by the year 2000, that the subject matter of the bill be referred to the Standing Committee on Human Resources Development and that accordingly the bill be withdrawn.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: No.

The Acting Speaker (Mr. Kilger): Accordingly the order is dropped from the Order Paper. It being 2.40 p.m. the House stands adjourned until Monday, March 13, 1995 at 11 a.m., pursuant to Standing Orders 28 and 24.

(The House adjourned at 2.39 p.m.)

CONTENTS

Friday, March 3, 1995

GOVERNMENT ORDERS

Borrowing Authority Act, 1995–96

Bill C–73. Consideration resumed of motion for second reading.	10309
Mr. Bergeron	10309
Mr. Massé	10311
Mr. Massé	10313
Mr. Lebel	10316
Mr. Gouk	10317

STATEMENTS BY MEMBERS

Transportation

Mr. Culbert	10317
-------------------	-------

Immigration

Mr. Nunez	10317
-----------------	-------

Awards

Mr. Hoepfner	10318
--------------------	-------

Tribute to Carol Shields

Mr. Walker	10318
------------------	-------

International Women's Week

Mr. Duhamel	10318
-------------------	-------

Canadian Broadcasting Corporation

Ms. Torsney	10318
-------------------	-------

Referendum on Quebec Sovereignty

Mr. Leroux (Richmond—Wolfe)	10319
-----------------------------------	-------

Cross–Country Skiing

Mr. Hart 10319

Premier of Ontario

Mr. Pickard 10319

Norman Bethune

Mr. Mitchell 10319

Vision Awareness Week

Ms. Fry 10320

Social Programs

Mrs. Picard 10320

Child Care

Mr. Silye 10320

Freshwater Fishery

Mr. Taylor 10320

International Women’s Week

Mrs. Brushett 10321

ORAL QUESTION PERIOD

The Budget

Mr. Duceppe 10321

Mr. Walker 10321

Mr. Duceppe 10321

Mr. Walker 10321

Mr. Duceppe 10321

Mr. Walker 10321

Mr. Daviault 10322

Mr. Walker 10322

Mr. Daviault 10322

Mr. Walker 10322

Mr. Harper (Calgary West)	10322
Mr. Walker	10322
Mr. Harper (Calgary West)	10322
Mr. Walker	10322
Mr. Harper (Calgary West)	10322
Mr. Walker	10323

Canadian Broadcasting Corporation

Mrs. Gagnon (Québec)	10323
Mr. Dupuy	10323
Mrs. Gagnon (Québec)	10323
Mr. Dupuy	10323
Mr. Hermanson	10323
Mr. Dupuy	10323
Mr. Hermanson	10323
Mr. Dupuy	10323

Money Laundering

Mr. Bellehumeur	10324
Mr. Rock	10324
Mr. Bellehumeur	10324
Mr. Rock	10324

Employment

Mr. Williams	10324
Mr. Massé	10324
Mr. Williams	10324
Mr. Massé	10324

The Budget

Mr. Chrétien (Frontenac)	10325
Mr. Walker	10325
Mr. Chrétien (Frontenac)	10325
Mr. Vanclief	10325

The Budget

Mrs. Kraft Sloan	10325
Mr. Walker	10325

Pensions

Mr. Silye	10325
Mr. Eggleton	10325
Mr. Silye	10326
Mr. Eggleton	10326

Contents of the Budget

Mr. Lefebvre	10326
Mr. Collenette	10326
Mr. Lefebvre	10326
Mr. Collenette	10326

National Defence

Mr. Hart	10326
Mr. Collenette	10326
Mr. Hart	10327
Mr. Collenette	10327

Uranium

Mr. Bodnar	10327
Mr. Harb	10327

Old Age Security

Mr. Charest	10327
Mr. Bevilacqua	10327
Mr. Charest	10327
Mr. Bevilacqua	10327

Hibernia Project

Mr. Canuel	10328
Mr. Rideout	10328
Mr. Canuel	10328
Mr. Rideout	10328

Immigration

Mr. White (North Vancouver)	10328
Ms. Clancy	10328
Mr. White (North Vancouver)	10328

Ms. Clancy	10328
India	
Mr. Malhi	10329
Mrs. Stewart (Northumberland)	10329
Labour	
Mr. Johnston	10329
Mr. Bevilacqua	10329
The Budget	
Mr. Marchand	10329
Mr. Gagliano	10329
Low Level Flights	
Mr. Taylor	10329
Mr. Collenette	10329
Privilege	
Budget Secrecy	
Mr. Charest	10330
Mr. Boudria	10331
Mr. Bellehumeur	10332
Mr. Hermanson	10332
Mr. Milliken	10333

ROUTINE PROCEEDINGS

Government response to petitions

Mr. Milliken	10334
--------------------	-------

International Women's Day

Mrs. Finestone	10334
Mrs. Gagnon (Québec)	10336
Ms. Meredith	10337

Committees of the House

Procedure and House Affairs

Motion for concurrence in 65th Report	10338
---	-------

Mr. Milliken	10338
(Motion agreed to.)	10338

Petitions

Lighthouse Keepers

Mrs. Payne	10338
------------------	-------

Justice

Mr. Hanrahan	10339
--------------------	-------

Government Spending

Ms. Meredith	10339
--------------------	-------

Gun Control

Mr. Ramsay	10339
------------------	-------

Euthanasia

Mr. Ramsay	10339
------------------	-------

Human Rights

Mr. Ramsay	10339
------------------	-------

Canadian Wheat Board

Mr. Ramsay	10339
------------------	-------

Government Spending

Mr. White (North Vancouver)	10339
-----------------------------------	-------

Human Rights

Mr. White (North Vancouver)	10339
-----------------------------------	-------

Assisted Suicide

Mr. Pickard	10339
-------------------	-------

Rights of the Unborn

Mr. Pickard	10340
-------------------	-------

Assisted Suicide

Mr. Culbert	10340
-------------------	-------

Human Rights

Mr. Mitchell 10340

Gun Control

Mr. Mitchell 10340

Bill C-41

Mr. Milliken 10340

Questions Passed as Orders for Returns

Mr. Milliken 10340

GOVERNMENT ORDERS

Borrowing Authority Act, 1995-96

Bill C-73. Consideration resumed of motion for second reading 10340

Mr. Williams 10341

Mr. Mitchell 10342

Mrs. Picard 10343

Mr. Vanclief 10345

Motion agreed to, bill read the second time and referred to a committee. 10346

PRIVATE MEMBERS' BUSINESS

Income Tax Act

Bill C-247. Motion for second reading 10346

Mr. Silye 10346

Mr. Walker 10349

Mr. Nunez 10350

Ms. Bridgman 10351

Mr. Silye 10352