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Friday, March 17, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Friday, March 17, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—SOCIAL PROGRAMS

Mrs. Diane Ablonczy (Calgary North, Ref.) moved:

That, this House urge the government to recognize that the present social programs are failing and to investigate more secure options such as the Registered Personal Security Plan (RPSP), a system of personalized, tax-sheltered, RRSP-like savings accounts to which Canadians could contribute funds to be drawn during periods of unemployment, for personal upgrading/retraining and for retirement income.

She said: Mr. Speaker, It is a tremendous honour and privilege for me today to introduce to the House and to the Canadian public an innovative new concept which the Reform Party believes will help preserve long term personal security for Canadians.

With so much talk lately of cutbacks and change to social programs, citizens are naturally concerned that this will threaten the benefits they have been promised. Although the welfare state is crumbling, Reformers believe that we can work together to build a better and stronger way to provide for ourselves during times such as unemployment and retirement.

Today we place before the House a motion which addresses this vitally important issue of how best to preserve and protect the personal security of Canadians:

That, this House urge the government to recognize that the present social programs are failing and to investigate more secure options such as the Registered Personal Security Plan (RPSP), a system of personalized, tax-sheltered, RRSP-like savings accounts to which Canadians could contribute funds to be drawn during periods of unemployment, for personal upgrading/retraining and for retirement income.

The Reform Party unveiled its registered personal security plan proposal in our taxpayers budget which we released on February 21 of this year. This was as a direct result of a

resolution passed by Reform members at our October 1994 assembly:

Resolved that the Reform Party investigate the feasibility of replacing the compulsory, government operated, privately funded taxpayer subsidized unemployment insurance program with a voluntary, personally financed, privately administered, government regulated registered unemployment savings plan.

Since then we have begun the process of discussion and consultation necessary to examine and test the idea both with experts and in the public arena. Through that process we will expand and refine our proposal and determine whether there is support for moving toward this entirely new way of meeting our personal security needs.

The first question Canadians watching this debate will ask is: what is an RPSP or registered personal security plan? Simply put, an RPSP gives us instead of government ownership and control of the moneys we pay into UI and CPP.

The second question Canadians might ask is: why do we need to change; what is the problem with the unemployment insurance program and the Canada pension plan we have now? I suspect that a lot of Canadians have already figured out the answer to this question.

They have seen the report that the CPP fund will run out of money in 20 years. They heard the finance minister in his budget promising a paper on the changes required in the public pension system to ensure its affordability. They know this means something is deeply wrong. It is the same sinking feeling they get when the doctor says: "We need to do a few more tests".

The finance minister also cut unemployment benefits. Of course this was all carefully worded by Liberal spin doctors. The cuts were styled as "unemployment insurance reform" which "will reduce the overall size of the unemployment insurance program by a minimum of 10 per cent".

In spite of this 10 per cent reduction in benefits, Canadian workers will still hand over the same amount of money to the government. The Liberal spin doctors dress this up by promising no increase in premium rates. One would hope not, considering the benefits are being cut.

It would have been more honest for the finance minister to come right out and say that benefits would be cut by 10 per cent or more. In spite of the coy wording, Canadians figured out that they are getting a smaller benefit for the same money. They

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worry that it will shrink a lot more as the government sinks deeper into debt.

Over the past 30 years Canadians have been promised that government will meet the lion's share of their most important security needs, but there is increasing evidence that these promises cannot and will not be kept. Our compulsory contributions to government programs have not guaranteed us anything. We are living on borrowed money and mortgaging our children's future to pay for government programs that are simply not working. We would all like to hope that these problems will somehow disappear but in our hearts we know they will not.

(1010)

Government pension plans as currently constituted do not enhance social security. They pour it down the drain. The government as a pension manager is like an alchemist who can only change gold into lead.

There is something else to consider. Even if we were not losing programs, there are harmful social consequences from encouraging people to depend on government for their personal security. Canadians have a proud tradition of self-reliance, caring for our families and helping those less fortunate.

Many of our citizens have a strong desire to take back control of their resources, their futures and their own welfare. They are willing to be self-reliant and to show compassion for the needy. All they ask is that they be able to keep more of what they earn and that government exercise careful stewardship of necessary tax dollars.

If we move from failing social programs to a new plan, what will be the benefit? The greatest benefit is that your money will go into your own registered personal security plan, RPSP. The money is yours. The interest or profit from the investment of that money is yours. If you die, your loved ones get it. It is your property and your ownership of it does not depend on the management skills or financial health of government.

CPP and UIC turn taxes that are too high into benefits that are too small. The RPSP turns taxes into productive investments and productive investments back into social security. In addition, there are tremendous financial advantages to this type of plan.

Assume that an employee contributes five per cent to an RPSP account monthly, matched by five per cent from his employer. This is about the same amount as the present combined CPP and UI contributions. The employee works from age 20 to age 65. Also assume a moderate investment return of 8 per cent interest compounded quarterly.

A worker earning only \$1,000 per month or only \$12,000 per year would retire on \$3,432 per month before tax for the rest of his life and would leave an inheritance of \$514,812 for his family or other beneficiaries. This is someone who earns only \$1,000 per month. No doubt this will be astonishing to many

people because they have not realized how much more they could receive under an RPSP fund than under the government CPP and UI programs.

Let us look at what an average Canadian wage earner could expect from an RPSP. Someone earning \$30,000 or \$2,500 per month would retire on \$8,580 per month before tax and would leave an inheritance of \$1,287,031. Nothing like getting a huge raise when you retire.

The Reform Party will be providing Canadians with tables of such returns for different levels of income which demonstrate why they deserve a whole new system to ensure personal security.

Canada lags behind other countries when it comes to moving toward more rewarding and effective measures in this all important area.

A system similar to the RPSP plan was successfully implemented in the United Kingdom in 1978. Current pensioners were made secure at existing levels of benefits, while future pensioners were given a chance to move into the more attractive retirement option.

Britain's long term pension liability was reduced by more than 30 per cent in the first three years alone of the opting out plan's operation. This guaranteed that future taxpayers will not be overburdened as British baby boomers began to retire.

(1015)

Chile successfully privatized its pension system more than 15 years ago, in 1981. Like Canada, an increasing number of Chileans were retired compared to citizens still in the workforce. The level of seniors' benefits was exceeding the level of contributions and, like Canada's CPP, Chile's pension plan was a pay as you go scheme.

Because the scheme was broke, Chile moved to a mandatory savings plan requiring employees to place a minimum of 10 per cent of their taxable income into tax sheltered individual retirement accounts managed by competing private sector financial managers.

The results have been remarkable. Private savings in Chile rose from 2.8 per cent of GDP in 1980 to 14.3 per cent in 1991. Very importantly, they have provided investment capital which has been pivotal in the near-miraculous financial renewal of Chile's economy.

I believe that the experiences of the U.K. and Chile provide evidence that there would be tremendous advantages to our own country in looking for similar, innovative solutions to some of the worrisome uncertainties about our own personal security which we see looming on the horizon.

These are some further benefits we see to moving our UI and CPP contributions into our own personal RPSPs. First, working Canadians would be gradually relieved of the burden of paying

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government pensions to those who are retired. As our population ages there will be far fewer working Canadians shouldering the cost of the benefit seniors have been promised.

In just 20 years the number of seniors will have increased by 40 per cent. At that time working Canadians will be trying to ensure their own personal security, pay staggering yearly interest rates on the debt we have run up, will still have our debt hanging around their necks like a millstone and, in addition, will be asked to pay our seniors' benefits since nothing has been saved up for that purpose.

Not only do we have an obligation to relieve them of that burden to the greatest extent possible, we should ask ourselves whether it is fair that they should be asked to carry such an onerous and unfair load on our behalf. We would be wise to see this coming and fix the problem while we still can.

Second, RPSPs would provide Canadians with much greater retirement income than do the present plans. For example, a Canadian born in 1960 would receive only \$2.60 for every dollar paid into CPP. For a Canadian born in 1980 the return drops dramatically to only 80 cents per dollar paid in, a dead loss.

By contrast, moneys invested in an RPSP at even 5 per cent interest would yield an average lifetime return of \$3 for every dollar invested. CPP is misnamed. It is not a pension plan but a tax to redistribute income from workers to retirees. If it were a true pension plan, properly invested, it would not be in trouble, it would be rich.

Third, rolling UI premiums into RPSPs would provide substantially more security to the unemployed while also creating an incentive to remain employed. Canadians would have far greater control over their own unemployment income. They would have the security of knowing that their premiums are a long term, personal investment even if they are never unemployed.

The Canadian Institute of Actuaries has shown that after only eight years, UI contributions administered through an RPSP would provide the same level of benefits as the maximum under the current UI program. Of course in subsequent years the rate of growth in the RPSP rapidly outperforms the return from premiums paid into the current UI program. In addition, workers would have the enormous satisfaction of control and responsibility for personal well-being.

Fourth, seniors could continue to earn income without having their retirement benefits clawed back as happens today with OAS.

Fifth, RPSPs would benefit the poor. Because UI and CPP contributions are taken off the top of their pay cheques low income Canadians do not have anything left to put into personal savings. Under the Reform RPSP, payroll deductions from CPP and UI would gradually be transformed into automatic payments into each individual's RPSP. This means that many working

class Canadians would be able to own a personal security account for the first time ever.

(1020)

Sixth, moving into RPSPs would generate an enormous pool of capital for productive investment in our country, resulting in a host of new employment opportunities. This would create far more jobs than government spending ever could. Although RPSP managers should be able to invest in government bonds at their own discretion, we would recommend that RPSP moneys should not be accessible by government.

Seventh, these personal security funds would be owned outright by Canadians as their personal property. They would not be vulnerable to government mismanagement or squandering. Prudent regulations would ensure sound investments managed by reputable firms. People do not want their retirement savings put into fur-bearing trout farms.

Eighth, RPSPs would allow and encourage Canadians to free themselves from disabling and uncertain dependence on government and government bureaucracy. A return to the ethic of self-reliance would enrich the spirit and vigour of citizens and the country as a whole.

We have begun the work of researching details which need to be addressed. We want to make the transition from the current unsustainable programs to personal RPSPs in a way which protects those already receiving benefits under the old plans. To achieve that we anticipate a long phase in period. We will decide whether any changes to the tax system are needed to move to RPSPs and we will demonstrate how a new direction in personal security will also benefit the poor in society.

Also to be explored is whether the RPSP should be expanded to provide a savings component to fund education and training and other security needs.

As the Reform Party continues to expand this new personal security concept, it will consult with a broad cross section of knowledgeable Canadians, including tax experts, actuaries, investment managers and technical researchers. It will also find a variety of ways to provide information to Canadians to encourage discussion and ensure an informed debate and decision at the end of the process.

This will include surveying citizens on what they need and want; holding open public meetings to present the concept and hear from Canadians; and creating a concrete proposal summarizing all the research and consultation, which Canadians will be able to judge.

In our view it is critical that we move now to carefully examine the issue of our personal security and options for the future. With every passing year the transition to a better and more workable solution becomes more difficult. This is because our population is aging rapidly. In addition, as our debt balloons and interest payments consume more and more of the national

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wealth every year, we lose needed financial flexibility to protect Canadians who already have retired or are nearing retirement.

The World Bank has also pointed out the urgent need to face the imminent problems of our old age security system. Just a few months ago in its report "Averting the Old Age Crisis" the World Bank urged countries with rapidly aging populations and costly welfare state social programs to shift to greater self-reliance and individual initiatives to meet personal security needs.

It is abundantly clear that all Canadians and especially their elected leaders and representatives need to take thoughtful and vigorous action to protect our future personal security and they must do so now. We are dismayed to see the Liberal government bitterly divided on where to take the country when it comes to this important issue. It has utterly failed to bring forward promised proposals for change.

It is disturbingly clear that the people in charge have absolutely no vision for constructive change to a crumbling social system. Canadians desperately need such a vision. They need hope that there is a way to deal with the disaster they see looming ahead and which they know will rob them of the security and protection that every single individual needs and expects.

It is for this reason that the Reform Party is doing everything it can to fill that need for our citizens. This is why it has come forward to introduce a proposal which it believes will provide a positive and beneficial solution to give hope to Canadians on this critical issue.

The experience of other countries in the world, the recommendations of experts and analysts and just plain common sense all lead to the conclusion that a dollar left in the hands of a mother, a father, a family, a student, a senior, a caring and compassionate Canadian is more productive and will provide far greater personal security than a dollar left to be managed by the federal government. Let us get on with the job.

(1025)

I appeal to Canadians everywhere to examine the emerging concept of the registered personal security plan. Work together with us to shape its direction and determine its details. Do everything you can to ensure that your elected representatives support more workable and effective ways for you to manage your hard earned dollars, to provide needed security for yourself and your family.

I say to Canadians, it is your money, it is your country, it is your future. Reformers believe that registered personal security plans ought to be a part of that future but the status quo will never change unless we work together to make it happen.

I ask for your support as we move to find better alternatives for Canadians in the 21st century.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I listened with attention to the proposals of the member across the way.

It seems to me it is the Reform Party that is divided all over the map. The leader of the Reform Party is in Washington trying to distance himself a little from the right wing agenda. Meanwhile, Reform minions in Ottawa are still talking about the old agenda prior to his departure to Washington where he had somewhat of a conversion although we are not holding our breath in that regard.

I want to ask a question of the member under whose name that motion is today about the registered personal security plans that that party is offering as an alternative to Canadian social programs.

Does she not think there is something deficient in social programs where we do not have the advantages of pooled risk that we have when society as a whole takes care of social programs?

We cannot put money away unless we have money to start with. Our RRSPs are a form of tax shelter. In order to have a tax shelter, we must have money to shelter away to start with.

For people who do not have that, does the hon. member feel they should be condemned to a life of poverty? Does she not think as I do that instead we should have programs to enable people to have better futures, to enable people regardless of their socioeconomic background to improve in life?

Not all of us were born with gold spoons in our mouths.

Mrs. Ablonczy: Mr. Speaker, it is pretty clear that the Liberals are extremely worried about the fact that our leader is making an extremely positive impact in the country to the south of us. They know that Canadians also are waking up to the common sense, workability and hope that the Reform program offers. I know they are worried. They are trying to tear that down every chance they get, but Canadians are not going to be fooled.

If there were such great advantages to the pooled risks that the member suggests are present in our present programs, why is the benefit of these programs continually being eroded? The government said barely a week ago that unemployment insurance benefits would be cut by 10 per cent or more. Where is the great advantage to the pooled risk there?

This member says: "What about people without no money to squirrel away?" We are talking about how to manage the money we do put away better, UI premiums and CPP premiums. Most Canadians pay those, especially at some point in their life. They

are being terribly mismanaged and wasted by the government programs that this member is trying to defend.

It is time Canadians woke up and started doing something better and safer with their money. We are proposing a plan to do that. We believe we will be supported by Canadians.

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, at my town hall meetings in Edmonton East over the past year—we have had many of them—talking about these kinds of reforms, this idea has never come forward. I guess the reason that it did not is that many in society are unable to save.

(1030)

I see some real discrepancies. For instance, only 14 per cent of tax filers with incomes between \$10,000 and \$20,000 can make RRSP contributions. How will these people be able to make the savings that are requested? There are other discrepancies as well: 70 per cent of those with incomes above \$80,000 contribute to RRSPs.

How can people who earn lower incomes prepare for potential catastrophic events?

Mrs. Ablonczy: Mr. Speaker, I am not surprised the idea has never come forward in Liberal meetings. It takes leadership to provide new ideas and that is exactly what is missing from the government.

I wish the member had listened to my speech. It would have helped her a great deal. In the speech I noted that workers earning only \$1,000 a month, which is the working poor, by investing their UI and CPP forced contributions in RSPs, would retire under the plan with \$3,432 per month before tax. That is what will benefit the poor. No wonder they have no ability to save now. They are forced to pay these moneys to the government, which are mismanaged and poured down the drain. They have nothing left to save.

Why not let them keep their money and save it for this kind of return? It would be a tremendous advantage to the working poor. I believe the member will see that and support it if she examines the proposal objectively.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I sat here in utter amazement as I listened to the hon. member for Glengarry—Prescott—Russell ask how people were going to squirrel money away when they do not have any money.

That Liberal member could have answered his own question. He knows very well that over 60 per cent of the income of average working middle class Canadians is being paid out in taxes of all forms. It was a predecessor Liberal government that started the deficit and debt spending which was carried on by the Tory Party. Now we have almost a \$500 billion debt and we are servicing that debt with about a \$45 billion interest payment. If

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the incompetence of the Liberal Party back in the mid-seventies had not started this downward slide, Canadian taxpayers would have money left in their paycheques to provide for their own personal security.

It goes back to what we have been saying. It is not fiscally responsible MPs like the Reformers that are the biggest threat to social programs. It is the incompetence of previous governments and the high taxes we pay in the country.

The Deputy Speaker: I am not sure those remarks were aimed at the member who was speaking.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I am pleased to rise in the House to debate the hon. member's motion. The hon. member says our social security programs are failing. I fail to see how the hon. member arrived at that conclusion.

Before we began reviewing our social security system we heard from Canadians loud and clear. They wanted us to retain these programs, programs that are interwoven into the social fabric of Canada. That hardly suggests failure. It does not mean, however, that Canadians thought we should just leave them as is.

The government recognized social security programs have served us well for many years but that it was time for an overhaul. It was time to make them relative to the needs of the population of the 1990s. That is why we undertook, with the support of the majority of Canadians, the first step in the process of social security reform.

Hon. members are well aware that we carried out massive consultations across the country. The Minister of Human Resources Development and the Standing Committee on Human Resources Development listened to the views of Canadians from all walks of life. More than 600 groups expressed their opinions on social security reform.

(1035)

To break it down briefly for hon. members, 20,000 Canadians took part in more than 200 town hall meetings held by MPs from all parties. More than 40,000 people completed and returned social security reform workbooks. We held a series of seminars where there was broad public discussion in 25 communities across the nation. The Minister of Human Resources Development has received more than 3,000 letters from citizens expressing their views on social security reform. Over 7,000 people have accessed the minister's Internet bulletin board on social security reform and more than 35,000 people have called the social security reform hotline to request information or material.

Hon. members will also recall that some of the hearings were rambunctious affairs, to say the least. While it is true that those who voice strong opinions may indicate disagreement with some program policy, one thing it certainly does not indicate is

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complacency. Canadians care about their social security programs.

The government realizes it must move ahead with social security reform in a timely and orderly fashion. The budget confirms this point. We know from the excellent budget presented by the Minister of Finance, a budget that is getting higher ratings than "Hockey Night in Canada", that Canadians agree reform of our social security system is moving in the right direction.

We said from the beginning that meaningful social security reform could only take place in the context of a responsible fiscal framework. The budget has given us that framework. The budget clarifies that effective reform of our social security programs is absolutely essential, given that we must operate with limited financial resources. Let me put to rest the unfounded rumours that social security reform is dead. It is anything but dead.

Here is where we are at. We have completed the very successful consultation process. The government is now studying the excellent report of the standing committee. Now that the budget has given us the fiscal parameters within which to operate, the next phase is to carefully develop an overall design.

In other words, it is time for the architecture. The architecture comes before we start rebuilding the programs. It is a logical process. We need to develop a new structure before we abandon the old or the current one. A key part of the process will be consultations between the Minister of Human Resources Development and the provinces. These consultations will seek to establish national principles.

The government believes that Canadians are equal in every part of this great nation. We will strive to ensure that national principles apply to social security programs for all citizens.

Canadians told us that one of the key areas for reform was the unemployment insurance program. Using the input we have received we intend to develop proposals for the UI program that take into account the views of hardworking men and women.

We have already begun to act. Hon. members will recall that the government had enough foresight last year to make provisions that began January 1 of this year. If the government had not acted, UI premiums would have risen to \$3.30. Instead they were reduced to \$3. It is estimated that the payroll tax relief will create or preserve 40,000 jobs. We will be able to put additional savings from UI reform toward improved employment development services.

There is more good news on the reduction of UI premiums. The economy is performing extremely well and we have every reason to believe it will continue to do so. For that reason we expect to reduce premiums again, possibly next year but certain-

ly by 1997. I want to stress, however, that the government has not yet determined the amount of any cut to the premium rate. The figures we read in the press are only forecasting estimates.

We plan to move ahead with UI reform this fall. As the budget clearly stated, we intend to have new UI legislation in effect no later than July 1, 1996. It is true that we are shooting for at least a 10 per cent target reduction in program expenditure. How fast we reach that target will depend upon the continued good health of the economy. It will depend upon program details that UI officials are currently working on.

While reform of the social security system is an ongoing process, we know it will function more effectively and with significantly reduced administrative costs as part of the new Canada social transfer. The popularity of the budget tells me that Canadians are very excited about the innovative possibilities and the flexibility that the provinces will have to address the needs of their particular residents under CST.

(1040)

Again I stress national principles and objectives will be very much a part of the new Canada social transfer. The Minister of Human Resources Development will be inviting all provincial governments to work together on developing a set of shared principles and objectives to provide a solid framework for the new CST. This is one way that all governments can reaffirm their commitment to the social well-being of Canadians.

I think all hon. members will agree that the best form of social security is a well paying, rewarding job. Social security reform is very much a part of the government's job and growth agenda.

With that in mind the Minister of Human Resources Development is bringing together the current programs that support Canadians in preparing for and attaining employment. They will be consolidated into a new human resources investment fund. The fund will pool resources from existing programs to develop a more coherent approach, establish priorities and make use of the best tools available to ensure Canadian workers find stable employment.

The human resources investment fund will take a hard look at the role of the federal government. We will ask ourselves what we should be doing and determine the best way to eliminate overlap and duplication. Streamlining and consolidation will mean some savings in the coming two fiscal years. The result will be that federal employment related programs will make the most efficient use of available resources.

The new programming will recognize clear and distinct roles for the federal government and the provinces. We will co-operate with the provinces to deliver services effectively and at the lowest cost possible to Canadian taxpayers. Together we can

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ensure that Canadians are capable of functioning at a high level in the rapidly expanding global economy.

We all know that today's motion is based on the ill conceived quasi-budget of the Reform Party and that document in turn owed more than a little to the Reform minority report on social security reform which contained proposals that the member proposing today's motion conceded were not thought through very well before they were rushed into print.

I am most concerned by the Reform's so-called proposals. After examining them it is clear to me that these are old knee-jerk ideas that would move us backward, not forward. I cannot see how Reform's proposals would help Canadians find meaningful employment and reduce social ills such as child poverty.

The Reform Party has come up with the catchy title "Taxpayers' Budget". However when Canadian taxpayers get a close look at it they will see that if we adopted it taxpayers are the ones who would be snagged.

First let us look at the subject of today's motion, the registered personal security plan or RPSP. As I understand it, Reform wants to replace UI, OAS, CPP and some health, education and training programs with an individually based savings plan. This means that when sickness or unemployment strike or when they take their retirement, Canadians will be expected to rely on their own means and the risk pooling features of our current social programs would disappear.

Obviously lower income Canadians would be much more adversely affected by the proposal. I can see nothing in it except for the very well off who would have yet another instrument for feathering their nest egg.

Next let us take Reform's proposals for UI. The party suggests cutting \$3.4 billion from the UI program. That is easy to do on paper but the result in real terms would phase out maternity, parental and sickness benefits as well as the fishermen's program. The measure alone would take away maternity benefits from more than 160,000 new mothers, sickness benefits from 150,000 workers who are temporarily unemployed, and badly needed benefits for 30,000 fishermen.

Who will shoulder the burden to help these individuals? Removing regional benefits would affect 1.3 million unemployed workers, which is more than 50 per cent of UI claimants. The Reform Party would slash income support by \$4.5 billion. This blanket insensitive approach would drain billions out of the provincial economies—hardly what I would call a responsible move.

This is not what Canadians want. As I have already outlined the government intends to revitalize its UI program. We need to look carefully at how and why people use unemployment insurance and then make adjustments accordingly. We will not wipe out key social benefits like those for maternity leave.

(1045)

The Reform Party tries to put forward a social conscience with its principle of equality contributions. Its taxpayers' budget states the burden of reduction must fall least heavily on the most vulnerable members of society.

There is no doubt that all hon. members share those sentiments. The trouble is Reform's proposals would have exactly the opposite effect. Instead of helping those most in need, the taxpayers' budget would cut seniors' pensions by \$3 billion. How will this measure help vulnerable seniors meet the cost of living?

Reform also proposes that the government eliminate all regional differentiation. How will this help the poorest regions of the country? It also suggests cutting aboriginal programs by 24 per cent. Someone will have to explain to me how this measure will help our aboriginal brothers and sisters who are quite possibly the neediest group in Canada.

The Reform Party's budget suggests cutting the Canada assistance plan transfer payments by 34 per cent and equalization payments by \$3 billion, a 35 per cent cut. If the government did that I acknowledge it would certainly lessen the burden on federal coffers. Unfortunately it would devastate the poorest regions of the country. It would place the burden of deficit reduction on the most vulnerable members of society. It would contradict Reform's stated philosophy.

Cuts like these would not renew our social security system. They would outright destroy it. Reform's approach to deficit reduction is simply reckless. It is easy to be reckless when one is not in the driver's seat.

What about the proposal to slash \$3 billion from seniors' pensions? The Reform does not provide any details on this proposal maybe because if it had done so it would have had to tell elderly Canadians that more than half of them would see their benefits cut and low income seniors would be among the losers.

The government's approach is to review the needs of seniors into the next century and determine how best to meet those needs. We are not saying there should be no changes. We have never said that. However, a responsible government examines the repercussions of changes before taking action, and that is what we are doing.

Reform wants to replace old age security and the Canada pension plan with an RRSP and registered personal security plan system. The concept has already been tried in the United States. It is called a personal bank account. It actually works very well provided one is fortunate enough to be wealthy. Those less fortunate are out in the cold.

The Liberal Party's policy is for a sound and efficient income system that provides a balance between public pensions and private arrangements. In other words, the government's

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philosophy on retirement combines realism with compassion, something the Reform Party should think about.

The Reform Party should also think its proposals through before presenting them and should come clean on how much impact it would have on the lives of Canadians and the social fabric of this great nation.

The government certainly welcomes constructive suggestions from hon. members on the opposite side of the House. The proposals we see in the Reform Party's taxpayers' budget are so poorly thought out that it simply does not give us anything valid to work with.

The popularity of the budget by the Minister of Finance speaks for itself. Canadians recognize that in order to retain strong, viable social programs we have to find the financial resources to fund them. That is why Canadians support the direction the government is taking. With the Canada social transfer we are entering a new era of social policy that will streamline our social security system and bring us into the 21st century.

As a nation that enjoys one of the highest standards of living, there is no doubt in my mind Canadians reject the simplistic notion embodied in today's motion. They know the government is committed to the renewal of Canada's great legacy of social programs. I am sure they share my belief that the Reform Party is in no position to enact the motion before us today.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I listened with interest to this speech. There were a couple of anomalies within it which we should think about.

(1050)

She indicated this was an old thinking, knee-jerk reaction. To me that is an oxymoron. Knee-jerk is something not thought of before.

The principles we are espousing are based on both experience and thinking. We have found the country did best when there was the least amount of government, when there was less intrusion. To now say we should once again use those principles of self-sufficiency and encourage people to look after themselves and making it possible for them to do that is not knee-jerk. That is good, solid thinking.

The member said Canadians reject this. She said that several times. That is not my experience. I have shared this concept with a number of people for over a year. I am pleased the ideas we had are now coming forward in the House. I have yet to hear a single person indicate anything but enthusiasm for this concept.

With respect to the reduction of old age security benefits, the member made mention that Reform is saying we are going to cut back. I want to make it very clear, I want everyone to know we are forced into this, not by what Reform is doing but what governments over the last 30 years have done. We have run out

of money and the Reform policy is to target the remaining money, as little as there is, to those who have true need.

When we are talking about reducing old age security, we are talking about reducing to those who do not need it because they have an income over the national average.

We would be most honest with Canadians if we were to say the Canada pension plan is at risk because we will not have the money. That is the result of Liberal and Conservatives governments. That has to come to an end.

Ms. Whelan: Mr. Speaker, the hon. member has not heard the Prime Minister mention on several occasions that the taxpayers' budget proposed by the Reform Party has forgotten to take into account that our population is aging. The costs of old age security for our seniors will rise every year. It is not in the Reform budget. Maybe the member should take a look at that part and think it through.

The Reform Party constantly claims over and over again that it represents the people, the interests of Canadians and listens to polls and to Canadians. When 80 per cent of Canadians respond telling us they support public programs for elderly care, does that not send a message to the Reform Party? It should send a message to a party that claims to represent the people. When it hears that 77 per cent support public programs for child care and other programs, does that not send a message? I would think it sends a message.

I would ask the Reform Party to take a look at our budget. Our budget talks about the problems we are going to face. It talks about the fact that we have to deal with old age security and all of our social programs, especially relating to our seniors. The budget has the foresight to deal with that.

Perhaps the Reform Party should actually read the budget.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, our budget does take into account the fact that the population is aging and that our social programs are unsustainable.

The hon. member should realize that in a few short years we will be paying up to 15 per cent of our income into the pension fund alone to meet the expectations of those retiring in a short time.

The member said social security programs are anything but dead. The studies by the Liberal government show the pension plan is in big trouble. There is less than two years of funds in the pension fund for payouts. The liability in this fund is about as great as our national debt, at over \$500 billion. That is the liability in this fund.

(1055)

This does not give Canadians security. It should be immediately obvious to everyone in the House when you have that kind of liability it is not sustainable, the opposite of security.

If individuals had been contributing into a self-managed fund, they would now have more security. The proposal we are putting forward gives the poor people a lot more security than they presently have with the mismanaged pension fund run by the government.

Does the hon. member feel it is worth exploring a means by which we could make a transition from the present unsustainable system to a more secure system that gives individuals more control over their future? Does she not think this concept is worth exploring?

Ms. Whelan: Mr. Speaker, I guess the hon. member was not listening. In the budget the finance minister talked about the fact that we need to review our programs for our seniors.

We have a system in Canada developed by Liberals, a system that met the needs of the 1960s and the 1970s when it was introduced; a system we are trying to up date that will meet the needs of the 1990s and the 21st Century. That is what this Liberal government does and that is what this Liberal government is about. That is what we will do.

The hon. member is not aware, obviously, how programs work in other countries. I am very familiar with how they work. I have an aunt who lives in the United States. I know what happens when you become a senior citizen. I know what happens to programs you have paid into for four years and benefits that are cut off over time. I understand how that system works because I live with that system every day due to a family member who has an illness.

I ask the Reform Party to do a little research into its suggestions before it puts them forward and that it realize what the Liberal government is trying to do.

We recognize things have to change. We started the social security reform and we started the human resources consultations over a year ago. Members on that side took part in them. We are not afraid of that. We are aware of that. We mentioned in the red book that we would deal with the systems and that we would make changes and that is what we are going to do.

The Speaker: It being almost 11 a.m. we will now go to Statements by Members.

STATEMENTS BY MEMBERS

[English]

JEREMY FREIBURGER

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, earlier this week a young man in my riding, while driving at night, was in collision with a trailer portion of a tractor trailer which had turned across the highway. He had no chance to apply the brakes and hit the trailer squarely in front of

the rear wheels. The crash impact squashed the roof of the car flat and it took a crane to free it from underneath the trailer.

Firemen who arrived at the scene did not believe that anyone could have survived. Inside the wreckage, jammed beneath an air bag and squeezed on all sides by twisted metal, 18 year old Jeremy Freiburger still lived. Not only did he still live, but when at last he was cut out of the vehicle by the jaws of life, he was uninjured, save for a few cuts and bruises.

His parents were ecstatic with joy. Let this story remind us that life is precious and miracles do happen.

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[Translation]

ST. PATRICK'S DAY

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, today, March 17, is St. Patrick's Day and we want to share the pride of those hundreds of thousands of Canadians and Quebecers of Irish descent whose ancestors left their country in often difficult circumstances to find a new home among us.

With the intermingling of people over time, many of us now have friends and relatives of Irish origin. Their presence has enriched our lives and our societies.

We salute the invaluable contribution of the Ryans, Lanigans, Regans, O'Reillys, Johnsons, Kirkpatricks, Rowans and many others to the development of Quebec and Canada.

Happy St. Patrick's Day everybody!

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[English]

MULTICULTURALISM

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, in British Columbia we have just completed multicultural week, a week of immersion into the understanding of other cultures, a week of sharing with people of all backgrounds.

Next week on March 21, British Columbia and the rest of Canada will celebrate International Day for the Elimination of Racial Discrimination. On March 21, 1966 in South Africa, a group of people holding a peaceful march were shot at and killed.

[Translation]

March 21 has therefore been designated by the United Nations as International Day for the Elimination of Racial Discrimination. Next week, all Canadians will celebrate that day with special ceremonies, and people of all cultures will meet again to learn from one another.

Today, despite the visibility of human rights at the international level, too many tragedies occur throughout the world and discrimination continues to exist.

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[English]

Let us hope that events like International Day for the Elimination of Racial Discrimination and Multicultural Week will help with the respect of human rights all over the world and bring peace.

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SHIPPING INDUSTRY

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the type of labour management crisis crippling Canada's shipping industry happens all too frequently. This has to be prevented in the future.

This objective can be achieved without labour legislation. The government only has to declare existing railbeds a common carrier accessible to any railroad company. As a result, shippers can switch from the use of struck railroads to others that are still operating.

In addition, the government should remove all restrictions on the use of shipping routes. As a result, if the docks in one city are tied up in a labour dispute, docks in other cities can be used.

Under these conditions, labour disputes in the shipping industry will become extremely rare. The employers and workers know well what the market will bear. Industries hitherto protected from competition by government granted monopolies and regulation are exposed to the healthy winds of competition. They can no longer hold the Canadian public ransom.

I personally urge the Minister of Transport to propose such legislation and deregulation. It can be enacted quickly.

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SMALL BUSINESS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to congratulate the finance minister for a budget that keeps Canadian small businesses competitive.

In my riding of Parry Sound—Muskoka as in the rest of the country, small business ventures are often the key to the economy. This budget encourages small business growth. It encourages job creation. It encourages prosperity.

The recent budget is but one part of our government's strategy of jobs and growth. It is already paying dividends. Let us look at some examples.

First, the value of manufacturing shipments was \$33.1 billion in January, up 25 per cent in just one year. Second, Statistics Canada's index of leading economic indicators, a measure of future economic growth, was up .5 per cent in February. Third, the manufacturing sector in February created over 53,000 new jobs.

We have, as a government, been successful in creating a climate in which small business can create jobs for Canadians. The minister's budget will accelerate—

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[Translation]

AIR CANADA

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, a while ago, Air Canada put ads in major Canadian newspapers, inviting anyone interested in a temporary or permanent position in Toronto to apply.

The ad said that ideally candidates should speak English and French as well as another language such as Japanese, Korean and Mandarin, but that Air Canada would consider applications from individuals who spoke English and one of those other languages.

Bloc members are appalled at Air Canada's move, relegating the French language to a position of secondary importance, as in fact the knowledge of English is the only qualification required for the job.

Let us not forget that, despite privatization, Air Canada remains subject to the Official Languages Act and, therefore, we demand that the provision of the act guaranteeing the respect of the French language be enforced.

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[English]

GUN CONTROL

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, as a member of Parliament for a rural riding in northern Ontario, I am well aware of the great concern being expressed by the legal gun owning community in regions all across Canada.

I have met with over 1,000 constituents on this matter and have received an even greater number of letters and phone calls. We can only conclude from this that we must find the proper balance between rural and urban needs on the issue of crime control through gun control.

I am calling on my colleagues who represent urban ridings to hear the message from rural Canada that the law-abiding gun owning community not be the victims under any new gun laws. Rather, let us become partners in the fight against crime and continue to create together the peaceful and secure country we all want.

I will continue to bring forward the concerns of my constituents. They deserve to be heard.

(1105)

I trust we can all work together to produce common sense firearms measures so that just maybe we can put this issue to rest once and for all. That is the goal I have set for myself as Algoma's MP.

GUN REGISTRY SYSTEM

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, this statement was inspired by Professor Taylor Buckner from Concordia University in his letter to the *Globe and Mail* on January 30.

In 1994 the RCMP reported there were 151 incidents of police being accused of misusing confidential data. Further, the RCMP were unable to stop this misuse. This is the same database in which the justice minister proposes to list all firearms and their owners.

The RCMP admission proves that the gun registry system could be illegally accessed by criminals to quickly identify those homes with guns and those without. If they want to steal guns they will break into a gun owner's home while the owner is away. If they want to steal valuables or just trash a house they will break into the unarmed homes anytime they want.

Gun control makes crime easier for criminals, not harder. Split Bill C-68 and give—

* * *

YUDE HENTELEFF

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I would like to recognize in the House today Mr. Yude Henteleff of Winnipeg who has been selected to receive a citation for citizenship.

Mr. Henteleff's commitment to improving the lives of special needs individuals has significantly enhanced the lives of many in Manitoba.

As past president of the Learning Disabilities Association of Canada, Mr. Henteleff has worked assiduously to ensure that children and adults with disabilities receive the services they require.

Mr. Henteleff's efforts in championing the human rights of the mentally handicapped and promoting the integration of disabled persons in our society are truly admirable and make him more than deserving of the citation for citizenship.

On behalf of all my colleagues, I congratulate this man who is making society better.

[Translation]

Hear, hear, Mr. Henteleff. Well done.

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[English]

ST. PATRICK'S DAY

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, today is March 17, St. Patrick's Day. There are two

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types of people in the world: those who are Irish and those who wish they were.

St. Patrick was famous for driving the snakes out of Ireland. Prime Minister O'Chrétien is famous for driving the Tories out of Ottawa.

Happy St. Patrick's Day from the Irish.

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[Translation]

OFFICIAL RECORD

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, in his ruling concerning the question of privilege raised by the Leader of the Official Opposition, the Speaker of the House of Commons mentioned that he had found troubling anomalies in the transcription of the deputy prime minister's comments.

It is unacceptable for members of this House, and especially the deputy prime minister, to tamper with the transcription of our deliberations in order to change the meaning of their public statements.

This practice is all the more reprehensible—

The Deputy Speaker: Members are not permitted to comment on the Speaker's rulings.

* * *

[English]

THE LATE JILL BROWN

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, today our community mourns the death of a courageous woman.

Jill Brown was honoured in this city as a businesswoman, a fundraiser and contributor to numerous charities, as a city councillor, and as a wife and mother.

Yesterday Jill Brown ended her life as she lived it: spirited, defiant, taking charge, refusing to let the leukaemia that had devastated her for over a year decide the time of her death.

I shared with Jill the privilege of representing the people of Britannia ward on city council. She came to know, love and respect them. They in turn loved and respected her.

I convey to her family, her husband Brian, her children, Shannon, Michael and Chris, our condolences.

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PRIVATE UTILITIES INCOME TAX TRANSFER

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, the Minister of Natural Resources was quoted as saying that Ottawa may not be able to tax crown owned utilities, but she would like to hear ideas on how to put them on level ground with investor owned electricity and natural gas utilities.

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(1110)

I know for a fact that a coalition of privately owned utility companies from across Canada sent this minister a copy of their document entitled: "Equitable Tax Treatment for Utilities in Canada". It represents a fair alternative that would increase the utility costs by less than 1 per cent for all Canadians instead of a 7.5 per cent increase for Albertans and Nova Scotians as proposed in the budget.

If the minister really is serious about fairness she would seriously consider their ideas before she cuts the private utilities income tax transfer. She would also advise the Minister of Finance to commit to doing this when he meets with Calgary's mayor today.

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CANADIAN FEDERATION OF STUDENTS

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, as the member for Ottawa—Vanier I have the honour of representing the University of Ottawa in this House. The students' federation of the university is about to hold a referendum on whether or not the students wish their campus to maintain its membership in the Canadian Federation of Students.

In its eagerness to have the university remain a member, the CFS may have given the students less than completely accurate information to encourage them to vote yes in the referendum. The federation has claimed that it, the CFS, has forced the Liberal government to stop the social security review.

The students of the University of Ottawa and students across the country should know that the social security review is moving forward. That means the government is still committed to finding better ways of working, learning and providing security for those in need of it.

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MOCHOVCE NUCLEAR POWER PLANT

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, the European Bank of Reconstruction and Development is about to make a crucial decision about the financing of the Mochovce nuclear power plant in Slovakia.

Expert sources indicate this nuclear reactor is neither environmentally nor economically viable. Along with its technical flaws and overall concern for safety, the energy output of this nuclear reactor is not necessary to either the current or future needs of the people of Slovakia.

The European parliament, many countries, and all major environmental groups in Europe, the United States and Canada are calling for a delay or cancellation of this nuclear project. Furthermore, more than half the Slovakian population oppose the construction of nuclear power plants.

For Canada to vote in favour of this project would not only waste Canadian tax dollars in a very dangerous energy megaproject but would also subject the people of Slovakia to a huge debt load.

I urge the Government of Canada to vote against this proposal and not waste Canadian tax dollars.

* * *

AGRICULTURE

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, yesterday in the House I asked for clarification from the agriculture minister on exactly who the Crow payment is intended to benefit: landowners or actual farmers. I did not receive an answer to this very basic question. This is extremely frustrating since western Canadian farmers have a number of other questions they would like this government to answer as well.

For example, is the purpose of the \$1.6 billion payout to compensate for losses in land value, or is it meant to be a transition fund for farmers who have lost the Crow benefit but are still shipping grain? What accommodations have been made within the phase out plan for renters and lessors? How will the money be paid to farmers? When can farmers expect to receive the money? Specifically, what measures will be taken to allow the system to become more efficient and to give farmers more flexibility in marketing?

The government must not keep western Canadian farmers in the dark on these issues any longer. Farmers must be able to plan with certainty and recoup some of the losses which will result from these cuts.

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FISHERIES

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, the turbot is a miserable looking little fish. Who in his or her right mind would have ever thought it could have rallied an entire nation and why? Because the latest pillaging of fish stocks by Spanish trawlers has become the straw that has broken the camel's back.

Enough is enough, say Canadians. Canadians right across this country now realize that Newfoundland and Atlantic fishermen and plant workers are the unwitting victims here, not the lazy hangashores they have been portrayed as over the years.

The government of this country has finally done what any government worth its salt should have done years ago when I first raised the matter seven years ago in this House. For that, I thank the Prime Minister for keeping his election promise on this issue. I congratulate my friend and colleague, the Minister of Fisheries and Oceans, for his handling of the issue.

*Oral Questions***PEACEKEEPERS**

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise today to pay tribute to Canada's peacekeepers.

Since 1956 Canada has taken part in almost every United Nations peacekeeping operation. With good reason Canadians are proud of our participation in these forces. Since 1947 more than 90,000 Canadians have participated in peacekeeping missions.

(1115)

As I speak more than 3,000 Canadians are currently deployed somewhere in the world as part of peacekeeping operations. These proud soldiers made up of part time reservists and full time regulars have given Canada a proud name in this sphere.

In the former Yugoslavia alone more than 2,000 Canadians are working in the most strenuous situations and are performing admirably under the strain.

Over the period of three years approximately 300 of the soldiers serving have been reservists. It is Canada's reserves that are demonstrating the ultimate commitment in the battles of patriotism and duty.

I salute the Canadians currently in peacekeeping operations. Canada's great traditions of patience, forbearance and commitment are safe in their hands.

ORAL QUESTION PERIOD

[*Translation*]

CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my question is directed to the government. I do not know to whom it is directed, but someone will surely rise to give an answer.

Yesterday, the Deputy Prime Minister said that to avoid patronage and prevent order in council appointments of friends of the government, the government decided to abolish the Canadian Advisory Council on the Status of Women. That is what she said, although it is rather surprising.

Considering the important role played by the Advisory Council on the Status of Women, would the Deputy Prime Minister or another member of the government not agree that it was not absolutely unnecessary to abolish the council in order to avoid partisan order in council appointments and that the government should simply have opted for another appointment process that would guarantee the arm's length position of the members?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, as part of our effort to have a government that is efficient and effective and very conscious of expense, the government has decided to merge these various programs under the very capable leadership of the Secretary of State for the Status of Women. I think this will turn out to be a very effective use of the necessary resources.

The hon. member is always talking about the need to avoid overlapping and duplication. I am surprised he is not praising this initiative because it is exactly along the lines he is calling for, the avoiding of overlapping and duplication.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I am sure you understand why I will have to repeat my question. As for eliminating duplication, there are whole federal departments we could get rid of, not an advisory council that serves the status of women, but whole departments that duplicate the work done by provincial departments. We have a few suggestions for the government if it needs some help in this area.

Are we to infer from what the Deputy Prime Minister said that the committee appointed by the government to review the CRTC's decision on direct tv broadcasting, consisting of Gordon Ritchie, Roger Tassé and Robert Rabinovitch, is a committee appointed by order in council, thus involving friends of the government who are responsible for reaching a decision where several billion dollars are at stake, a decision that concerns all Canadians?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the hon. member wants to be logical, but where is the logic in his questions when he complains about our merging women's programs and at the same time criticizes duplication and overlap?

Once again, if the hon. member wants to be logical, I would ask him to support our decision, so that women receive the kind of support they need.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, let us get this straight. We referred to a statement by the Deputy Prime Minister in which she said that the Advisory Council on the Status of Women was abolished because it was a hotbed of patronage, because these were order in council appointments, and that the best way to avoid that was to abolish the council. That is what we are talking about.

That being said, since, as the Deputy Prime Minister admitted, order in council appointments are partisan appointments and cabinet still insists on appointing the government's ethics counsellor, would the government not agree that it should change its approach, act on the opposition's request and have the

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ethics counsellor appointed by the House of Commons instead of by order in council?

(1120)

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the hon. member has been opposition House leader for some time now. He should know that is not a supplementary question.

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[Translation]

CANADIAN BROADCASTING CORPORATION

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, my question is for the Minister of Finance. Again yesterday, the Minister of Canadian Heritage stated the following: "Radio-Canada, my source, confirmed that no cuts were announced. I assume this means no staff cuts or layoffs have been decided". However, all the papers announced yesterday that 750 positions would be abolished at Radio-Canada as the result of the cuts imposed by the government.

Can the Minister of Finance confirm that Radio-Canada will face cuts of \$350 million over three years as Vice-President Michèle Fortin reaffirmed on Monday?

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, we know that Radio-Canada's management will be well able to meet this challenge. No one here underestimates the challenges facing the CBC. In the end, Canadians will continue to enjoy the high quality broadcasting the CBC is famous for.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I would like to ask a supplementary question.

Would the Minister of Finance confirm that the government had told the CBC that the cuts for the three coming years would be \$44 million, \$96 million and \$165 million, as Mr. Manera informed us when he resigned? The Minister of Canadian Heritage had refused to confirm those cuts.

[English]

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, the hon. member likes to speculate, and they do not make very good gamblers.

Currently it is up to the CBC to determine the best way to administer its limited resources within the financial realities that exist.

CANADA POST

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, we have trouble right here in Ottawa city; that starts with *t* and it rhymes with *e* and that spells ethics.

All this week the Reform Party has been asking the Prime Minister to direct the ethics counsellor to investigate the Canada Post building contract and the influence of Jose Perez and political officials in the tendering process. The Prime Minister has refused our request on the grounds that these events took place under a previous administration.

How would an investigation of the postal building contract differ from the investigation of the Pearson airport contract which also took place under a previous administration?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the Prime Minister pointed out that the ethics counsellor had been appointed to review complaints about ministers and other order in council appointees and possibly to look into the matter of lobbyists. The matter raised by the hon. member is not something for which the position of ethics counsellor has been created.

I want to say to the hon. member that certainly, as the Prime Minister said, it was something that took place under a previous government. The Minister of Public Works who reports to Parliament for Canada Post is reviewing the situation. I am sure he will have more to say about it when he completes his review.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, irrespective of the minister's answer, a number of serious issues need to be addressed.

Developers need to be assured that Mr. Perez had no unfair advantage. Taxpayers need to be assured that their money is being spent correctly and wisely. Most of all, Canadians need to be assured that either the politicians and bureaucrats did nothing wrong, or if they did do something wrong that they will be exposed.

I have a supplementary question. Will the government's presumed commitment to restoring integrity in the political institutions allow the ethics commissioner to investigate these issues?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the estimates of Canada Post have been tabled before the House and referred to the appropriate parliamentary committee.

I suggest my hon. friend consider that the matter could well be raised when the Canada Post estimates are studied by the appropriate parliamentary committee. If my hon. friend is concerned about a stronger role for committees, he might examine this possibility.

Oral Questions

(1125)

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, integrity is missing; the perception of it is missing. This is not the first time the Reform Party has asked for the ethics counsellor to investigate issues on behalf of Canadians. Every time we get the answer no. It seems the Prime Minister is only willing to unleash his ethics lap dog when it is suitable to the government.

If the government is unwilling to let the ethics counsellor investigate in matters of public contracts, why should Canadians have any trust at all in the ethics counsellor of the lobbyists act?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I think Canadians could ask why they should have any confidence in the kinds of questions asked by the Reform member when the facts are that the ethics counsellor has been appointed to look into matters involving ministers and order in council appointees, and when the Reform Party is not willing to follow up my suggestion that the matter could be explored when Canada Post estimates are being studied by the appropriate parliamentary committee.

Where is their commitment to an effective operation of the House of Commons and its committees?

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*[Translation]***FUNDING FOR CDECS**

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my question is for the Minister of Finance.

The Corporations de développement économique et communautaire de Montréal, or CDECs, are funded by Ottawa, Quebec and municipal governments. While the provincial and municipal governments have committed themselves to funding the corporations for the next three years, the Minister of Human Resources Development will only guarantee funding for six months. After this date, the department will no longer be responsible for funding CDECS.

My question is the following: Are we to understand that, after hitting the economy of Montreal so hard in the last budget, the federal government will also refuse to commit to funding these frontline economic development organizations for more than six months?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I believe that, judging from how much the federal government has contributed to various initiatives in Montreal, it is obvious that it plays a very, very important role and we intend to continue to do so.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, given the critical role that these development corporations play in job creation, will the minister responsible for development in Quebec put an end right now to the uncertainty and reassure the CDECs that the federal government will sign the tripartite agreement already reached between the three parties, and end the uncertainty and sign the agreement?

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, we indicated in our budget that we would review various programs to make them more productive.

We also indicated that we would apply federalism by the book, and spend our money in areas that fall squarely under the federal government's jurisdiction. Furthermore, we have created tens of thousands of jobs in Montreal and Quebec over the past year. We will continue to support policies which brought us such success in Quebec, and in the Montreal region in particular.

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*[English]***CP RAIL**

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, I would like to use an urgent situation in my own riding to outline the impact of the CP Rail strike in many ridings both urban and rural across the country.

Kootenay West—Revelstoke has a pulp mill and a smelter both on the verge of complete shutdown because of the week old rail strike. This will take \$2.6 million a week out of an area of less than 20,000 people. Not only is this financially devastating; it is totally unnecessary.

My question is for the Minister of Labour. How much economic pain and suffering has to be felt by innocent third parties, everyone from factory workers to prairie farmers, before the government takes its inevitable course of action?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I understand that discussions are under way between the parties. I also understand the railway is operating.

The hon. member has quite properly raised a very serious situation. This is a message to the parties that they should get down to business and reach an agreement.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, 7,000 cargo containers are presently trapped at the port of Montreal at a cost of more than \$2 million a day.

Oral Questions

(1130)

Once again business and individuals across the country are being hurt by this situation, some nearly to the point of bankruptcy. Ten days have now passed and the government has done nothing, although it only took them only one day in Vancouver.

Will the Minister of Labour who is an MP from Montreal take action to end this senseless pain and economic hardship?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the Minister of Labour, on behalf of the government, is following the situation very closely.

The hon. member has quite properly raised a serious situation. It is an indication why the parties—I understand they have informal discussions under way—should turn them into full collective bargaining and reach an agreement themselves as quickly as possible, which is what they have done on every occasion since 1975.

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*[Translation]***IMMIGRATION AND REFUGEE BOARD**

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, my question is for the Minister of Citizenship and Immigration, but I guess someone else will answer it. The Minister of Citizenship and Immigration recently appointed Mr. Jean-Guy Fleury as executive director of the Immigration and Refugee Board. In a release confirming that appointment, the minister failed to indicate that, at one time, Mr. Fleury worked for the Canadian Security Intelligence Service.

How does the minister explain the fact that no mention whatsoever was made of Mr. Fleury's managing responsibilities within CSIS when he was appointed to the Immigration and Refugee Board?

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Mr. Fleury is a career public servant. He has worked in the public service for many years and he continues to do so. The Minister of Citizenship and Immigration appointed him to that very important position and I do not see why the hon. member objects to that appointment, given the mandate of the Immigration and Refugee Board.

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, will the minister admit that, through this appointment, he is indirectly doing what his government refused to do directly and which he strongly denounced when he sat in the opposition, namely to link immigration to intelligence and national security issues?

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Mr. Fleury has been a public servant since 1965. He worked in several departments and only spent three years with CSIS.

I can understand that the hon. member sees a connection with security issues. However, Mr. Fleury's record in the public service clearly shows that he is a good public servant and that he will definitely continue to provide quality services.

* * *

*[English]***LAND CLAIM**

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the Six Nations Indian band in Ontario recently filed a legal action against the province of Ontario and the federal government seeking compensation for land, money from land sales, revenue from mineral rights and compound interest on any money owed.

This claim, which relates to all transactions in the province since 1784, is estimated by one of the chiefs to be in the neighbourhood of \$400 billion.

I hope we get one clear answer from the government today. Will the government or someone from the government confirm to the Canadian taxpayer if the federal government has in fact advanced any federal funds in support of this legal action?

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 will take the question under advisement. This is a very specific question where a proper answer is needed. We will get the details for the hon. member and give them to him as soon as they are available.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I would hope in the future we will get a proper answer from the government regarding Indian affairs.

I anticipate we will hear no clear answer. I am surprised that given the magnitude of the lawsuit, being \$400 billion, that someone has not been reached on that side of the House on this question.

(1135)

Can the Reform Party and Canadian taxpayers be assured that a very clear and distinct answer will be given to this question?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Yes, Mr. Speaker.

*Oral Questions**[Translation]***PUBLIC SERVICE**

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the President of the Treasury Board.

After denouncing last week the government's failure to tackle waste in the public service, we must rise again today to denounce the unfairness of the cuts. At this time, 14 per cent of full time jobs in the public service are held by contract employees without job security. These employees are generally young graduates and the majority of them are women.

Does the President of the Treasury Board admit that most of the cuts will affect contract employees and that we are thus sacrificing a new generation of our most dynamic and youngest employees?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, in short, no. We are making the cuts according to the programs and services we have reviewed. They are going to be cut as part of our endeavours to get the deficit down and to cut government expenditures.

It is the positions that are associated with those programs and services that will be cut. Some of them will be long term positions, some will be contractual positions. We will be monitoring the entire situation to make sure that at the end of the day after the cuts are made, we will still have a public service that is able to provide the needs of Canadians in an efficient and effective manner.

[Translation]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, women represent 62 per cent of those full time contract employees who will be affected by the cuts announced by the government. Does the President of the Treasury Board confirm that these downsizing measures will affect mainly women?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I do not believe so. We are going to monitor the situation very carefully.

I have said, that these are positions related to certain programs and services that are going to be cut as a result of budget reduction measures. Treasury Board will be monitoring them to try and ensure that we do not get into a disproportionate situation for any one particular group and that we do maintain a dedicated, professional public services that is able to provide the services Canadians need.

TRADE

Mr. Paul Zed (Fundy—Royal, Lib.): Mr. Speaker, a number of members from all parties and from all regions of Canada have come together to form a sugar caucus to address the issue of restrictions placed on Canadian sugar exports to the United States.

Revenue Canada today announced that it is investigating unfair trading practices of sugar exporters in the United States, Europe and Korea. I am sponsoring legislation to address the problems facing Canadian sugar workers and producers. All members are pleased that the minister has launched this action.

Can the minister explain to the House the basis for the investigation into the dumping and subsidization of sugar imports and the benefits which the sugar producers can expect to receive from this important action?

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, I am pleased to confirm that today the department initiated a dumping and subsidy investigation into imports of sugar from Korea, the European Union and the United States.

This investigation was initiated in response to allegations filed by the Canadian Sugar Institute that sugar imports are being dumped into Canada and that foreign refiners have been receiving government subsidies which allow them to sell at prices which are sometimes below the cost of production.

These alleged practices have reduced profit levels, forced Canadian refiners to reduce prices to unreasonable levels and to lay off workers. Therefore, the department will now investigate the allegations and should they be proven accurate, apply an extra duty which will take away the unfair advantage enjoyed by imports and once again provide a level playing field for Canadian refiners.

* * *

THE BUDGET

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, every December accountants in Canada will have large, extra expenses because the new budget forces all professional income returns to be filed at the same time. Professionals will have to bear this extra cost forever, while the government will have only a one time increase in cash income. By no economic standard is this an efficient tax.

(1140)

Has the minister estimated the efficiency of the new tax measure by comparing the present value of the higher accounting costs with the one-time gain in revenue?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, this is a measure that has received a great deal of support from those affected.

Oral Questions

It has been pointed out to me that the Association of Certified General Accountants, the CGA, has supported the move. The members of this organization are obviously those most immediately affected.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, this is not the message I receive from accountants in my riding.

The legislation affecting the accounting years of proprietary professional business leaves unaffected the freedom of incorporated business to choose their accounting year.

What justification does the minister have for discriminating against unincorporated businesses which will now have to spend thousands of dollars to incorporate if they want to retain flexibility in choosing their taxation year end?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, there is absolutely no discrimination arising from this measure.

We have said that individual Canadians who had the opportunity at one point to avail themselves of a deferral which was not available to other individual Canadians will no longer be able to do so.

We did this on the basis of tax fairness. That is the way it has been received and it is one of the reasons that I am so glad that an august body like the CGA has supported what we have done.

* * *

[Translation]

MONEY LAUNDERING

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the solicitor general. The parliamentary secretary to the solicitor general stated in this House that an investigation was under way to explain the RCMP's lack of co-operation with the Swiss authorities, which resulted in Libertina Rizzuto and Luca Giammarella being set free for lack of evidence in a money laundering case.

Can the Solicitor General give us an update on the investigation announced by his parliamentary secretary, which should shed light on the reasons behind the RCMP's lack of co-operation with the Swiss authorities in the case involving Libertina Rizzuto and Luca Giammarella?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the hon. member is mistaken. There was close co-operation between the RCMP and the Swiss authorities, and I have

been informed that the Swiss authorities are quite satisfied with the support they received from the RCMP.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, must I remind the Solicitor General that the only officer familiar with the Rizzuto and Giammarella case was on holiday when the Swiss authorities were forced to set them free?

How can the Solicitor General explain that the Swiss authorities, who caught these two individuals in the act of laundering money, were forced to set them free because the RCMP did not co-operate? This was mentioned by the Swiss authorities themselves.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, again, the hon. member's comments are wrong. A second report published a few weeks ago in the Montreal newspaper he has quoted set the record straight. The fact is that co-operation between the RCMP and the Swiss authorities is excellent. I am told that the Swiss authorities are fully satisfied with the support they received and are receiving from the RCMP.

* * *

[English]

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, last month a plain clothes policeman appeared at the home of Darrell McKnight near Fredericton with a warrant to seize his Franchi shotgun, banned by order in council effective January 1.

Mr. McKnight's teenaged daughter, home alone, phoned her father and on his instruction surrendered the gun's receiver, the minimum legal requirement. The officer insisted that she produce the rest of the gun and told her that he could tear the house to pieces to find the parts.

Given that when Mr. McKnight arrived with his lawyer, two backup police cars had arrived to deal with this dangerous criminal, can the justice minister understand why gun owners are afraid of setting themselves up for future harassment by registering their guns?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I will not comment on that specific case except to say that I look forward to seeing what the issue is in light of all the facts when fairly stated.

Let me point out that in respect of firearms that were prohibited effective January 1 of this year the federal government is paying compensation to those people from whom we are taking the firearms. That is point number one.

Oral Questions

(1145)

Second, firearms in that category are being prohibited because they are not used for sporting or hunting purposes. These are assault type weapons that have no place in this country.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, the Franchi is a shotgun with a short stock.

The seizures of registered previously legal firearms under Kim Campbell's orders in council have been declared unlawful by Alberta courts. The crown is appealing but the minister has, nevertheless, bulled ahead with more potentially illegal OICs. Why is he not prepared to await the legal outcome to let this run through the courts before confiscating more lawfully owned property from honest citizens who trustingly registered them before the orders were issued?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the case referred to in Alberta is under appeal and the federal government has every confidence that its position will prevail in the appellate court.

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FINANCIAL INSTITUTIONS

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, my question is for the Secretary of State for International Financial Institutions.

Yesterday the secretary of state announced the government is launching a review of financial institutions legislation. Could the secretary of state explain what this review will entail and how can Canadians get involved?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I thank the hon. member for his question.

The Department of Finance did issue a press release yesterday inviting interested parties to comment on the mandated five-year review of the federal financial institutions legislation which comes up in 1997. That includes the Bank Act, the Insurance Companies Act, the Trust and Loan Companies Act and the Co-operative Credit Associations Act. We have asked that submissions be received from the public by June 30, 1995.

This is a separate issue from the regulatory and supervisory package which I presented in a white paper. We are very much looking forward to submissions from the public.

* * *

CANADIAN WHEAT BOARD

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, in response to the decision to eliminate the Crow benefit the Canadian Wheat Board has asked the federal government to give farmers a short term break on freight rates. This raises a couple of questions for the Minister of Finance.

Can farmers expect any regulatory control to prevent freight rate increases on grain after August 1, 1995? Can the minister tell us if the government has done an evaluation of the effect the elimination of the Crow will have on the long term future of the Canadian Wheat Board?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, obviously the changes in the WGTA have a lot of impact on the movement of grain in the west.

The Minister of Agriculture and Agri-Food and the Department of Transport have been looking at all of the alternatives. We have had extensive discussions with all of the shareholders, the producers, the railroads. We are very much aware of the concerns raised by my hon. friend.

I want to assure him and the people who are going to be directly affected by the measures announced in the budget that we will take every step possible to ensure the orderly and affordable transportation of grain in western Canada.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, perhaps to the Minister of Finance this time, can the minister explain why the government's one-time payout for the loss of the Crow is based on an expected reduction in land value and not on the increased costs of shipping grain?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, all of the negotiations surrounding the method of paying that follows from the elimination of the WGTA have taken into account as many concerns as possible.

No final determination has been made with respect to the method of payment. The discussion is ongoing as to how that will be handled. Without exception, throughout these negotiations the government has been acutely aware of the implications for both the owners of the land and those who are actually farming the land. There has to be a determination on what is in the best interests of those two groups.

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[Translation]

GENETIC ENGINEERING

Mr. André Caron (Jonquière, BQ): Mr. Speaker, my question is for the Minister of Health. Last week several European countries took a stand against the marketing of genetic discoveries. Europe is sending a clear message to the biotechnology industry: allowing business to gain control over the gene pool of the human race is out of the question.

(1150)

Does the Minister of Health not think that it is high time the government made its intentions known and tabled a clear policy preventing the sale of human embryos and genetic manipulation for commercial purposes?

Oral Questions

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I maintain direct contact with my provincial counterparts and we intend to put forth a policy on new reproductive technologies.

Mr. André Caron (Jonquière, BQ): Mr. Speaker, does the minister realize that the longer she waits to regulate the activities of certain Canadian businesses, the more difficult it will be to enforce regulations to prevent this commercial activity?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I understand fully and you will understand my frustration, especially when I get a question like this one from the Bloc Québécois, whose members constantly talk about federal and provincial jurisdiction. You know that we must always work in co-operation with our counterparts. That is what we are doing and there is no doubt that something will be done.

* * *

[English]

GUN CONTROL

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, we have been told by a justice official the department is considering linking some private organizations into the proposed gun registration system.

Could the minister verify whether this is true? Is he contemplating providing access to privileged information about private citizens to outside organizations through C-PIC and the gun registration system?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): No, Mr. Speaker. The proposal is to have a registry which will be kept in computer records but which will be part of C-PIC and available only to police.

As secure as the registry system for handguns has been, we have had registration of handguns for decades and there has not once been an instance of anybody breaking into the secure registry system for handguns.

At the moment those who oppose registry are fearmongering, trying to get people to think the registration will result in people getting into private information. That is simply untrue.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, given past conflicting statements by this minister I am not sure how much comfort our citizens are going to take that he is going to be protecting their privacy.

At the age of 17 Kevin Mitnick hacked into the North American air defense command's main computer. Recently he stole computer files which could compromise the security for anyone on the Internet.

With new hackers every day how can the minister guarantee to responsible gun owners that his new registration system will not simply provide a supermarket for criminals looking for guns?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, if we want to spend time in the House looking into the future and conjuring up images that frighten Canadians, I would rather focus on what will happen if we do not have effective gun control.

We will go the way of other countries. We will undermine public safety. We will end up with a gun culture. Canadians do not want that for the future of their country.

* * *

HEALTH

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, my question is for the Minister of Health.

It is widely accepted that in the past medical research and therefore practice and treatment have to some extent failed women.

Some hon. members: Oh, oh.

Ms. Cohen: It seems the testosterone levels are a little high on the other side today. Those members do not take women's health matters seriously. Maybe when they get their guns they will feel better.

Breast cancer, osteoporosis, heart disease and other ailments remain a serious and deadly threat to the women of Canada, although apparently amusing to the Reform Party.

What is this government doing to keep its red book promises to Canadian women to improve their health care?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the government thinks it is absolutely shameful the amount of neglect allowed to occur in terms of focusing on questions of women's health.

When it comes to breast cancer during this past budget exercise we have been able to keep the moneys we have so we can continue to invest in research and other services having to do with women and breast cancer. Not only that, we are looking at reallocating funds so we can do even more.

As to specific red book commitments, I will refer to the centres of excellence on women's health. We are about to launch the process for the site selections for the centres of excellence. These centres of excellence will link together researchers, policymakers, health professionals and women's groups across the country so we can better focus dollars we have.

Some hon. members: Order.

Oral Questions

(1155)

Ms. Marleau: I find it disgraceful that members of the Reform Party would be so lacking in respect for the very serious problems of women's health.

* * *

DEPARTMENT OF NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, it has come to my attention this government plans to spend \$10 million to renovate the dilapidated World War II barracks at CFB Cornwallis for the international peacekeeping centre.

Could the minister of national expense, I should say defence, explain to Canadians why taxpayers must pay for this ridiculous renovation while modern DND facilities are available across the country?

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member knows that a decision was made to establish a centre at Cornwallis. I am unaware of the details as alleged by the hon. member. I will take the question as notice, advise the minister and I am sure he will provide the hon. member with a fully satisfactory explanation next week.

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[Translation]

AIR SAFETY

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, my question is for the Minister of Transport. Part III of Transport Canada's Estimates indicates that steps were taken to implement Transport Safety Board recommendations regarding serious deficiencies in the inspection of commercial aircraft.

How can the minister hope to convince us that his department will be able to carry out more thorough inspections and improve follow-up when \$12 million were cut from the \$82.2 million budget of the departmental unit responsible for these inspections?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, my hon. colleague knows that air safety within Canada and on international flights out of Canada is absolutely essential, and crucial to the success of Air Canada, Canadian Airlines International and other carriers. I am sure that my hon. colleague would not want to raise questions that could cast doubt on the safety of these aircraft.

The main thing to remember in all this is that carriers, pilots, the inspection agency—Transport Canada, in this instance—everyone must do their job. But what was reported, and this is very important, is that the problem may not have been the inspections but the follow-up. In this context, we, at Transport Canada, have undertaken to ensure that, whenever deficiencies are found, they be followed-up much more seriously than in the cases reported by the commission.

[English]

FINANCE

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance.

Increasingly we are hearing the Canadian banks being referred to as international casinos as the global gamblers now using depositor's money are re-entering into a casino like existence.

Can the Minister of Finance tell us what he plans to take to the Halifax conference in terms of ensuring this is on the agenda and when some of the details of that will be made public?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, there is no doubt that first and foremost on the agenda is the reform of the Breton Woods Institutions. In that area of reform will be the whole question of surveillance and transparency involving sovereign nations and also the whole question of capital flows. I suspect what the member is referring to is the problem of derivatives and the consequences thereof.

I have met with the heads of most of the major Canadian financial institutions. In the course of those discussions they assured me we do have the controls to avoid the kind of problems that exist abroad.

We also have a financial culture which would not lend itself, although you can never tell what can happen, to the kinds of problems to which the member referred.

* * *

CUBA

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, my question is for the Secretary of State for Latin America and Africa.

It was reported today that an American congressman suggested Canada defer to U.S. foreign policy on Cuba. He was supporting a bill before Congress that would punish countries that ignore the U.S. embargo.

How will this bill affect Canadian companies doing business in Cuba?

(1200)

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, I am very pleased to respond to my colleague's important question. The United States has draft legislation in place right now which would have a negative effect, especially on the principals and families of some Canadian companies investing in Cuba.

Routine Proceedings

We hope there will be amendments to this legislation before it is pursued in the United States. However, we have made it very clear that Canada will be pursuing and will continue to pursue an independent foreign policy. This is very well respected world wide.

This week we are very pleased to be celebrating 50 years of friendly relations with Cuba and we expect to have many more such years in the future.

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[Translation]

MARINE ATLANTIC

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, for over a year, the official opposition has been asking the Minister of Transport to explain why Marine Atlantic, which is a Crown corporation, had been authorized to operate two of its ships under Bahamian flags, and to correct the situation as quickly as possible.

Can the minister confirm today that all Marine Atlantic ships now fly Canadian flags, and can he tell us what measures were taken to ensure that Canadian government agencies do not operate ships under convenience flags?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, when the issue was raised some months ago, as the hon. member pointed out, we were looking at a situation which, in some cases, had been persisting for quite a long time. We have decided to commercialize Marine Atlantic's operations. In other words, we will sell all the ships.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: Colleagues, may I draw your attention to the presence in the gallery of the Hon. Rigoberto Ochoa Zaragoza, Governor of the State of Nayarit, Mexico, and an accompanying delegation.

Some hon. members: Hear, hear.

The Deputy Speaker: May I also draw to your attention the presence in the gallery of His Worship Al Duerr, the mayor of Calgary.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[English]

SMALL BUSINESS

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, pursuant to Standing Order 109, I am pleased to table, in both official languages, the government's response to the second report of the Standing

Committee on Industry entitled "Taking Care of Small Business".

I am also pleased to table copies of a report entitled "Small Business: A Progress Report" together with the government's response to the report entitled "Breaking Through Barriers" from the private sector.

This is the private small business working committee established by the government in 1994.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 66th report of the Standing Committee on Procedure and House Affairs regarding supplementary estimates (D) for the fiscal year ending March 31, 1995.

The committee considered supplementary estimates (D) referred to the committee as agreed, and report them to the House without any amendment.

Mr. Speaker, I have the honour to present the 67th report of the Standing Committee on Procedure and House Affairs regarding the membership of standing committees.

If the House gives its consent, I intend to move concurrence in the 67th report later this day.

* * *

FARM IMPROVEMENT AND MARKETING COOPERATIVES LOANS ACT

Hon. Douglas Young (for Minister of Agriculture and Agri-Food) moved for leave to introduce Bill C-75, an act to amend the Farm Improvement and Marketing Cooperative Loans Act.

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

* * *

(1205)

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, if the House gives its consent, I move that the 67th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe there is unanimous consent for the following

motion. I move that the following change be made to the membership of the Standing Committee on Procedure and House Affairs: Mr. Pickard for Mrs. Bakopanos.

(Motion agreed to).

* * *

PETITIONS

GUN CONTROL

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Mr. Speaker, I am pleased today to present a petition to the House bearing 904 signatures opposing further gun control.

HUMAN RIGHTS

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Mr. Speaker, I am pleased to present a second petition bearing 550 names opposing amendments to the Criminal Code, the Canadian Human Rights Act or the Charter of Rights and Freedoms to include consideration of same sex relationships.

ASSISTED SUICIDE

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Mr. Speaker, the third petition contains 51 signatures opposing assisted suicide.

INCOME TAX

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Mr. Speaker, the final petition contains 254 signatures from petitioners opposing increased taxes.

I respectfully submit these petitions.

GUN CONTROL

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, pursuant to Standing Order 36, I rise to table four petitions today.

The first petition is signed by 195 people from Surrey and surrounding area and requests that Parliament refuse to accept the justice minister's gun control proposals.

The petitioners feel that this anti-gun legislation will do little, if anything, to reduce the incidence of violent crime and will simply restrict the rights of law-abiding citizens and target shooters.

SEXUAL ORIENTATION

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, the second petition is signed by 25 people from Surrey and surrounding area and 170 people from my riding of Surrey North, requesting that Parliament not pass Bill C-41 with section 718.2, as presently written, because of the undefined phrase of sexual orientation.

These petitioners feel that everyone currently has equal status under the law.

Routine Proceedings

AIRCRAFT MAINTENANCE

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I present a fourth petition signed by 95 people from Surrey and surrounding area. The petitioners pray that Parliament intervene and stop the minister from amending the aircraft maintenance engineering licensing system.

The petitioners feel that the licensing system should be retained in its current form and continue to be monitored as is the current practice.

RIDING MOUNTAIN NATIONAL PARK

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, I have three petitions to present to the House today.

The first petition is signed by 285 of my constituents who live the rural municipality and village of Rosburn.

The petitioners urge the government to take action on the early construction of an all weather road through the west end of the Riding Mountain National Park to connect the communities of Grandview and Rosburn. The hope is that this road will stimulate the stagnating agricultural economy by promoting trade, tourism, social and cultural exchanges.

EUTHANASIA

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, the second petition I present to the House has 58 signatures and is on the subject of euthanasia and assisted suicide.

The petitioners pray that Parliament not repeal or amend section 241 of the Criminal Code of Canada and continue to disallow assisted suicide and euthanasia.

CANADIAN WHEAT BOARD

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, the third petition is signed by 854 agricultural producers from the province of Manitoba that support the Canadian Wheat Board.

The petitioners draw the government's attention to the fact that a very vocal minority are requesting a dual marketing system for wheat and barley for export.

The petitioners therefore request that Parliament continue to give monopoly power to the Canadian Wheat Board for the export of wheat and barley.

SEXUAL ORIENTATION

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is my pleasure to add another 385 names to the hundreds of thousands of other petitioners who have asked that Parliament not pass Bill C-41 with section 718.2 as presently written and not to include the undefined phrase, sexual orientation. The behaviour people engage in does not warrant special consideration in Canadian law.

Routine Proceedings

(1210)

Mr. Speaker, I have another petition where the petitioners call on Parliament to oppose any amendment to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

INCOME TAX

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I have a third petition which is perhaps a little after the fact.

These petitioners pray and request that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal government spending.

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, it is my honour and pleasure pursuant to Standing Order 36 to present a petition signed by 295 of my constituents residing primarily in the villages of Coronach, Fife Lake and Rockglen and the surrounding districts.

These petitioners state that except in police states there is no evidence that the suicidal or criminal misuse of firearms is impeded or restricted by legislation.

They therefore humbly pray that Parliament desist from passing additional restrictive legislation with respect to firearms or ammunition and to direct its attention to the apprehension and punishment of those who criminally misuse firearms or other deadly weapons.

I wholeheartedly concur.

JUSTICE

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I am pleased to present this Melanie Carpenter petition organized by Nick Carter and other staff members from JC-55 SuperCountry Radio station in Kamloops and circulated throughout the Kamloops area, the north and south Thompson valleys and the community of Logan Lake as well as a number of other communities throughout central British Columbia.

This brings to 22,000 the number of names of individuals calling for changes to Canada's justice system and parole system in an effort to make our streets and neighbourhoods safe places in which to live and to raise our families.

Specifically, the petitioners believe that those convicted of dangerous and sexual offences should remain incarcerated until they have successfully undergone treatment and can demonstrate unequivocally that they have been completely rehabilitated.

SEXUAL ORIENTATION

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have two petitions to present.

The first petition contains the signatures of 50 constituents of Simcoe North and calls on Parliament to oppose any amendments to the Canadian Human Rights Act and the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

Mr. Speaker, the second petition calls on Parliament to delete entirely section 718.2 of Bill C-41.

I present these petitions because I believe all my constituents are entitled to express their views. However, I fully support the increased penalties for hate crimes contained in Bill C-41.

I call on the Minister of Justice to bring forward the promised amendments to the Human Rights Act to include sexual orientation as a prohibited grounds for discrimination at the earliest opportunity.

The Deputy Speaker: The member may not have heard the Speaker say earlier this week that he does not wish us to say whether we agree or disagree with the petition.

VIOLENCE

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, these petitioners believe that violence and abuse in all forms is a growing concern in our society.

They also believe that these are not necessary in order to inform or to entertain. They are particularly concerned about abuse and violence in various forms that appear in the media.

They ask the government to ensure that the CRTC regulate this and remove it if at all possible or certainly diminish it. They also believe that violence is counter to the values they try to instill in their families. They do, however, point out that there have been some gains. They appreciate the efforts that have been made to date.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 107, 125 and 151.

[Text]

Question No. 107—**Mr. Breitkreuz (Yorkton—Melville):**

What is the estimated economic impact in Canada of the firearms and related industries, with attention to manufacturing, sales and repair, international trade, hunting, sports, recreation, tourism and associated activities and what is the impact that previous and proposed gun control measures have had and will have on the firearms and related industries?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): The firearms industry is substantial, especially when one considers related industries such as hunting. For example, the Canadian Wildlife Service (Environment Canada) reported that in the year 1991 over 1.2 billion dollars were spent by Canadians and Americans on hunting in Canada.

Firearms control is designed to be cost neutral. The measures introduced continue to respect the legitimate uses of firearms for sporting and recreational purposes.

Stricter firearm control measures are essential to public health and safety, and one cannot put a price tag on the prevention of violence and the added security felt by Canadians.

Question No. 125—**Mr. White (North Vancouver):**

What legal or constitutional authority provided to Native Band Councils prohibits non-Natives residing on Native lands from exercising their franchise in the election of local Band Council representatives?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Subsection 91(24) of the *Constitution Act, 1867* establishes the authority of Parliament to make laws regarding Indians and lands reserved for Indians.

The *Indian Act* provides that the election for the chief and council of a band can be held under one of two authorities. One, the *Indian Act* and the Indian Band Election Regulations: If the chief and council are elected under the *Indian Act* and the regulations, all voters must be both band members and ordinarily resident on the particular reserve (section 77(1)).

Two, the custom of the individual band: If the chief and council are elected/selected according to the custom of the band, the qualifications for the voters are set by the band, and the band has the sole authority to do this.

Question No. 151—**Mr. Caccia:**

In light of the recent derailment of tanker cars carrying sulphuric acid which spilled into Lake Masketsi and the Tawachiche River, does Transport Canada intend to undertake an investigation to identify and correct factors which could lead to future derailments of tanker cars carrying toxic substances?

Hon. Douglas Young (Minister of Transport, Lib.): The Transportation Safety Board, TSB, an independent agency which operates under its own act of Parliament and reports to Parliament through the President of the Privy Council, is conducting an investigation of the circumstances of the accident. The TSB will issue a public report once its investigation is completed. Any recommendations made by the TSB will be acted upon by Transport Canada should any factors be identified which could lead to further derailments and subsequent leakage of tank cars carrying toxic substances.

In the interim, Transport Canada's transport of dangerous goods directorate is reviewing the design standards of the

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particular tank cars involved in the derailment to assess the possibility of enhancing their safety performance.

[English]

* * *

(1215)

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Hermanson: Mr. Speaker, I believe there would be unanimous consent to support an order for return of question 131.

The Deputy Speaker: Did the parliamentary secretary ask that earlier this day?

Mr. Milliken: No, Mr. Speaker, I asked earlier this week and unanimous consent was refused.

[Translation]

Mr. Speaker, if Question No. 131 could be made an order for return, that return would be tabled immediately.

The Deputy Speaker: Under the circumstances, does the House give unanimous consent for the request?

Some hon. members: Agreed.

[Text]

Question No. 131—**Mr. Gilmour**

What was the total dollar amount (direct and indirect) and source of government funding per annum from 1990 to the present to the following interest groups: Western Canada Wilderness Committee, Sierra Club of Western Canada, Greenpeace, the CANI-Clayoquot Project, the Environmental Youth Alliance, and the Clayoquot Biosphere Project?

(Return tabled.)

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—SOCIAL PROGRAMS

The House resumed consideration of the motion.

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to participate in the debate on the Reform Party motion, which proposes to replace Canada's current social security system with a registered personal security plan.

From the outset, the wording of the motion reflects its underlying philosophy or principles. The Reform Party wants to replace a social security system with a personal security plan. A

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social security system is a plan designed to look after the needs of the poor, so that they have the minimum required to live in adequate conditions. On the other hand, a personal security plan concerns a single individual, namely its beneficiary. Such a system has no social dimension: it only concerns the individual.

The underlying principle of that proposal is obviously the prevailing ideology within certain groups promoting a free market, the law of the jungle and the "every man for himself" philosophy. This is not the principle which guided the building, in Quebec and in Canada, of the current social, economic and even political structures.

This morning, I listened to the hon. member for Calgary North, who mentioned some countries which had set up plans somewhat similar to the one she is proposing. She referred to the United Kingdom under Mrs. Thatcher and Chili under General Pinochet.

I do not think these examples would be acceptable to people who have any social conscience at all. The British experience under Mrs. Thatcher, for the past fifteen years or so, was not a particularly happy one. If we compare that experience with the option chosen by France which has taken a different approach to managing and funding social programs, we realize that people in the U.K. are not better off financially than people in France, at present.

As for Chili under General Pinochet, we need only consider what happened during that period and what this every man for himself, this free market ideology produced. It produced torture, deregulation and anti-union behaviour and made the poor even poorer. I do not think people would welcome that kind of system in Canada, especially since we recently had another example of a government that applied this ideology.

Which country was mentioned in glowing terms by the International Monetary Fund? Which country was, in recent years, applauded for its privatization model? Which country was cited as an example for its cuts in social programs? It was Mexico. And look at where Mexico is today. This is a country that wanted to implement a foreign ideology, a country that took steps that had a disastrous impact, first on the poorest in Mexican society and later on the entire Mexican economy.

We cannot disrupt people's lives for ideological reasons, and we cannot apply half-baked theories developed by academics in their ivory towers. We cannot just go ahead and blindly apply these ideologies to advanced societies like ours.

(1220)

Clearly, I do not support the motion presented by the Reform Party. I intend to analyse it, however, because there are some aspects that must be condemned outright and that are downright shocking.

First of all, the motion proposes to reform existing social programs which are said to be failing, an expression that has a certain currency among certain groups. Who says social programs are failing? The people who do not need them.

Why do we have social programs in Quebec, in Canada, in the western world? Workers and the least well-off have always sought protection against poverty resulting from sickness, unemployment and old age. Often, when people can no longer work because of age they are poor if they had only their job as a source of income.

Western society, has always, and particularly in the past 20 to 30 years, sought protection against the poverty resulting from these scourges. I think they have clearly succeeded. We have health care programs to help the sick, unemployment insurance programs to support those who have lost their jobs and old age security programs to provide a decent standard of living to seniors who have worked all their lives.

I do not know how we can claim these programs are ineffective. I think Canadians and Quebecers know what is involved; they want to keep their social programs. I have two personal examples for you that will confirm what I am saying.

When the Minister of Human Resources Development tabled his proposed social reforms, I called a meeting in my riding for anyone interested in the subject. Some 200 people showed up—people from community groups, the unemployed, union people—These people made it clear to me that we had to protect the social programs we enjoy in Canada today. We might have to change them a bit, but the conclusion was that they had to be protected.

My second example is the petition given me by the movement known as Solidarité populaire, Saguenay—Lac—Saint—Jean. This petition contains nearly 11,000 names requesting the minister to keep the social security safety net in Quebec and Canada.

In the light of such a showing, I can only support those who elected me, particularly because I share their beliefs, and insist that the government maintain the social programs we currently have in Canada, adjusting them as necessary to suit circumstances and to improve their effectiveness.

We hear a lot about the cost of social programs. Of course, unemployment insurance, old age security and health insurance cost money. To some extent, we can surely limit expenditures. We need think only of the duplication of federal and provincial initiatives, which we could stop.

We could also consider cutting expenses by adapting certain programs to reduce their costs and so that the people running them give greater thought to costs. Given the effects of these programs in social terms, I do not think that current costs are exorbitant.

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The problem with these issues of cost is the lack of fiscal resources. Why are we lacking fiscal resources in Canada? Because our policies on employment are ineffective.

(1225)

Certain circles, especially people from the Reform Party, have the following to say about employment policies: "We do not need to have a policy on employment, because jobs are created by the private sector". This point of view is slowly winning over some of our friends opposite, from the Liberal Party. What a pity. Although it is true that business creates jobs, in advanced societies like ours, the government should blaze the trail and take job creation initiatives whenever there is a need.

I am not suggesting that we introduce initiatives based uniquely on a certain ideological or theoretical framework. We must look at the needs of the population and make sure that they are met, to the extent that this is possible.

I would like to move on to a more thorough critique of the Reform Party proposal, as regards a personalized system. The concept of universality would be thrown out. People who have contributed to a plan would be able to use it, and people who have not made contributions, well, who knows what would happen to them. The principle of universality is important, because it acknowledges a citizen's right to receive services by virtue of being a citizen, and, if all citizens have equal rights, they should all have access to many different kinds of services, like health care, education, social security and old age security, just because they are citizens.

Of course, those who are better off may possibly, through various means such as taxation, be required to pay back the benefits that they receive, but it still remains true, I think, that in a society, it is important that citizens collectively have the right to certain services, by the simple fact that they are citizens.

Under the personalized system proposed by the Reform Party, everybody would contribute to the plan, everybody would invest money in a fund in order to pay for their own eventual social needs. But, what happens to people who, for one reason or another, do not contribute to the plan? What happens to people who are unemployed, who cannot afford to make contributions? The chronically ill? People whose lack of training prevents them from being part of the active population? What would we do about them? Would we create a dual social security system?

And if we did, how would the people who have to contribute to a personalized plan feel? They will say: "We are already paying, so why should we pay for others?" In that case, will we let the poor pay for the poor? We can already see where a proposal like this one would take us. It would take us to a two-tier society with rich people living well and poor people starving. Quebecers and Canadians alike condemn that kind of society.

The proposal refers to tax-sheltered savings accounts. This means that the personalized system will be tax-deductible in a way. In other words, the Reform Party is saying "every man for himself", except that the state will have to give tax deductions to those who contribute funds to this system. I think that this is a covert way of making the state pay. It is all very well to say: "Yes, people will invest, take themselves in hand, put money aside—"

I heard our Reform colleague explain to us this morning that if you invest so much per year, you end up with a fortune after 15 or 20 years. This reminds me of the financial advisors who visit people in their homes and tell them: "If you deposit \$500 every six months or \$1,000 a year, with interest rates, you will become a millionaire". After he leaves, you see yourself as a millionaire, but you are not one penny richer.

While we are on the subject, our Reform colleague said this morning while explaining her system's benefits: "Assuming that a person invest so much as such-and-such an interest rate and that this person is never sick or unemployed, he or she will be a millionaire in 30 or 40 years". Such assumptions do not feed the poor, care for the sick or provide our old people with the support they need.

As for tax-deductible RRSPs, you may think, Mr. Speaker, that I am against RRSPs in principle, but that is definitely not the case, neither for me nor for my party.

(1230)

In fact, in prebudget debates, we spoke in support of not taxing RRSPs, in spite of the fact this currently deprives the Canadian government of \$15 billion in revenues, because we think it is not fair to change the rules of the game along the way, after a contract was signed or a tacit agreement has been reached by the government and citizens who invest in RRSPs. It had been agreed that these benefits would not be subject to tax.

As a party, we are not against RRSPs. We do not want RRSPs to become taxable, but at the same time we cannot understand why one would want to apply the RRSP formula to everyone in our society.

I see that I am running out of time, but I would just like to address one issue that our colleague raised this morning. What happens to those who invest in RRSPs if something goes wrong with the economy, if banks go under, if bad investments are made, if our currency is devalued, if the interest rates go down, if there is an economic crisis? I could go on and read you the entire Apocalypse. Many things can happen that will cause funds invested in RRSPs vanish. You could then come up to us and say: "Well, I am poor now. You must help me". If the Reform Party members were in power, here is what they would tell you: "Look here, sir, you made investments and you lost money. You are a loser and losers have no right to ask the society for help. When you lose money, you lose money, and you shut up".

Supply

Basically, the Reform Party's proposal is for the rich, the healthy and the educated.

The other problem with this proposal is this: these funds can and should be drawn only in an emergency. The proposed plan would replace the Unemployment Insurance Plan, the manpower training programs and the pension plans.

What happens when an individual has the misfortune to become unemployed repeatedly over the course of several years, if he has the misfortune to be ill and therefore unable to contribute to his pension plan? What happens if that he drains his personal registered savings plan and ends up with nothing to fall back on.

I think that the Reform Party's proposal takes a rather simplistic view of society and public finance. They are telling us that the public finance problem would be resolved if there were no public expenditures, which is rather simplistic, since it is so obvious. Except that public spending exists precisely because there is a public, a population, whose needs must be taken into account by politicians.

Solutions such as the one proposed by the Reform Party may seem attractive to someone watching us on television, while relaxing in the living room. However, such solutions are not acceptable to the needy.

In conclusion, since my time is running out, when faced with proposals such as this one from the Reform Party, we must remind our fellow citizens and politicians what social solidarity, society and community living are all about. Nowadays, these realities are too often forgotten. We hear about personal success, free market and registered personal security plan. This is a self-centred philosophy. I will not make a long speech about sacrificing everything, including ourselves, to help others, but we live in a society and we have a responsibility toward social solidarity.

I invite Reform members to reflect on life in a society and to realize that we do not live only for ourselves but also for others, who also live for us. This is how we can all function in a society. And this is what we hope to preserve for a long time to come in Canada and in Quebec.

(1235)

[English]

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I listened carefully to what my colleague from the Bloc Québécois had to say. He asked several questions which I think should be answered immediately.

He asked who is saying social programs are inefficient. The Auditor General has said social programs are inefficient. I want to give the member some quotations from the Auditor General's 1994 report in which he says rising social program use and high repeated use suggests that social programs may be creating long term dependency among some users.

The Auditor General also says these social programs create disincentives to work when benefits from social programs compare favourably to earnings from jobs. He goes on to say employers and employees may be using unemployment insurance to support short term layoff strategies.

Another point the Auditor General makes is that interaction among social programs may result in programs working at cross purposes to each other. One of the other things he says is unemployment insurance may be a factor in Canada's rising level of unemployment and the lower level of outputs that result.

The Auditor General has said we need to take a closer look at this.

My colleague then said this is an idea that rich people and Reform MPs have thought up. My colleague seems to think these are just our ideas. I do not think he has any idea of how the Reform Party works and how we arrive at our policies and principles. The very principles and policies we are discussing here today as Reformers have been brought to us by the poor people of Canada as an alternative to protect them.

I would like to point out to my colleague how a grass roots party works. The idea we are debating today started with our members, not with our leader and not with a group of academics working on some government funded ministerial task force of some kind. Some of the best ideas that come forward come from the grassroots people, not from some top down, antiquated, political, bureaucratic system of some sort. The member should listen very carefully because these are not ideas that we have hatched in the back rooms of some office.

I cannot understand where my colleague from the Bloc is coming from. For a party that wants the provinces to have more control, I do not believe he would argue with what we are discussing today. He is supporting more federally run, big, social programs. We are saying they should be decentralized even to the point where local associations and individuals would have more control over their affairs.

One of the advantages of an RPSP is that there would be a lot less involvement of this big government in our lives. Taxes could be substantially reduced as individuals, local associations and charities would assume more responsibility for their lives in the communities. I believe this knew social order he alluded to

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would have a positive effect even on reducing crime. He should take a closer look at what we are suggesting.

I do not have a lot of time today to go into this, but there are other areas, such as higher education, where we could look at this concept. I will give a personal illustration. I have four children. I did not feel that when it was time for them to go to university or whatever institution they chose that I would have the wherewithal to send them there. Therefore, I laid a little bit aside every month when they were young. It was not very much. It was equivalent to the family allowance given by the government at that time.

(1240)

That small amount of money has grown to the point where now that they attend university, this RRSP type of saving pays for almost half of their education. The hon. member may not know, but I do not come from a wealthy background.

The plan could be applied in so many areas. Poor people could actually provide for their children and provide more security for themselves.

This country is in need of a major overhaul. The very idea the member suggests is unacceptable. Our country is not defined by our social programs, as many members are suggesting. I do not think Canadians can relate to the concept that we are Canadians and what makes us different from other countries in the world are the social programs we have.

It is individual initiative, responsibility, sharing and co-operation. It is the charities we set up. It is caring for our neighbours and our communities. It is the freedom, the strong families and values we have established, the personal assistance we give to each other, not some great social program. That is what has built up this country.

Thirty years of Liberal social engineering took away the personal responsibility. The very fabric of our society is being destroyed and the morale of the people is being broken.

I would like the hon. member to comment on what I have said. Does he not agree the government has failed miserably in running social programs? If he does not agree with our suggestion, what better suggestion does he have?

[*Translation*]

Mr. Caron: Mr. Speaker, I would like to make a few quick comments on what my colleague just said.

Regarding the auditor general, I recall getting the impression from his report that he blamed Mr. Axworthy, to a certain extent, for proceeding with social program reform before thoroughly analyzing the efficiency of Canada's existing programs.

I do not think that we can determine with any precision whether our social programs are efficient based on what the auditor general says. The auditor general has asked the government to review the situation.

My second comment is about what my colleague from the Reform Party said when he claimed that his party's proposals are grass roots proposals. My proposals and the ideas I shared with you earlier also came from the people. I told you that I met with some constituents. I told you that people from Saguenay—Lac-Saint-Jean asked me to give Mr. Axworthy a petition which 11,000 people signed. Therefore, I can also safely say that my ideas come from the people. I think that people want to keep the social network or social net, which we all have in common.

Now, regarding the opinion expressed that I should be happy to see social programs disappear because I am a sovereignist and because most of these programs are federal, and their disappearance could very well be politically opportune, simply because they are federal, this is not how the Bloc Québécois sees it. Yes, indeed, we believe that the federal government should leave social programs to the provinces, because social programs do not lie within federal jurisdiction. What we are asking for is a system where the provinces would administer social programs in exchange for tax points corresponding to the cost of administering them.

I think that federalists, like my colleague from the Reform Party, should be more careful when they talk about the importance of social programs, because some Quebecers say that the railway and social programs are what Canada means to them. The railway is being dismantled and so are social programs. Therefore, in the opinion of many people, Canada is also crumbling.

Regarding the question I was asked about social program reform, I agree that the government ought to determine whether each social program meets the end it was designed for. I do admit that, in certain cases, it would be appropriate to adapt the program, and in others, to restrict them because they do not really meet any needs.

(1245)

In my opinion, Canada must continue to invest in social programs because Quebecers and Canadians are very proud that the neediest people in our society can still live in dignity.

The solution lies in job creation, which will ensure that more Quebecers and Canadians are contributing money to the government. This is how we will be able to sustain the social programs which make us so proud and which make us the envy of many countries of the world.

*Supply**[English]*

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, it gives me pleasure to address the issue before the House today.

It is clear to everyone but I suppose the Liberal government that 30 years of social engineering have failed miserably. The main reason social programs have become unaffordable and unsustainable is that they create greater and greater dependency on social programs. No matter how these programs are designed, the end result would always be the same. More and more people use the system and eventually it becomes unsustainable because the government can no longer afford to pay the huge sums of money needed to satisfy everyone's so-called needs.

This is why half the people on welfare today are described as employable. This is why our unemployment insurance program actually creates unemployment. Economists call this moral hazard and people in Saskatchewan call it plain stupid. This is something that must be addressed in the debate. The debt and the deficit seem to be issues that people do not even consider in the comments they are making in regard to this matter.

The Department of Human Resources Development issued a report in January 1994 which provided an even more damning indictment of the negative effect of the unemployment insurance program. I want to address most of my remarks to the unemployment insurance aspect.

The report examined over a dozen existing studies which concluded that the changes made to the Unemployment Insurance Act in 1971–72 resulted in an increase in the unemployment rate in the range of 1 to 1.5 percentage points. That is how much unemployment was raised because of the change. The report also noted two unpublished papers that produced estimates showing that the UI rate was as much as 3.5 percentage points higher than it should be. That is very serious.

Using the range of estimates provided in the government's report, it means that instead of the current unemployment rate of 9.7 per cent it should be somewhere between 9.2 per cent and 6.2 per cent. That is a huge difference.

The UI program is so poorly designed that somewhere between 64,000 and 448,000 workers are unemployed because of it. It has not helped that we have suffered through 30 years of incompetent government and a lack of leadership has brought us to where we are today: on the brink of bankruptcy. Now we have 44 per cent of the people in Canada doubting whether they will ever receive old age pension and 42 per cent doubting whether they will receive their Canada pension even though they have paid into it with their own contributions.

The government's incompetence in dealing once and for all with the annual deficit by balancing the books is directly responsible for the deteriorating lack of confidence in our social security system. Instead of adding to our personal security, the approach of the Liberals to social programs is adding to our insecurity. They think if they just tamper with them a bit—and my hon. colleague from the Bloc suggested that we should tinker with them—they can make them better.

We have tinkered for 30 years and now we are on the brink of bankruptcy. Not only have the Liberal social engineering experiments failed us fiscally and economically but they have also failed us socially. The number of single mothers is increasing dramatically, not because teenagers are not smarter than they were when I was young but because many provincial welfare programs will pay welfare to teenagers who leave home just because they have had a disagreement with their parents. It is clear to everyone except politicians that social programs are also destroying families.

(1250)

Today I want to look specifically at how the registered personal security plan system we are putting forth might be used to improve the current unemployment insurance program. The Reform Party's policy with respect to unemployment insurance has been developed and approved by Reform Party members at a number of assemblies since 1988. Reformers believe the program should be returned to its proper role as a true insurance program to cover periods of short term unemployment and that it should be administered by the employees and employers who pay the premiums, not by some big government in Ottawa.

At our membership assembly held in Ottawa last October Reform delegates, the supreme governing body of our party, voted almost unanimously in favour of the following resolution:

Resolved that the Reform Party investigate the feasibility of replacing the compulsory, government operated, privately funded, taxpayer subsidized Unemployment Insurance Program with a voluntary, personally financed, privately administered, government regulated Registered Unemployment Savings Plan.

That is what we are bringing forward today as a suggestion that should be explored by the government.

Reformers are not alone in thinking that the RPSP concept might have applications beyond savings for our retirement. This is what the Canadian Institute of Actuaries had to say about the possibility of expanding the use of RPSPs to replace the existing UI program in its submission to the human resources development committee:

A well designed Unemployment Insurance Program would be one which would encourage and reward attachment to the workforce. A capital accumulation program would fulfil this role, as this type of plan could be set up to deposit employer and worker contributions into a registered unemployment savings trust account. This account would be tax sheltered and invested at the sole discretion of

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the worker, similar to a group RRSP arrangement. This program would be compulsory for all workers and would replace the existing UI program. This could be co-ordinated with CPP/QPP to enhance retirement security.

While the Canadian Institute of Actuaries is saying contributions would be compulsory, Reformers have still not made a decision on whether the program should be compulsory or voluntary. The Reform Party is still investigating this concept and it will be a number of months before we will be able to make a final recommendation to our members.

The winning proposal selected in the Fraser Institute's 1992 economy and government competition estimated that replacing the current unemployment insurance program with the RPSP type program could save governments over \$5 billion a year. The proposal also estimated the greatest positive impact came from replacing the disincentives to become hooked on UI with real incentives to work.

Another huge benefit described was the increased economic activity and job creation that resulted from having about \$12 billion a year left in the hands of workers and employers instead of being sent to government to be wasted by spendthrift ministers and bungling bureaucrats.

Many other benefits were noted in the study including a \$1 billion saving in government administration costs, a reduction in paper burden and red tape for employers and employees, more money in private hands for training and upgrading, and ending the duplication of effort between UI and provincial welfare programs. Surely everyone would realize that and support our proposal on that basis alone.

Based on our initial research and the positive reaction to the idea of RPSPs by economists, business leaders, the general public and even the media, Reformers believe the idea is one whose time has come. Reformers invite the government to support our motion. Work with us to help complete our investigation of the feasibility and application of the RPSP concept. We want to work together with government members. They said they were going to co-operate. This is one aspect where we can.

Reformers will initiate extensive research effort in the next few months. We will use this background information to launch a far reaching consultative process to get public input. The concept will become part of the Reform Party's policy development process and will lead to discussion and debate in hundreds of constituency associations across Canada, culminating in a vote and a decision at our next membership assembly. If approved by our members the concept will form part of the Reform Party's election platform for the next general election. Reform will campaign using the RPSP concept, and if elected Reform will have the mandate to implement the changes we propose.

(1255)

The Liberal approach is the reason many Canadians become cynical with traditional parties and old line politicians. They never say what they are really going to do and they never really do what they say. The Liberals are masters of old style politics more than anything else. Reformers came here to change the democratic system.

Voters under a Reform government would have real power as a result of democratic reforms which would include citizen initiated legislation, free votes for MPs, referendums, MP recall and a triple-E senate.

Reformers know the government started out to solve the problem but now government itself has become the problem. My goal as a Reform MP is to get the government off the backs of people and out of their pockets. The registered personal security plan is one that will help us achieve that goal.

That completes my presentation as I am willing to split my time with my colleague.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I listened carefully to the hon. member's comments. I want to ask him about an issue to which I alluded during my speech. What happens to those who make bad investments? What happens when interest rates get too low? What happens when banks go bankrupt? It may sound a bit ridiculous that a bank could go bankrupt, but it has happened in western Canada. It almost happened with the old Barings bank, in England, which experienced serious problems following some unfortunate investments by one of its managers. What happens if the tax-exempt money put in safe banking institutions does not grow? What happens if, after 10, 15 or 20 years, the personal security plan is ruined by some crisis?

[*English*]

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, the question could be put to people who put their savings away today. What happens to savings in a bank today if the bank goes broke? I think the hon. member realizes that banks have insurance, that those funds are insured. The system would virtually be no different.

I would like to turn it around. What is ensuring Canadians today with all the deposits they have made to the Canada pension plan that they will get anything? It has been administered by a government that has run the fund virtually into the red. It is over \$500 billion in the hole. The liabilities in the Canada pension plan are over \$500 billion. That is of a far greater concern than possibly some bank that may go under.

The government can regulate this kind of thing. We are putting the suggestion out there. It is something that can be explored by Reformers and the government.

Supply

A much more serious problem is being overlooked, the fact that the government will not meet the commitment it made to senior citizens. Years down the road it will be unable to fulfil its commitment.

Interest at the present time is eating into our social programs to the point where it will not be very long that we will be paying more interest—and it may be at that point already—than we will be getting back in social programs. This is how critical it has become. This is why we need to look at alternatives and this is one alternative that should be seriously considered.

(1300)

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the introduction of the current Canada pension plan was preceded by an intense discussion over the merit of fully funded rather than a pay as you go social security system

Under the fully funded system Canadians would have paid taxes to the government which would have been forced to make private market investments with the money. The system could never have gone bankrupt and would have increased enormously the amount of savings in the economy and therefore the rate of investment in economic growth.

However, such a funded system would have resulted in unpredictable retirement benefits since the earnings of the funds would have been uncertain. In addition it would have resulted in high costs of portfolio management and a serious concentration of financial powers in the hands of the managers of a very large amount of money.

The Government of Canada decided to adopt a pay as you go system under which continuously a currently working generation is taxed to pay for the pensions of the retired generation. This approach fit well into the political climate of the time when private markets were distrusted deeply and governments could do no wrong. The system also had political advantages. The population was growing rapidly and was expected to continue to do so.

As a result, the tax burden on the relatively large number of working age people was and always would be low to provide the pensions for the relatively small number of those retired. In addition, the government could set guaranteed pension benefits and cover any unexpectedly high costs by raising government taxation rates.

Sophisticated economic and actuarial models showed that in a world of constant population income there would be perfect intergenerational equity as all working contributors to the scheme would receive in return exactly the same amount they contributed.

The Canadian pay as you go system is now in some trouble because the predicted population growth did not take place.

Using reasonable assumptions, the unfunded liabilities of the Canada and Quebec pension plans have a present value of \$750 billion. In other words, the amount that is promised to be paid out is smaller than the amount to be taxed under current rates. If we sum all of those future deficiency of payments we will come to a discounted value of \$750 billion, about the same as the value of our current debt that is so hotly disputed all the time.

In the early part of our next century the working generation may have to pay as much as 15 per cent of its come to pensioners. Other disadvantages of the present system are that it has lowered the private rate of savings and investment in economic growth. Public opinion surveys show that Canadians have become skeptical about their ability to receive promised benefits when they are retired. The ideals of the system for a population free of worries about retirement finances clearly has not been realized.

With this empirical information about the shortcomings of the present system available now, the Reform Party believes it is time to replace it with a fully funded, what we call private security system. Canadians will continue to make mandatory contributions to their retirement savings just like under the present system, with some money coming from their pay and matching funds from employers. These contributions are deducted from income before taxes are calculated. There would be reasonable maximum contributions to prevent use of the instrument for massive deferral by high income earners.

The biggest difference from the current system is every Canadian would have the option to pay these funds to a private trust administered by approved financial institutions, much like they can now under the registered retirement savings plans.

All income and capital gains earned in the private system investments are also sheltered from income taxes. As a result, the average Canadian worker who contributes to such a scheme during their full lifetime may be expected to have accumulated a surprisingly large sum. This is possible in spite of seemingly small annual contributions they are used to now. The power of compound interest working on a tax free income works wonders.

(1305)

Rough calculations show that persons now 65 who started to work at age 20 and enjoyed average wages and returns on their investments would be the proud owners of a nest egg greater than \$1 million today.

The individual Canadian would own this money and all rights to it. Access to it would no longer be subject to the whims of Parliament and other generations. However, because the fund was built with deferred tax obligations provisions have to be made that taxes are paid at some point on the assets.

Supply

For this purpose the owners have the same three basic options that exist under the present RRSP system. The entire fund can be turned into an annuity at age 71, permitting the payment of taxes during the remaining years at the relatively low rates applicable to the annual annuity.

Alternatively the funds can be freed from all restrictions on use by paying income taxes in the years it is done. The third option is that funds can be withdrawn at minimum rates that roughly assure the entire amount is depleted at age 94 or one progressively higher in the future as people live longer. Taxes are payable on the withdrawal of funds each year.

The preceding represents my own tentative ideas on the operation of the proposed personal security system. Actuaries, accountants and economists are needed to work out the details and assure the viability of the system.

Much work has to be done to assure the smooth and equitable transition from the present to the new system. I am confident the devil and the detail will not destroy the basic vision. The system can also be used for the tax free use of funds for mortgage down payments, higher education, medical expenses and possibly unemployment.

Such a universally funded and privately administered system would take Canada into the modern age when governments have to accept that socialism and collective approaches have failed. It would increase freedom and economic growth. Get to it, Canada.

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, during this debate members of the opposition have raised many issues arising from the budget, in particular about building an effective social security system for Canadians.

The motion before the House today and pronouncements from the Reform Party indicate one perspective on social programs, a perspective I do not share, one which no one on this side of the House shares, a perspective not shared by most Canadians and certainly not by the constituents in Windsor—St. Clair.

In the federal budget and in the vision sketched out by the Minister of Human Resources Development there is quite another vision. The difference is clear. While Reform rambles on, indiscriminately cutting here and hacking there, the government is taking a thoughtful approach to human resource issues.

The government is turning the page from the strait jacket of rigidly centralized Tory programs. The government is leaving behind the Tories *laissez faire* approach of writing cheques and to the more Tories the better.

It is an innovation, something Reform does not know much about. It should not be the Reform Party. It should be the

regression party. It is innovative in terms of social programs far beyond the simplistic notions of the Reform Party.

In essence the budget reinvents government for the 1990s. These social programs and the budget are built on our belief that Canadians want communities and individuals to have the tools to make their own decisions while ensuring basic principles are in place on a national basis.

It is very important to listen carefully to what Reformers say so that one can compare what they say to the government's vision of social security, peace and good government for this nation.

Here come the guns. This government's approach begins with a focus on three priorities. We want to keep our citizens alive. We do not want them shooting each other. We are concerned about employability. We want to find the best way to combat poverty.

(1310)

Employability by helping people to find, keep and improve their jobs and skills and the elimination of poverty are our goals.

We have learned there are many ways to achieve these goals. The employment needs of a single parent led family in a housing project in Toronto are substantially different from the employment needs of a family which formerly made its living in the Atlantic fishery. In a country as diverse as Canada, there is no one size fits all, quick fix answer like Reform would suggest.

For that reason provinces and territories are joining us in finding these new answers. They know innovation is not reserved to one level of government in our Constitution. One place that will become clear is the new Canada social transfer. This will shift federal support for post-secondary education, health, social assistance and social services into one package starting in the fiscal year 1996-97.

Currently transfers under the Canada assistance plan come with a lot of strings attached. Strings have become less and less relevant to today's world. We believe some of these strings are unnecessary. We believe they impede innovation, restrict flexibility and increase administrative costs. They also impede regional solutions to very real and very different regional problems.

In short, this cost sharing approach hampers provinces that need the breathing room to design and deliver social programs in line with their local needs.

We believe the provinces share our goals to improve the employability of Canadians and to reduce poverty. What they also want is the flexibility to deal with these problems in a way that responds effectively to people's needs.

Under the Canada social transfer we will allow this to happen while remaining faithful to certain fundamental national princi-

Supply

ples. First and foremost the conditions of the Canada Health Act will be maintained. In other words, universality, accessibility, portability, comprehensiveness and public administration will be respected.

Canadians also do not want to see their mobility restricted because of minimum residency requirements. Beyond those principles but consistent with them always there will be flexibility and partnerships.

The Minister of Human Resources Development will be inviting all provincial governments to work together to develop through mutual consent a set of shared objectives that will underlie the new Canada social transfer. By achieving a coherent framework with provinces and territories we will be able to tackle the core problems of employability and poverty.

This government wants to work with the provinces and territories to increase access to good quality child care. This can help improve the employability of many Canadians with low income. It can offer children a great environment that helps them learn and grow.

We would like to work out better means of helping persons with disabilities to get jobs and to achieve greater independence. We believe provinces and interested groups will welcome that commitment and will help us achieve it.

In these two areas, as in our entire array of federal-provincial relationships, we want to build new partnerships that focus on results and that are grounded in common values.

While that is the government's approach, what about Reform? The record is silent. Reform has nothing of substance to say about any of these issues. Employability? Who knows. Reducing poverty? I think we can guess what Reform's perspective is.

Perhaps I should simply move on to some other subject on which Reform members actually do have a policy. Unemployment insurance is a very good example. Their position is that we should knock \$3.4 billion loose from the unemployed by cutting out all special benefits and the interest differences tied to local unemployment rates.

Who would pay? Women would pay. There would be no more Maternity benefits. That is the Reform's idea of a baby gift. Welcome to Newt Manning's Canada, little one. The sick would pay. The sickness benefits under unemployment insurance would be cut out. Under Reform's plan we would have to guess that we might break our leg in advance and save up for it. Welcome to Preston Gingrich's Canada, convalescent Canadians. People in less prosperous regions would pay. Reform wants to see UI entrance requirements that would be sharply higher than they are now to bring them up to the level of the wealthy regions. Welcome to the land of neo-Newtism, unemployed Canada.

(1315)

Can the UI program be reformed? Absolutely, but this is not the way. The government has been quite clear that we need to move forward from the current unemployment insurance program. We believe it does not do enough to help people get back to work. We believe it can be a far more active policy. We have set a target for program savings of at least 10 per cent.

As the Minister of Human Resources Development has already said in the House, unlike Reform we will not achieve these results at the expense of 165,000 new mothers a year. We will not achieve these results at the expense of 155,000 people who fall sick annually. We will not achieve these results at the expense of 30,000 fishers. These are precisely the people Reform is attacking when it claims saving for a rainy day equals an intelligent social policy.

The same holds true for seniors and seniors benefits. The Reform Party claims there is \$3 billion waiting to be plucked from the old age security program. I cannot wait to hear what the seniors I meet for coffee at McDonald's on Wyandotte Street in east Windsor have to say about that.

Like so many Reform proposals, we know the price but it will not tell us what we would be buying. Precisely who would lose their benefits and how much would they lose? Would it be a clawback? At what rate? From what income level? There is no way anyone can squeeze \$3 billion from OAS without taking it from the seniors, whom no one would call wealthy.

It is clear from the budget response Canadians support the direction the government has taken very strongly. They see the complaints from the opposition and from some provincial capitals about this new direction for what they are: pure politics, old fashioned politics, politics as usual. Our citizens know, even if some partisan politicians do not, we must build real ways to work together productively. They have no time for transparently obvious grandstanding. They have no time for ideological shell games.

The government is determined to build a better system of social security for Canadians, one which could be sustained financially, one which sets clear goals and one which enlists consistent support to achieve those goals. The government's budget is a blueprint for that system.

At the end of the day we have to wonder which approach is better. Canadians clearly prefer the approach of the government and reject the simplistic, facile approach of the Reform Party.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I have seldom heard as much distortion of another party's policy at one time. The member has done an excellent job of that and I congratulate her if that is her goal. There has not been that much distortion from a single member in a long time.

Supply

The member referred to the Liberal budget and how there has been so much flexibility given to programs under the budget. I would like to ask the member how this budget gives flexibility when it will still mean adding \$24 billion per year, by the finance minister's own figures, to the debt and when interest payments on the debt will increase to \$51 billion per year by the end of the three-year period?

How does that give flexibility to social programs where billions and billions more will have to be taken from social programs to make interest payments? How does that give flexibility if the Canadian economy collapses and we go hat in hand to the International Monetary Fund asking for a loan and it says that we have to get rid of a lot of our social programs, otherwise it will not lend us the money? How does that give flexibility?

Ms. Cohen: Hello. Earth to Reform. Mr. Speaker, Canadians want the deficit handled. They want the deficit managed. We are doing that. We are taking a little longer than Reform would because we do not want babies to starve in the street, we do not want children to miss their education and we do not want old people to not have income support.

Hello. Earth to Reform. This is the real world over here.

(1320)

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I have never heard such rubbish.

Is it really an honourable debate of issues when somebody gets up and says the superior Liberal Party doesn't want to kill people and doesn't want babies to starve on the streets? By implication it is suggesting the people on the other side would have policies which deliberately would kill people and make babies starve.

We do not by that kind of debating style advance the cause. Let us understand that all of us wish to have the best for all Canadians. The issue is how do we best get there. Only by discussing the issue of how we get there is any progress being made.

Let me take the issue of unemployment insurance. The hon. member has never read any of the royal commissions made by previous governments, including Liberal, on the examination of the unemployment insurance system. They have universally said that system was created to protect Canadians from the hazard of unemployment. There was never any conception this should be used to pay for people who choose to become pregnant or who are ill, as she noted.

The point is we have different systems for taking care of these things. It is totally inefficient and inequitable to ask some people to pay for hazards for which they are not exposed.

Her calculations on welfare payments are totally off. We are currently paying \$20 billion in UI and government OAS benefits to retired people. We are paying \$18 billion in CPP-QPP. That is \$38 billion.

If \$3 billion is cut out of that from the top, the arithmetic shows it is not necessary to go to the lower level. That is the kind of discussion we need, not saying we want to save lives and the other people want to kill Canadians. That is totally inappropriate for the Chamber. It is an indignity.

The Deputy Speaker: I would invite the hon. member for Windsor—St. Clair not to use that phrase, which she has used twice before. It does not contribute to the dignity of the House.

Ms. Cohen: Thank you, Mr. Speaker, for the admonition. Whatever the language, we just heard it. The Reform Party does not want to support women who choose to get pregnant.

Mr. Grubel: That is not true.

Ms. Cohen: The Reform Party does not want to support sick people. That is what I just heard.

Mr. Grubel: Rubbish.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, it is amazing what we are hearing here today.

A prominent politician told me recently that politics—I know the Liberals may not agree with this—is the art of the possible. The member for Labrador told me that. I agree with that statement. Politics is the art of the possible.

The Reform Party has given the House an idea. What we are hearing is the idea being stifled, not legitimate criticism or maybe a suggestion or two to add to the idea, but accusations and fearmongering from the other side of the House. It is unacceptable.

This government has one answer to the problem of poverty and one answer to the problem of people being unemployed. That is massive amounts of government money being thrown at the problem when it is shown clearly that it has not worked.

The government is like a baby. At one end it has a huge appetite and at the other end it has no sense of responsibility.

Ms. Cohen: Mr. Speaker, I am trying to figure out what part of the anatomy is at the other end from the brain where the sense of Reform responsibility comes from.

(1325)

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I would like to begin by focusing on what we are talking about today. Maybe we could begin by agreeing on the things that we agree with.

Private Members' Business

We agree that all Canadians living in the best country in the world would expect from their government good fiscal management, so that all of our resources, all of the people with all of their energy, with all of their integrity, would be able to manage their affairs. Those affairs that are managed for them by the government would be done in such a way that the benefits are sustainable.

In my short life I have had a number of occasions where we have been beneficiaries of living in this country. The first one is the privilege of being able to come here.

I am a first generation Canadian but I remember distinctly my grandparents. Long before they passed away, they use to speak of the privilege of being in Canada. They did not want handouts. My grandparents were rugged, self-sufficient individualists. When they immigrated to this country they declined government benefits. They said they will live poorly but they will make it. They did.

I am happy to be in a family that has a rich record of helping other people. It is not true that you can only help people by having the government pluck the pockets of the taxpayers, spin it around in the whirlpool in Ottawa, use up a whole bunch of it for administrative purposes, have politicians and bureaucrats decide of the money that is left who is entitled to it. That is a false assumption, if you stop to think about it.

They have not created any money. They have not created any wealth. All they have done is taken the wealth away from the people, thereby reducing their ability to help those around them in need.

I know of what I speak. I am old enough to remember before all of these programs were in place. I remember as a youngster one of our neighbours was very sadly, suddenly and tragically killed in a farm accident. There was no government program at that time to help the widow harvest her crop.

I remember my dad organizing the neighbours. I was probably only five or six. I still remember that our neighbours went and that lady had her crop harvested first. When that was done, each one of the neighbours went back and did their own. That is the essence of charity. That is the essence of looking after people.

There was a young couple my wife and I were familiar with who did not have regular jobs. They had financial difficulties. They obviously needed a lot more help than just money thrown at them. I am very happy to say that one of the best experiences of my life was I, one of the leaders in the group, got a number of mutual friends together. This man who was in financial trouble, was living in subsidized housing and the rent was high. He said he could get into a housing program if only he could get a down payment. There was a house builder who had really good starter homes, but he did not have the down payment. His payments if he got into it would be less than his rent.

The most fun I ever had was when this small group of us could get together. Some of us made a donation to this. Some of us gave interest free loans. We went to this couple and we said we have arranged for the \$6,000 they need as a down payment, let us go and buy the house. That was fun. The couple picked up on that and said that they now had an obligation to pay it back. They became more accountable. It did not take them long to pay back the money some of us had given them as interest free loans.

That really was a good experience. However, that was before the government was taxing us to death. Now we are getting more and more government intervention which prevents us from looking after ourselves.

This plan the Reform Party is promoting today simply says: We reject the premise that the government can look after our long term savings, our long term benefits or our temporary need for assistance when we are out of a job. We reject the premise that the government can do it better than we can ourselves or with the help of someone close to us. It is too far away and too inefficient.

The Deputy Speaker: It being 1.30 p.m., the proceedings on this matter have now expired.

[Translation]

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

CHARITABLE AND NON-PROFIT ORGANIZATION DIRECTOR REMUNERATION DISCLOSURE ACT

The House resumed from February 10, consideration of the motion that Bill C-224, an act to require charitable and non-profit organizations that receive public funds to declare the remuneration of their directors and senior officers, be read the second time and referred to a committee.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, on a point of order. With respect to the motion for second reading of this private members' bill, should the question come to a vote, I think you would find there is unanimous consent to amend the order to read:

That the bill not be referred to a legislative committee, but to the Standing Committee on Government Operations.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Motion agreed to.

[Translation]

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, before speaking on Bill C-224, I would like to take this opportunity to mark St. Patrick's Day and wish all our Irish friends a very happy St. Patrick's Day. I would also like to call your attention to Claude Bourguignon's excellent article published in *La Presse* today on this subject.

Mr. Bourguignon is a resident of my riding of Argenteuil—Papineau. In his paper, he relates the history of the massive presence of thousands of Irish Canadians from coast to coast. Claude Bourguignon is also one of the founders of the Irish Quebecers interpretation centre, located in Saint-Colomban, in the riding of Argenteuil—Papineau.

The principle of Bill C-224, the Charitable and Non-profit Organization Director Remuneration Disclosure Act, introduced by the hon. member for Hamilton—Wentworth is to force non-profit organizations and charitable organizations that receives, directly or indirectly, any assistance from the public funds of Canada to disclose the remuneration and benefits paid to their directors and senior officers.

This means that the remuneration and benefits received by the directors and senior officers of charitable organizations would be disclosed upon receipt of federal government or public funds. This way, Canadians would have the assurance that public funds do not go to the directors and senior officers.

Because it is all too often perceived as a charitable activity carried out on an individual basis and in isolation, volunteer work is overlooked in our political debates on the Canadian economy. However, individual volunteers' efforts are far from negligible given their economic impact. There is an obvious need to promote volunteerism. This essential element of society is also a lifestyle and a social duty.

Yet, in recessionary times, volunteer organizations will have to use other financing methods because government assistance is getting increasingly restricted. It must also be noted that the survival of those services and programs people rely on is not guaranteed.

(1335)

The old stereotypes concerning volunteers, their activities and their motivation are no longer valid. Today, two thirds of volunteers in Canada belong to the paid labour force and most of them hold full time jobs.

This bill contains a few flaws, however. First of all, clause 3, line 17, reads in part as follows:

and receives, directly or indirectly

This very broad wording could refer to a great many non-profit organizations which do not feel they have anything to do with the federal government. It should simply read, "and receives directly".

Private Members' Business

Second, the next line reads in part as follows:

from the public funds of Canada

The expression "public funds of Canada" is very ambiguous because it does not specify if these funds are strictly federal or if they include provincial and municipal funds.

The main purpose of this bill is to avoid any possibility of fraud by directors and senior officers of non-profit organizations.

All Canadians and Quebecers alike recognize that volunteerism is a great blessing to society. According to Statistics Canada, in 1987, Canada benefited from the work of over 9 million unpaid volunteers. Their work represented over one billion hours, or an average of two hours per week per job from November 1986 to October 1987, or more than 500,000 full-time jobs for a year.

The three main sectors relying on volunteer work are religious organizations, sports and recreation, as well as education and youth development.

Close to one quarter of male volunteer workers are involved in recreational endeavours, while another quarter participates in religious and educational activities. Women are more likely to do volunteer work with religious organizations, with one fifth of them in that sector.

Overall, 38 per cent of the volunteer work is related to the collection of funds, 36 per cent to the provision of information, and 35 per cent to the organization, monitoring or co-ordination of activities.

It is surprising to see that most volunteers are not older or retired people. Close to half of them are in the 25-44 age group; a little over a quarter are in the 45-64 category, while the others are 15 to 24 year olds. Volunteers in the 25-44 age group hold close to two thirds of the jobs in education and youth development, and three fifths of the jobs in sports and recreation.

As the official opposition representative and critic for issues concerning seniors, I want to point out that volunteers aged 65 and over hold close to one fifth of the jobs related to social services, including health care and support.

Moreover, the majority of volunteers come from middle-income households. Over 40 per cent of all volunteers come from households whose income is in the \$30,000 to \$60,000 range, 14 per cent come from households with an income of over \$60,000, while only 5 per cent come from households whose income is less than \$10,000.

Volunteers with a household income of over \$60,000 are found mostly in organizations with an economic or international focus, the percentages being, respectively, 19 and 21 per cent. Those with a household income of less than \$20,000 are usually in social services and represent nearly one-quarter of all volunteers, which reflects the high ratio of senior citizens in this area.

Private Members' Business

At least 19 per cent of volunteers in social services are aged 65 and over.

In an article that appeared in *La Presse* on February 6, 1993, journalist Clause Masson discussed the use of funds collected during telethons, saying that if we consider the preparations for a telethon, the need to maintain a permanent staff and also the promotion campaign, the cost of producing this kind of show is enormous and that is where a substantial amount of money collected is spent.

(1340)

And that is where the organizations that conduct these telethons will have to make some changes. For instance, there is definitely something wrong when a total of \$3 million is collected and only 10 or 20 per cent is donated to the actual cause. To make a telethon worthwhile, at least 50 per cent or \$1.5 million should go to direct services.

We must keep telethons from being a way for people and organizations to perpetuate the so-called charity business. Just because organizations are not for profit does not mean we should trust them implicitly.

In 1991, Quebecers gave over \$400 million to a myriad of organizations appealing to their generosity, that is charities, foundations, church parishes, recreational organizations, etc. Canadians on the whole, excluding business, gave roughly ten times more, that is, some \$5 billion dollars, according to the Canadian Centre for Philanthropy. Thus, on the subject of transparency, it would be interesting if the organizations receiving federal government or public assistance were required to reveal the benefits and salaries of their officers.

Canadians could then verify that public funds used to support charitable organizations do not simply go into the pockets of the people administering them. In conclusion, subject to the two points I raised earlier, we would be prepared to support the spirit of this bill.

[English]

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, it is a pleasure to speak in support of Bill C-224, an act to require charitable and non-profit organizations that receive public funds to declare the remuneration of their directors and senior officers. My colleague from Hamilton—Wentworth has spent a great deal of time and research on this matter in the interests of deficit reduction and in the interests of the Canadian taxpayer.

Accountability has been the battle cry of the 1990s. We have heard this cry coming from all sides: from business, from special interest groups and most important, from the individual

Canadian taxpayer. What this bill does is provide for accountability in the charitable and non-profit sector of the economy, and the very large segment of the economy that it is.

This bill is about disclosure of the real value of non-profit and charitable organizations, not only in the human resource but in financial dollars to the Government of Canada. The people of Canada have a right to know. The reason I believe this is that we rationalize our growth as well as our debt against GDP. Therefore it is very important that we have accurate information on the real value of GDP. It should include the value to the Canadian economy of non-profit and charitable organizations.

This bill is not intended to harm or embarrass anyone. However it is intended to provide transparency and accountability. While Canadians hold their government responsible for its actions, they also trust it to report on all public matters with accuracy, openness and truthful representation.

These same keystones must exist for charities and non-profit organizations which receive public funds. After all, if government is to be fully accountable to the Canadian people and if we are to efficiently execute our mandate as the trustees of public funds, then it follows that we must have complete and accurate reports on where and how public money is spent.

At the present time there is no process in place that will allow for complete scrutiny, at least not without applying to the courts. Even then, full disclosure may not be possible. This problem has been a longstanding one which arises from the Income Tax Act and the legal system.

Neither department can absolutely or clearly define which category charities and non-profit organizations should come under because these groups cross several lines with regard to existence, function and purpose. They function like a business but unlike a business they do not make a profit.

Quite often not for profit organizations make large investments which earn interest or capital gains yet they are not taxed on this money. They have no product or service to offer in the normal sense of the word. However, we have heard the complaint that a not for profit organization will operate a tavern and pay no taxes while a small business person across the street pays taxes on a similar operation. Is this fair competition? Is this a level playing field?

(1345)

These not for profit groups have a social function to ease or remedy some problems which may exist in our communities or national settings. They receive funds in one form or another, a portion of which are the taxes paid by hard working Canadians. With these funds they run their programs, pay salaries and execute daily business.

As anyone can see, a clear definition as to where charities and non-profit organizations belong is no easy matter. Since the assent of the Income War Tax Act of 1927, the courts have tried but have not yet been successful in absolutely defining any organization which has as its focus the improvement of the human condition.

This special category which charities and non-profit organizations are given exempts them from paying income tax. Yet there seems to be an inequality here. The amount of information these groups must provide to Revenue Canada, which exempts them from tax, and the accountability they have to funding ministries is minimal. Smaller still is the amount of information available to the very people who actually fund them, the Canadian taxpayer.

For example, the public is made aware daily through the press of the salary of every hon. member of the House. They are aware of the tax free allowance and they are bombarded with information regarding the MPs' pensions, all of this rightly so. Would it not seem fair that the same public have access to the same information of high profile heads of non-profit organizations?

One that comes to mind is David Somerville, the president of the National Citizen's Coalition, a non-profit organization. Mr. Somerville does great work on behalf of the public so should they not have a right to know his salary, his pension and his total benefit package?

If Bill C-224 becomes law, within 30 days of fiscal year end there would be full disclosure of salaries and benefits paid to directors and senior officials of these charitable and non-profit organizations.

I mentioned earlier that charitable and non-profit organizations were a large sector of our economy. To demonstrate how significant these numbers are, we know there are more than 130,000 organizations in Canada classified as charities or non-profit organizations. Available estimates show that approximately \$120 billion flow through these organizations annually and that \$49 billion comes from the various levels of government.

We know these organizations act in the public interest but we also know there is no measurement to gauge the effectiveness of the programs. By anybody's standards, that is a big bundle of money.

Some months ago we read in the newspapers in every city in the country where the Chamber of Commerce in Quebec City gave a gift to the premier of Quebec. The gift was a mansion worth \$650,000 and \$150,000 worth of furnishings. This was a gift to a politician, to Jacques Parizeau. The moneys that paid for this political gift were moneys claimed as 100 per cent business deductions passed through this Quebec City Chamber

Private Members' Business

of Commerce as donations to non-profit organizations and the Chamber of Commerce bought the house as a gift to a politician.

Does the public not have the right to know how much money is going through non-profit organizations to buy mansions for politicians across the country? Does the public not have the right to know how many politicians at all levels may be receiving financial support or valuable gifts from non-profit organizations? I think most Canadians will agree with me that we have a right, especially since most Canadians are paying their fair share of taxes. In the final analysis, those who are paying are picking up the tab as well for those who are not.

If we are to be the guardians of the public trust and if we are to be fair to all sectors of the economy then I believe we have a great opportunity to at least take a first step toward more fairness with the implementation of Bill C-224.

I come from rural Canada, the Atlantic region, where people are generally very kind, very charitable with their friends and neighbours and very generous with what money they have. In most instances they would give you their last dollar if you really needed it. That is the Canadian spirit. I believe in my heart that with disclosure, the Canadian spirit of giving would be enhanced. The openness of information would generate greater trust and financial support to those organizations that we depend on in our communities and the thousands of volunteers who give so generously of their time and energy.

At this very crucial financial period in our nation's history, when the government has taken unprecedented bold, courageous steps to cut programs, to cut jobs and to cut spending, surely we have that same bold courage to support this bill.

(1350)

Canadians are generous in their donations and each of us places great value on the work our charities and non-profit organizations do in our communities. However, I am sure that each of us has wondered where exactly the money goes. How much is spent on very high paying salaries and how much really reaches the needs of the child or the researcher for which it is intended?

Bill C-224 provides that information to the public. It provides disclosure. I believe that having full knowledge of where the money is spent, Canadians will be even more generous to the groups that are deemed worthy of financial support. I commend my seatmate, the hon. member for Hamilton—Wentworth, for his foresight, for his diligent research as well as his integrity and determination to do what is right. I believe in times to come this bill may be considered the very most important piece of legislation that comes before this 35th Parliament.

I believe Canadians are ready for this legislation and that the bill is very compatible and may even be considered a companion to the very recent budget bill.

Private Members' Business

In conclusion, it is my hope that all hon. members of the House will give serious consideration to this bill and offer their full support.

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, it is a pleasure for me to rise to speak on this private member's bill. I would like to congratulate my friend from Hamilton—Wentworth for putting it before the House.

This is a bill which I do not think the Reform Party would have any problem supporting. It is about two things which we feel very strongly about, accountability and public disclosure.

We all have made contributions to non-profit groups and to charities and I am sure that all of us at times have wondered just what percentage of our dollars actually goes to the cause, which was mentioned by the previous speaker. How much of it goes to the cause and how much of it goes to administration and bureaucracy? This bill will go a long way in allaying some of our fears. There is nothing like information to put one's mind at rest. Certainly speculation and fear of the unknown are things which lead to more and more speculation.

While we are talking about accountability and public disclosure, I note that the previous speaker mentioned the pension plan. It was my understanding that there was great difficulty trying to get the record of who had received parliamentary pensions in the past, the amounts and also the amounts which were put in by the member and the amounts which were paid by the taxpayer. Perhaps a companion bill sometime down the road, along the lines of public disclosure and accountability for publicly paid pension plans, would be a great idea as well.

I have to make apologies to my research assistant, who actually wrote two speeches for me today, but I am using neither of them. I send my apologies to him.

Mr. Mills (Broadview—Greenwood): It sounds pretty good to me.

Mr. Johnston: I hope it sounds good to my research assistant too, who should take some solace in that.

I am sure that most people in the House realize and recognize that Reform MPs are making considerable donations in their constituencies, as a percentage of their income, to charities. We are all fairly well versed in the charities that are available in the community. As the previous member also said, this is intended in no way to call into question the good which these charities and non-profit organizations do.

(1355)

As a matter of fact, I could see this as being an augmentation to the good they do. If too much of their collected funds actually do go to administration and so forth, then I am sure the people who have volunteered many hours to ensure these organizations

and charities are a success would be very disheartened to learn of exorbitant salaries and fees paid to board members and executives.

I do not intend to take up my full time on this bill. A few words are as good as many words in a case of this type.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, until the member for Kent comes back into the Chamber I would like to stand and support my colleague for Hamilton—Wentworth.

This bill is an example of how a member of Parliament can come into this Chamber and with proper research support, with a very specific idea and with a lot of hard work can put something on the national agenda which touches every community, every city, every part of our country very positively. I salute my colleague for Hamilton—Wentworth for this tremendous achievement in bringing the bill this far.

In regard to a specific aspect of the bill, this type of accountability for Canada's not for profit sector is going to create internal efficiency within these organizations. We have all read stories from time to time where various organizations have been accused of being too heavy in administration with not enough going to the line after the administration expenses have been accounted for. It casts aspersions on the organization because it cannot put all of its books and records into the public. It also does not allow the not for profit organizations that are acting efficiently to make their performance record open to the public.

This bill will achieve a renewed interest in the volunteer sector. We will be depending upon that sector more and more as we move into a very difficult period in terms of fiscal discipline. The organizations which are operating efficiently and which are meeting their constituents' needs are going to be rewarded by those in our society who appreciate that type of efficient volunteer service.

I thank my colleague and give him my full support.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I support the hon. member for Hamilton—Wentworth's bill as well. Listening to the previous speakers, I heard the member for Cumberland—Colchester say that it could become the most important piece of legislation during this session. The member for Broadview—Greenwood said it was a magnificent achievement.

I am looking for words to give it even more applause but unfortunately, I cannot reach that high in my praise for this bill. However, to compliment the hon. member for Hamilton—Wentworth, I will say it is a good bill. It is a very necessary bill and certainly I and my colleagues of the Reform Party have no problem supporting it.

Private Members' Business

(1400)

When Reformers came to Ottawa we said we would not be here on this side of the House simply to criticize the Liberal government. The way it has turned out in this 35th Parliament we have not had much choice but to criticize. The Canadian people who tune in to what is happening in Parliament will know that whenever we criticize we do at the same time offer constructive alternatives.

This is one of the times when we really do not have to criticize this bill because quite frankly after all the exhaustive research we have done on it we really cannot find too much wrong with it bill. I want to let the House know that while the member for Hamilton—Wentworth and his research assistants have done exhaustive research to define the bill clearly, we have done exhaustive research to determine whether this was a good bill or not and indeed it is.

We basically want the non-profit organizations and the charity organizations to become more accountable in their book-keeping primarily so we can find out what the leading members of the organization are getting paid for their services.

We know the Government of Canada contributes a lot of money to non-profit organizations, special interest groups. Of late we have had examples where expenses have been seen to be exorbitant because of the lack of accountability in how these expenses are reported. We have seen many cases where these special interest groups and non-profit organizations will skip some of the lines on the income tax return and just put in a lump sum showing lump sum salaries paid to some of the top people in the organization. This will do away with all that. We are going to get more accountability.

When I am talking about accountability I have to hold the member for Hamilton—Wentworth blameless in this because he seems to have a good understanding of what accountability means. I would encourage him to apply the same principles he did to this bill to his conversations with other members of the Liberal Party. What the Reform Party came here to do was to demand accountability from the government.

The hon. member for Hamilton—Wentworth appears to have a pretty good handle on accountability. In supporting this bill I want to encourage him to talk to as many of his colleagues as he can so that we may finally get some accountability from the government as we go forward in the 35th Parliament.

We support this bill.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, it is a pleasure and an honour to speak in favour of the motion.

A couple of things have come to mind in the last few minutes while I have been listening to the other speakers. I would be remiss if I did not add to the commendation of the hon. member

who has proposed this bill. I have had the privilege of working with him in the Bill C-43 committee. It is a very healthy sign and gives me a little glimmer of hope that perhaps there are some Liberals who do believe in accountability. Sometimes we get the impression that is not there.

The hon. member was instrumental in adding to the strength of Bill C-43 in a couple of areas, in particular disclosing. When lobbyists receive government funds they must now disclose it. I believe disclosure is the first step to elimination of receiving the funds.

The best legislation in the House seems to come from private members. It is really the only time when we have this large envelope of unanimity. Perhaps we ought to consider changing the rules of the House and have government business the last time of the day on Friday and have private members' bills the rest of the time. Perhaps we would be able to change the system.

(1405)

I commend the member on this principle. It is close to my heart because I believe strongly in charities and the work they do. I also believe in accountability. If it were not for that I would not have come here as a member of Parliament. That was one of my prime motivations.

I remember listening to my son whom I have mentioned before in the House. He is currently working as an administrator in an orphanage in Rwanda for a charitable organization. He and his wife are helping to look after some 400 children whose parents were killed in the unfortunate occurrence there. My son has been doing this type of work for five or six years, having been in Somalia, in the Sudan, in Bosnia and in other areas. He made a statement that I thought was very significant. He said that in the areas where he has worked the non-government organizations, the NGOs, are about twice or more as efficient as government organizations.

He talked about salaries. When he goes there he basically gets an expense allowance and that is about it. Whereas other people who are supposed to be helping receive huge salaries. He said he could not believe it. I will not mention the organizations because that would be unkind since they are not here to defend themselves. After working over there for five or ten years some of the people he mentioned will come back to Canada with a pile of wealth in their accounts because they were not spending it over there.

A charitable organization has potential for the greatest accountability. The whole idea of bringing the good we do to help people down to people and away from government needs to be strengthened. That will happen if we open the accountability and the desire of organizations to be open and honest with the people that support them.

Private Members' Business

In my experiences I made it a policy many years ago of not supporting private charitable organizations that will not open their books. In some instances I have actually written and said: "Please send me your annual statement for last year. If it is not audited by an independent auditor I will probably not help you". I believe in that principle and it ought to be applied right across the board.

It is refreshing to see it being done in this area of tax expenditure. I say in the very best sense I can that I wish the hon. member for Hamilton—Wentworth would spread this virus of accountability throughout his caucus so we can infect every agency of government with total openness, total accountability and total declarations of how much money was received and how it was spent.

I am pleased to have spoken in favour of the motion. I certainly will be supporting it.

The Deputy Speaker: Under the circumstances the hon. member for Hamilton—Wentworth might wish to close the debate.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I wish from the bottom of my heart to thank my colleagues on all sides of the House who spoke in favour of the bill.

All things aside I believe the bill is important and will have a profound effect on Canadian society in what it proposes to do. For me as a member of Parliament the experience of presenting the bill to the House and having the support of my colleagues on all sides fills me with great pride in this 35th Parliament.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

The Deputy Speaker: Accordingly, this bill is referred to the Standing Committee on Government Operations.

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

[*English*]

The Deputy Speaker: It being 2.10 p.m., the House stands adjourned until Monday at 11 a.m.

(The House adjourned at 2.10 p.m.)

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