



CANADA

# House of Commons Debates

---

VOLUME 133 • NUMBER 180 • 1st SESSION • 35th PARLIAMENT

---

OFFICIAL REPORT  
(HANSARD)

**Thursday, March 30, 1995**

**Speaker: The Honourable Gilbert Parent**

## CONTENTS

(Table of Contents appears at back of this issue.)

The House of Commons Debates and the Proceedings of Committee evidence are accessible on the Parliamentary Internet Parlementaire at the following address:

**<http://www.parl.gc.ca>**

# HOUSE OF COMMONS

Thursday, March 30, 1995

The House met at 10 a.m.

---

*Prayers*

---

## ROUTINE PROCEEDINGS

[*Translation*]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 19 petitions.

\* \* \*

[*English*]

### CANADA ELECTIONS ACT

**Mr. Ian McClelland (Edmonton Southwest, Ref.)** moved for leave to introduce Bill C-319, an act to amend the Canada Elections Act (reimbursement of election expenses).

He said: Madam Speaker, the intent of this bill is to amend the Canada Elections Act so that registered political parties would not receive reimbursement unless they met two thresholds. At present, the threshold is to have spent 10 per cent of the allowable election expenses. This bill would add another hurdle, that the party would have had to garner 2 per cent of the total votes cast as well as having spent 10 per cent.

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

\* \* \*

### CRIMINAL CODE

On the order: Private Members' Business

Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-303, an act to amend the Criminal Code (dangerous intoxication).

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Madam Speaker, I would ask for unanimous consent of the House to withdraw Bill C-303 which was the bill similar to the government's Bill C-72 on self-induced intoxication. Our party is

firmly in support of the government's Bill C-72 and we do not need to debate this bill.

**The Acting Speaker (Mrs. Maheu):** Is that agreed?

**Some hon. members:** Agreed.

(Order discharged and bill withdrawn.)

\* \* \*

### PETITIONS

#### DANGEROUS OFFENDERS

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Madam Speaker, I rise again to present another petition in this course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

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

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

#### TAXATION

**Mr. Garry Breitzkreuz (Yorkton—Melville, Ref.):** Madam Speaker, it gives me great pleasure this morning to present a petition on behalf of the constituents in my riding of Yorkton—Melville.

In light of the fact that the Saskatchewan government is on the verge of balancing its budget and allowing Saskatchewan taxpayers to see the light at the end of the tunnel, they request that Parliament reduce government spending instead of increasing taxes.

I have 18 petitions like this one. I will not go through all of them as they are all very similar. I chose one which was representative of the entire group.

[*Translation*]

#### VOICE MAIL

**Mr. Bernard St-Laurent (Manicouagan, BQ):** Madam Speaker, this morning, I have the pleasure of tabling in this House a petition signed by some 160 seniors criticizing the government for installing a voice mail system.

*Routine Proceedings*

The petitioners say, among other things, that they are entitled to appropriate service—a fair description, in my opinion—and call on the government to abandon its plan to install voice mail, particularly for seniors.

[*English*]

## TAXATION

**Mr. David Chatters (Athabasca, Ref.):** Madam Speaker, in accordance with Standing Order 36, I would like to present a petition containing approximately 200 signatures from the Slave Lake area of my constituency.

The petitioners ask that Parliament move toward a balanced budget through reduced government spending, not tax increases.

[*Translation*]

## HUMAN RIGHTS

**Mr. Dan McTeague (Ontario, Lib.):** Madam Speaker, I have the pleasure of tabling three petitions.

[*English*]

The first petition is in conformity with Standing Order 36. The petitioners request that Parliament oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase “sexual orientation”. It is signed by 100 petitioners.

## INSURANCE COMPANIES

**Mr. Dan McTeague (Ontario, Lib.):** Madam Speaker, the second petition has 59 signatures and deals with the enactment of legislation to have mandatory protection for insurance companies through Comcorp or its successors. The petitioners call upon Parliament to provide a two month period similar to the Canada Deposit Insurance Corporation program.

## FIREARMS

**Mr. Dan McTeague (Ontario, Lib.):** Madam Speaker, the final petition is signed by 26 petitioners from my riding. They call upon the government to enact legislation to prohibit the importation of new handguns as well as a minimum 10-year sentence for any conviction resulting from the use of a firearm in the commission of an offence.

## GUARDIANSHIP

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Madam Speaker, in this petition the petitioners, Canadians of the Islamic faith, want the government to consider guardianship as an option to adoption. Guardianship would include the same legal and moral obligations as does adoption now.

These petitioners point out that their request is in accord with their religious beliefs. They would like to see discussions begin now so that changes could be made in the very near future, in line with the points I have raised.

## HUMAN RIGHTS

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Madam Speaker, I have two petitions to present this morning.

The first petition is signed by a number of residents of Canwood and Shellbrook, Saskatchewan in the north central part of the province.

The petitioners note that the majority of Canadians believe that the privileges which society accords to heterosexual couples should not be extended to same sex relationships.

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

• (1015)

## CANADIAN WHEAT BOARD

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** The second petition, Madam Speaker, is signed by a number of residents of The Battlefords—Meadow Lake constituency, from the communities of Speers, Richard, Maymont, North Battleford and Mayfair.

The petitioners draw to the attention of the House of Commons that a very vocal minority of citizens are requesting Parliament to institute a dual marketing system for wheat and barley. The petitioners request that Parliament continue to give the Canadian Wheat Board monopoly powers in the marketing of wheat and barley. The petitioners also request that Parliament expand further the Canadian Wheat Board monopoly powers to include all grain and oilseeds.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Madam Speaker, the following questions will be answered today: Nos. 157 and 158.

[*Text*]

Question No. 157—**Mr. Hill (Macleod):**

What are the names of the private health care facilities, by province/territory, that charge patients user fees, as defined by the Minister of Health?

**Hon. Diane Marleau (Minister of Health, Lib.):** On January 6, 1995 the Minister of Health wrote to all provinces and territories informing them that facility fees being charged to patients at private clinics are user charges contrary to the Canada Health Act. Provinces and territories were given until October 15, 1995 to put into place the necessary legislative or regulatory framework to ensure that medically necessary services are provided on uniform terms and conditions wherever they are offered. Some provinces have already announced plans to develop such frameworks. As provinces and territories have until October 15 to complete these efforts, it would be premature

at this time to name facilities that after October 15 may not be operating in such a way as to cause a deduction under the Act. Federal/provincial consultations will take place in connection with this issue.

Question No. 158—**Mr. Hill (MacLeod):**

What is the total annual sum of money, by province/territory, that private health care facilities bill patients as user fees, as defined by the Minister of Health?

**Hon. Diane Marleau (Minister of Health, Lib.):** On January 6, 1995 the Minister of Health wrote to all provinces and territories informing them that facility fees being charged to patients at private clinics are user charges contrary to the Canada Health Act. The letter further stated that where a provincial plan pays the physician fee for a medically necessary service delivered at a clinic, it must also pay for the related hospital services provided or face deductions for user charges. Provinces and territories were given until October 15, 1995 to put into place the necessary legislative or regulatory framework before the penalty provisions of the Act are implemented. Therefore the total sum billed to patients that might be deemed user fees after October 15 depends on how each province and territory responds to the deadline and cannot be determined until the deadline has passed. Federal health officials will consult with their provincial and territorial counterparts in connection with this issue.

[English]

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

**The Acting Speaker (Mrs. Maheu):** Is that agreed?

**Some hon. members:** Agreed.

---

## GOVERNMENT ORDERS

[Translation]

### BUDGET IMPLEMENTATION ACT, 1995

**Hon. Sergio Marchi (for Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec)** moved that Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read a second time and referred to a committee.

**Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.):** Madam Speaker, last month, this government introduced a budget that has been described as historic. The description is apt, for it was a budget of fundamental reform and national renewal. Today, we are considering legislation that will

### Government Orders

help turn those goals of reform and renewal into reality for the benefit of all Canadians.

The budget redesigns the very role and structure of government itself—because getting government right is essential to getting the economy right. The budget achieves dramatic savings to secure our deficit reduction targets—real, bottom-line savings based on prudent economic assumptions.

And this fiscal reform will continue to pay off, because the structural changes introduced by the budget will deliver savings, not just over the next two years, but every year thereafter. It is a tough budget, but it is also a budget of commitments kept and meaningful results.

Just as important, it is a budget of nation building—because it is firmly rooted in the principles of economic leadership; compassion; and increased fairness. Before describing the specific measures in the legislation, I would like to say a few words about the importance of passing it on a timely basis.

Canada's economic future remains at risk because of a \$550 billion debt. A huge portion of government revenues are consumed by the cost of servicing this debt. That's money that could otherwise be spent to provide Canadians with services and programs, or to reduce the amount of taxes we pay.

The debt also makes us unacceptably vulnerable to financial markets and the harsh impact of interest rates. The unexpected increase in these rates since last year's budget has put tremendous pressure on our deficit targets. Meeting our targets is essential to strengthen confidence and bring interest rates down. This, in turn, is essential for greater growth and more jobs for Canadians.

• (1020)

[English]

The budget takes the actions necessary to meet these objectives. To hit our targets, we are implementing cumulative savings over the next two years of \$15.6 billion. Over \$13 billion of the savings will be spent on spending cuts. There will be no increase in personal income tax rates.

Going beyond, to 1997–98, our reforms will deliver a further \$13.3 billion in savings for a three-year total of \$29 billion. This is the largest set of actions in any budget since demobilization after the second world war.

We are also taking firm steps to increase tax fairness and close loopholes. The budget delivers almost \$7 in spending cuts for every \$1 in new tax revenue. The actions set out in the budget involve changing the size and shape of government by hard choices on priorities. By 1996–97 program spending will fall from \$120 billion last year to just under \$108 billion.

*Government Orders*

By 1996–97 our financial requirements, the amount of new money we will have to borrow in the financial markets, will be down to \$13.7 billion or 1.7 per cent of GDP. That is better than every other G–7 country. Most important of all, by 1996–97 the debt no longer will be going faster than the economy. That is the key to fiscal stability, to putting our debt ratio on a permanent downward track.

Canadians realize the importance of achieving fiscal targets. They know this is the budget our economy needs. They affirmed this in the consultations leading up to the budget and they reaffirmed it in the response to the budget itself.

Financial markets have also recognized that the budget will promote an improvement in public finances. However, to secure the savings that will lead to this improvement, we must pass the legislation as expediently as possible. Anything less would compromise our commitments to a secure and prosperous future for ourselves and for our children.

There is no need for further budget background. It has been extensively discussed in the House. Let me turn therefore to the specific elements of the bill before the House.

Provincial transfers. One of the most important elements of the bill is the reform of transfers to the provinces. The federal government wants to create a transfer system that functions better and is fiscally sustainable. The centrepiece of this reform is the replacement, beginning in 1996–97, of established program financing for health and post–secondary education and the Canada assistance plan, with a single consolidated block transfer, the Canada health and social transfer.

The Canada health and social transfer represents a new approach to federal–provincial fiscal relations. This new approach is marked by a greater flexibility for provincial governments, and more sustainable financing arrangements for the federal government. It continues the evolution toward more mature fiscal relations.

Although provinces will have greater flexibility in addressing their priorities, the budget made it clear that the principles of the Canada Health Act will be enforced. There will be no change in the principle that provinces must provide social assistance without minimum residency requirements.

We believe the new system will be more effective in meeting contemporary needs. Our fiscal situation demands that it also be less costly than the current system. That is why, when the CHST is fully implemented in 1997–98 the total of all major transfers to provinces will be down by about \$4.5 billion from what it would have been if it had been transferred under the existing system. However, to put this into perspective, the reduction will be equal to about 3 per cent of the aggregate provincial revenues.

We believe our approach to provincial transfers passes three important tests. First, the federal government has hit itself even harder. Second, we have given the provinces ample notice of our intentions. Third, the reduction in transfers is equitable across all provinces.

• (1025 )

In addition to the introduction of the Canada health and social transfer, the bill also introduces other measures that will help reduce the cost of payments to the provinces. For example, the government is proposing to reintroduce to the fiscal stabilization program a provision which will trigger payment under the program only when economic conditions cause provincial revenues to decline by more than 5 per cent. The fiscal stabilization program compensates provinces if their revenues decline from one year to the next due to economic circumstances.

When the program was introduced in 1967, it provided compensation only in situations where the economic conditions caused revenues to decline by more than 5 per cent, that is, in the event of a severe economic downturn. The program was amended in 1972 to provide compensation if province's revenue fell at all.

Despite that change only two payments were made under the program between 1967 and 1990. However, the combination of the last recession and low inflation has triggered recent stabilization payments to virtually all provinces.

Now that inflation is low and stable, even a minor economic downturn can cause a decline in a province's revenue and thus result in a stabilization payment. This is not consistent with the intent of the program and is not consistent with current fiscal realities. Therefore, the government is reintroducing the 5 per cent eligibility threshold to the program. This measure will take effect for stabilization claims in 1995–96 and subsequent years.

The federal government will continue to play a major role in stabilizing revenues of provincial governments. However, it will do so only in times of severe economic shocks, as was intended when the program was originally introduced. There are no immediate savings associated with this measure.

The bill also includes an amendment to the Public Utilities Income Tax Transfer Act, PUITTA. Under PUITTA the federal government transfers to provinces and territories most of the federal corporate income taxes paid by privately owned electrical and gas utilities.

These payments were intended to level the playing field between privately owned utilities which pay income tax and provincially owned utilities which under the Constitution do not. However, it is up to the provinces and the territories to decide whether or not they will pass these savings through to utilities companies or to consumers.

Most provinces and territories do not rebate the payment to utilities or consumers. The majority retain it as general provincial revenue. Moreover, none of the provinces rebate its own provincial income taxes to these utilities.

The Standing Committee on Finance recommended that the federal government eliminate PUITTA transfers. Under the current fiscal circumstances, the continuation of PUITTA payments can no longer be justified. Therefore, the legislation proposes that PUITTA be terminated as of March 31, 1995. This measure is expected to reduce expenditures by an estimated \$200 million in 1996-97 and \$280 million in each of the two subsequent fiscal years.

The bill contains a final measure affecting transfers to provincial governments. It concerns the vocational rehabilitation of disabled persons Act or the VRDP. Under this act the federal government pays 50 per cent of the cost incurred by provinces in assisting disabled persons to become employable. As part of the government's reform of social programs, the maximum contributions to the provinces under the VRDP will not exceed the 1994-95 levels starting in 1995-96. VRDP entitlements are expected to be about \$168 million in 1994-95. This measure will result in estimated savings of \$4 million in 1995-96; \$8 million in 1996-97 and \$12 million the year after.

Let me turn now to another major area dealt with in today's bill, assistance to business. In the course of program review, departments across government took actions to reduce business subsidies. Such subsidies frequently fail to achieve their desired objectives. Many work counterproductively, discouraging adjustment and innovation. Overall the government is proposing to cut business subsidies by 60 per cent. This includes agriculture and transportation subsidies that were designed decades ago.

• (1030)

The bill proposes to repeal the Western Grain Transportation Act, WGTA, and to terminate the western grain transportation subsidy paid to railroads effective July 31, 1995. The reform of the WGTA will result in savings of \$2.6 billion over the next five years.

However it is more than a deficit issue. The elimination of the subsidy will encourage the development of value added processing and the production of higher value goods. It will result in a more efficient grain handling and transportation system. It will help maintain our market access for grain sales in foreign countries and comply with our obligations under the agreement established with the World Trade Organization.

A number of further initiatives will facilitate the transition to the new system. They include a payment of \$1.6 billion to owners of prairie farm land.

### *Government Orders*

**Mr. Taylor:** That is not enough.

**Mr. Walker:** For the NDP it is never enough. The bill provides for the regulation of maximum freight rates that can be charged by railway companies to move grain from the prairies. The transition from these maximum regulated rates to commercial rates will take place over a five-year period.

The bill also proposes the elimination of the Atlantic freight subsidies under the Atlantic region freight assistance program, ARFAA, and the Maritime Freight Rates Act, MFRA. These measures to take effect July 1995 will save nearly \$100 million a year.

The Atlantic freight subsidies have proved inefficient in reducing shipper costs. They have, moreover, encouraged companies to structure their investments and organizations to meet regulatory criteria rather than for sound business practice. The subsidies are of marginal and declining importance to regional economic activity since transportation services in the region are now much more competitive than they once were.

To help ensure that elimination of a subsidy contributes to a better transportation system, the budget announced a five-year \$326 million transportation adjustment program. Provinces will be able to target assistance under the program to meet local shippers' needs and upgrade infrastructure. Among other things it should help modernize the highway system in Atlantic Canada and eastern Quebec.

A third area of concern is transfers to persons, particularly the veterans program. An initiative as sweeping as program review must inevitably touch upon some programs that provide payments to individual Canadians. When the Department of Veterans Affairs underwent review the decision was taken to preserve all essential programs and services for veterans who had served Canada. However the department took steps to control cost, eliminate overlap and duplication, and return programs to their original purpose.

Accordingly the bill proposes that the war veterans allowance be discontinued for former members of resistance forces and for allied veterans living abroad for more than six months within a calendar year. As well, new allied veterans will be ineligible for war veterans allowance unless they were pre-war residents of Canada.

Further, effective from budget day no new applicants will be accepted under the education assistance program because it duplicates other available programs. Also the veterans travel program will be restructured so that the benefits are rationalized.

A fourth area of concern is consular services. Not all departments offer the same scope for savings under program review. However each is contributing to the restructuring process. Cost recovery is one such step. The Department of Foreign Affairs,

*Government Orders*

for example, will be shifting a greater portion of the cost of consular and trade development functions to the prime users.

Therefore the bill includes provision that would authorize the department to levy an additional fee for Canadian travel documents such as passports. As a result of the measure the cost of a regular five-year passport is expected to rise between \$20 and \$30. However, even with the increase, the cost of a Canadian passport will still compare favourably with that of many other industrialized countries.

The measure will help the Department of Foreign Affairs to maintain the high quality consular services it currently provides.

• (1035)

The next area is the public service. The measures I have outlined along with other initiatives arising from program review mark the transition to a more focused, effective and frugal federal government. Such a government will need fewer employees to deliver programs and services.

At the time the 1995 budget actions are fully implemented federal employment is expected to decline by 45,000 or 14 per cent. The government appreciates the valuable service its employees provide. We are committed to managing the reductions in a fair and orderly fashion.

In keeping with the commitment the bill proposes to change the public sector compensation act to allow for an early departure incentive. The incentive can be taken up by as many as 13,000 to 15,000 employees in the departments most affected. We estimate the cost of the program for the public service, the military and certain separate employers and crowns to be about \$1 billion, which will be included in the 1994-95 fiscal year.

Other proposed changes in the act will allow for cost neutral changes to non-salary terms of employment and for certain new kinds of leave. For example, employees will be permitted to take off blocks of time and have their incomes averaged over the year.

In addition, we are proposing amendments to the Public Service Employment Act that will give public sector managers more flexibility in staffing arrangements. This would include, for example, the block transfer of employees with their functions within the public service.

Employees affected by the downsizing who decide not to take advantage of the departure incentives will have a reasonable period of time to find employment elsewhere in the public service, but that period cannot be indefinite. The government simply cannot afford to pay people for not working.

Accordingly the bill also includes amendments to the work-force adjustment directive so that surplus employees in the

departments most affected who decline departure incentives will cease to be paid after six months and will be laid off one year thereafter unless alternative employment is found.

The vast majority of items in the bill are obviously about reducing the deficit. However there is one that relates to financing the deficit and the debt. The bill contains amendments to the Financial Administration Act that will enable the government to efficiently sell debt securities to individual Canadians under the retail debt strategy. The amendments will allow the federal government to offer Canadians improved access to a family of safe and secure Government of Canada obligations.

The proposed amendments include new authority for the government to issue securities without physically printing certificates, thereby promoting more efficient and less costly electronic transfers.

The amendments will also enable government to buy its own securities at the time of issue. This way they can be sold to retail buyers through a special government agency set up for the purpose.

There is one final measure in the bill I should like to mention, locked-in RRSPs. Currently holders of locked-in RRSPs are limited to purchasing life annuities with the funds. In order to provide such individuals with greater flexibility in managing their retirement income, the bill includes an amendment to the Pension Benefits Standards Act that will allow holders of locked-in RRSPs to purchase life income funds.

Today's legislation will play a key role in setting our country on a course to fiscal responsibility and to governmental renewal. The legislation will help ensure that our budget goals are translated into real performance. It draws directly on the advice we have received from across Canada. It focuses on the total economic and social picture before us and addresses the challenges we all face.

The budget and the bill reaffirm the government's fundamental objective of sustaining growth and job creation. They achieve that by meeting the fundamental requirement of restoring fiscal health by refocusing government on priority roles and needs.

In summary, Canada needs and Canadians support the legislation. They have already demonstrated support, and I urge all members of the House to do likewise.

• (1040)

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Madam Speaker, thank you for giving us the opportunity to speak again to some elements of the finance minister's budget through Bill C-76, which implements, in particular, three important provisions regarding transfer payments to the provinces, rail trans-



port and part of sea transport, as well as labour relations in the Canadian public service.

If I may, I would like to focus my remarks on the part of Bill C-76 dealing with transfers to the provinces. I will let my colleagues address other important aspects of Bill C-76 during this debate but, if I may, I would like to focus my presentation this morning on the important issue of transfers to the provinces.

As members know, Bill C-76, as announced in the budget speech by the Minister of Finance, provides for the elimination in 1996-97 of two federal transfer programs. The first program, commonly called the Canada Assistance Plan or CAP, is the federal government's contribution to the various social assistance programs implemented by the provinces. This contribution amounts to 50 per cent of the social assistance budget in most Canadian provinces.

The second transfer program to be eliminated, commonly called EPF or Established Programs Financing, is the federal government's contribution to the cost of provincial health care and post-secondary education.

Starting in 1996-97, Bill C-76, which derives from the finance minister's budget speech, would replace these two programs with a single payment called the Canada Social Transfer.

There is a snag, however. Before giving the money to the provinces, the federal government would slash the funds historically allocated to the Canada Assistance Plan, health care and post-secondary education. One might say that, in the next few years, the federal government will make cuts to this proposed single payment, this block funding, to the provinces.

It will cut transfers to the provinces by \$7 billion over the next three years. I would put it to you, as we have repeatedly said before and as we can never say often enough, that this so-called reform of federal transfers is just a plot to offload onto the provinces deficit problems that the Minister of Finance is unable to solve.

In 1996-97, the cuts in transfers will be distributed among the provinces according to each province's share of transfers for Established Programs Financing and the Canada Assistance Plan. Under clause 15 in Part V of Bill C-76, Quebec will be deprived of more than \$650 million as of next year.

In 1997-98, the Canada Social Transfer—imagine calling it a social transfer—will be distributed among the provinces according to criteria to be negotiated. Although technical, the distribution criteria are crucial for the financial future of the Canadian provinces, and Quebec in particular.

Although my demonstration may appear technical, I urge you, Madam Speaker, to pay attention because it is of paramount

### *Government Orders*

importance in helping us understand the smoke screen, the fraud, the sham that is the reform proposed by the Minister of Finance.

If the criteria established to determine how this fund will be distributed among the provinces, if the method of distribution remains the same as it is today, Quebec will have a \$1.2 billion shortfall in 1997-98. I put it to you that this is not likely to happen since, according to the Minister of Human Resources Development, the method of distribution may be changed because, for example, Ontario—which elected a large number of Liberal members—demands such changes. Ontario, the wealthiest of Canadian provinces, feels discriminated against under the current distribution criteria because it does not receive a share consistent with its demographic weight within Canada.

• (1045)

In spite of what it may have been saying since the tabling of the budget, the federal government wants to change the allocation criteria of the fund, which was originally targeted for social assistance, health and post-secondary education, and use the demographic weight of the provinces as the primary criterion for allocating these moneys. In other words, Ontario, which has the largest population, would get the largest share, even though it is also the richest province. We keep asking the Minister of Finance and the Prime Minister about this issue, and neither one will deny the intention to split the Canada Social Transfer according to the population criterion.

If this is the case, and if our fears are founded, the result would be catastrophic, particularly for Quebec's public finances. Such a system might also be unfair. Indeed, if the population of a province is the criterion used, as suggested by the Minister of Human Resources Development and not denied by the Minister of Finance or the Prime Minister, Quebec would absorb 41.7 per cent of the total reduction in provincial transfers, in 1997-98.

If this allocation criteria is used, Quebec's shortfall will go up from \$1.2 billion, based on the current allocation system, to close to \$2 billion in 1997-98. Quebec's public finances would already suffer a loss in 1997-98. The federal government is saying to the Quebec government: it is your problem; we did not have the guts to assume our responsibilities, but you do it. A shortfall of \$2 billion is not peanuts.

Two billion dollars. And the government has the nerve to imply that it might not be the case. The members opposite do not deny anything, yet we are told that this might not be the case. Even if the current criterion is maintained, there will be a \$1 billion shortfall. If you use the population as the allocation criterion for this federal money, that shortfall climbs up to \$2 billion.

*Government Orders*

Someone will have to do some planning in Quebec. We do not know what awaits us? Why is that? It is because this government lacks the courage to get down to work, to assume its responsibilities and exert tighter control over Canadian public finances, but it is also because it is incredibly hypocritical. This government knows that Quebec is about to launch a referendum campaign and that Quebecers will have to make a crucial decision this year.

Consequently, it does not want to show its true colours. It does not want to show that the federal system is obsolete and going bankrupt. It does not want to show that the federal budget will hurt Quebecers, who will have to pay more and more taxes for fewer and fewer services, and who will witness a crisis in their provincial public finances, thanks to Ottawa. The federal government is hiding all that.

I can tell you that the allocation of federal money based on the population criterion is being formally discussed among top government officials. These senior public servants are saying: do not mention the fact that we told you. Do not mention the fact that this government is hypocritical, that it is waiting for Quebecers to decide on their political and constitutional future before giving them a shock treatment and making them pay and get bad news year after year, since this federal system can no longer survive and can only cause serious damage to Canadian public finances. Where is this said? Nowhere. Why? Because it would be tantamount to telling Quebecers: "Look, this is hurting you and it will continue to hurt you year after year".

• (1050)

This system is taking us nowhere, with the morose political and social climate it will be creating for the next few years, because cosmetic and hypocritical changes like those regarding transfer payments to the provinces will not fix the basic problem of the system. The problem is that it is a big machine, totally outdated and completely dysfunctional, no longer capable of meeting the needs of the 1990s and of the next century. The government will certainly not tell us that before the referendum.

Regarding transfers to the provinces, Bill C-76 also contains a provision that I consider cynical and arrogant, particularly as far as Quebec is concerned. Clause 13, Part V, provides for the maintenance of national health standards and the introduction of new national standards in the areas of social assistance and post-secondary education. Provinces who do not comply will lose their entitlement.

Imagine that, they will be cut off. As if what we get back from the federal government in the form of transfer payments was all Ottawa's to begin with. As if these public funds were a gift from this munificent federal benefactor to the provinces. The fact is that this is taxpayers' money being redistributed to taxpayers in Quebec as elsewhere.

In Quebec, we pay the federal government \$30 billion in taxes each year, \$30 billion. And they are threatening us? They say that new national standards on social assistance and post-secondary education will be introduced and that provinces who do not comply with these standards—which may be sheer nonsense in relation to the socioeconomic and cultural reality in Quebec—will see their transfers cut off.

Madam Speaker, can you imagine what that could mean to have, in Quebec, education standards imposed by the anglophone majority in Canada? Do you have any idea? Can you imagine how this sounds to Quebecers, with all the historical references we have?

Can you imagine Clyde Wells, in Newfoundland, with his friends and accomplices elected to the federal Parliament, determining indirectly, through Canada-wide standards, the content and goals of the education system in Quebec? Can you believe that we will be entitled to only 25 per cent of the power of decision over post-secondary education matters? Is that what the people of Quebec want? I do not think so.

They should know, however, that this is what this government stands for. We know what the introduction of Canada-wide education standards means. It means that Ontario, Newfoundland, the anglophone majority in Canada will have a say in how our education system, this system through which our identity and culture as Quebecers is perpetuated and passed on from one generation to the next, should operate. That is what is proposed, what this says.

We are told not to worry because, before Canada-wide standards can be implemented, negotiations will be held with the provinces and a consensus will be reached. This is not a guarantee that there will be no Canada-wide standards. Given this government's record, a government that forced the repatriation of the constitution upon us, in spite of the numerous objections raised by Quebec, and the Quebec National Assembly in particular, we can easily imagine that these Canada-wide education and social assistance standards will be implemented.

This measure may not have a financial impact, but I can assure you that its political impact and the impact it will have on Quebec's culture and cultural future are undeniable. That is what is unacceptable to the official opposition, the Bloc Québécois.

• (1055)

It should come as no surprise that this bill contains a provision that thumbs its nose at historic facts and ignores the need for Quebecers to control 100 per cent of their future, their culture and what they are. It should come as no surprise that this political bludgeon should materialize in a bill on public finances.

I am certainly not surprised, and this week I had the same reaction when a motion was tabled in the House on Quebec's representation in the House of Commons, asking for guarantees—as was the case in the draft constitutional agreements that followed the demise of Meech Lake—that Quebec would have

25 per cent of the seats in the House of Commons, and I even saw Quebec members of the Liberal Party vote against the motion.

I saw the hon. member for Brome—Missisquoi, the newly elected member, the other guy's brother, rise in the House to say he was against guaranteeing 25 per cent of the seats in the House of Commons. I saw the Minister of Finance and member for LaSalle—Émard rise in the House to vote against guaranteeing Quebec 25 per cent of the seats in the House of Commons. This is a man who represents Quebecers, Madam Speaker, and he rose in the House to vote against this guarantee of representation in the House of Commons.

So it should come as no surprise to see one of the main pillars of the preservation and renewal of Quebec culture, our education system, bludgeoned in this way, and I am referring to the possibility that national standards will be imposed and that decisions will be made elsewhere on the orientation, content and objectives of our education. I am no longer surprised. Nothing would surprise me in this Parliament. Nothing would surprise me, coming from this Liberal government and its few distinguished members from Quebec.

It is a disgrace. I felt sick to my stomach this week when I saw that. I had the same feeling I did last week, when I saw a member from Manitoba speak out against revoking the conviction of Louis Riel for high treason. This was hard to stomach, especially from a member for the same riding Louis Riel represented before he was hanged for high treason. What is going on here? I knew, and we could tell from the outside before we were elected, and now we can see it firsthand. What is happening here is a disgrace, a patent denial of our history, and again, this refusal to make amends for certain historic facts that are a disgrace to Canada and Canadian federalism.

They tell us: Do not worry, national standards will be negotiable. It does not say anywhere in this bill that national standards will require unanimity or a consensus among the provinces. The federal government reserves the right to apply them whether the provinces agree or not. Here, the old guard is up to its old tricks: the current Prime Minister, the Minister of Foreign Affairs and the Minister of Human Resources Development were all there in the previous Liberal government. They are up to their old tricks of wanting to tell the provinces what to do and arrogantly imposing a centralist vision on all Canadian provinces, including one province they feel is just like the others, and they say that right here, and I am of course referring to Quebec.

It is the same gang that misled us in 1980, when those federalist members, now ministers, were out on the hustings. One is now Prime Minister. They went around saying: If you vote no in the referendum on sovereignty, it will be a yes to renewed federalism, yes to decentralization and yes to flexibility. A year later, they literally shunted Quebec and the Premier

### *Government Orders*

of Quebec and Quebec's aspirations aside, saying: We have an agreement, the federal government has an agreement with the other Canadian provinces, and Quebec will have to go along. That is happening now with a very ordinary bill to implement certain provisions of the budget of the Minister of Finance.

• (1100)

The old gang, the one responsible for the show of force in 1981, patriated the constitution. We have to keep saying this. We tend to forget what happened. Despite the near unanimous decision of the Quebec legislature, the Liberal government of the time patriated the constitution. This was the government of Mr. Trudeau, who is no longer a member here, and his acolytes—the present Prime Minister, the Minister of Foreign Affairs, the Minister of Human Resources Development and others. The Liberal government, at that time, also ensured Quebec's exclusion. I tell you I see the hand of the old gang in this bill. This is the gang that is telling Quebec: "Forget your nationalist and sovereignist claims, that is all over, you are going to be included. You will have to bend and we will make you bend", to the delight of the Reform Party members.

The government's objective with regard to transfer payments to the provinces is clear. The government presented things clearly too. It wanted to avoid having to make difficult decisions this year, because, with the Quebec referendum, it would mean revealing the failure of the federal system. Furthermore, it wanted to try and minimize the impact of cuts in social assistance, post-secondary education and health care transfers to the provinces. These cuts are serious.

The government, and its Minister of Finance, is an old hand at deception, illusion and hypocrisy. It managed to leave the impression that these cuts would hurt neither Canadians nor Quebecers. It managed to do what it wanted. Things this year do not look too bad, really. However, for next year, it covered up the fact that everyone is going to have to pay and that it is going to be tough and will keep on being tough. It will keep on being tough until 2050, because the system is outdated and does not work anymore.

I will tell you that the shortfall the Quebec government will be facing in the next few years is equivalent to the operating budgets of all of the hospitals in Quebec, except those in Montreal and Quebec City. This is a considerable amount. The money to operate all the hospitals in the outlying regions, that is what the federal government is cutting from its transfers to the provinces.

In other words, in this budget, with regard to transfers, the federal government is making Quebec and the other provinces shoulder the offensive part of the reform, which the Minister of Human Resources Development was unable to complete, for the moment, and which the Prime Minister wanted to keep under

*Government Orders*

wraps this year for strictly political reasons. I tell you—this is unacceptable.

In essence, the approach, the thinking, by the Minister of Human Resources Development is more or less as follows. I would not be stating it too directly by putting it this way: social programs and unemployment insurance have to be cut in order to stimulate job creation and growth. Imagine, Madam Speaker, hitting the unemployed and the poorest people in our society in an effort to stimulate growth and boost job creation. What great thinking. It sounds like Liberal thinking to me. It sounds like Liberal ideals.

I tell you, as is often said: this Liberal government is the most Conservative government Canada has ever had. Its thinking runs totally counter to Liberal thinking.

• (1105)

And I repeat, it is too important not to, that we have noticed over our 16 months here that the government believes it should cut social programs and unemployment insurance in order to create jobs and stimulate the economy. Even the ultraconservatives of the last century were less direct, less tough than that.

**An hon. member:** Less hypocritical.

**Mr. Loubier:** You are right, dear colleague, most importantly, they were less hypocritical. But why should we be surprised? Earlier, we talked about the failings of the old Liberal gang coming out again in the national standards issue and the push to bring Quebec into line. And other old flaws are surfacing too. Relatively new old flaws, however, because they only go back a few months. They only seem old because we were so shocked by what they said that it seems that they have always been saying it.

Why should we be shocked by the ultraconservative philosophy of creating jobs and kick starting the economy at the expense of the unemployed and the most needy, when a few months ago the Prime Minister himself said to a group of influential Toronto business people, a bastion of federalism and of extreme right-wingers, maybe even friends of the Reform movement, that the unemployed all sat around and drank beer? The leader of the country and of the government, the Prime Minister himself, said that the unemployed sit around and drink beer.

In light of this, what is so surprising about creating jobs and kick starting the economy at the expense of the unemployed when the philosophy of the country's number one man, the head of the government, is not to help the unemployed, not to create jobs, but to call them all beer drinkers?

How do you expect the government to take a different approach in Bill C-76, which by the way, basically says the same thing as the Prime Minister except in more diplomatic and

eloquent language, when the Prime Minister's opinion is that the unemployed, the people displaced by the structural changes in the workforce, all just sit around and drink beer?

Why should it come as a surprise that the Minister of Transport was cynical and arrogant during the latest dispute, when he once again used bully tactics, harshness instead of the civilized options proposed by the official opposition? Once again, in front of a large audience, he said things that were so revolting that union representatives walked out on him. He said how do you expect railway workers with only a grade nine education to understand what is going on? Just imagine the arrogance and cynicism it takes to say such a thing, that railway workers cannot possibly understand what is going on because they only have a grade nine education, and for the Prime Minister to say that the unemployed like to sit around and drink beer.

In your opinion, what kind of bill, what kind of vision of social and economic development for Canada can come from people with that kind of attitude? Such things as cutting the unemployment insurance fund, cutting everywhere. That is the Prime Minister's vision, which the Minister of Transport and the Minister of Labour both share.

This is not surprising, here I digress from the bill, but it is not surprising because last year, the Minister of Finance took \$600 million from the unemployment insurance fund without batting an eye, this year, he will take \$2.4 billion and next year, \$4 billion. That is their full employment policy, the full employment of all means available to them to take from the unemployed all means at their disposal to replace a lost job with one of equal quality and to participate in the growth of the economy which has been stunted since the 1990 recession.

Overall, the federal government will cut transfer payments to the Government of Quebec by 32 per cent between 1994-95 and 1997-98. That is a lot. A \$2 billion shortfall to be made up has been mentioned, but 32 per cent is enormous.

• (1110)

I repeat, this is no gift. The federal government is not giving us a gift. It is not a gift from any other source either. It is money from Quebec and Canadian taxpayers. The government is telling us that it is making cuts, but keeping certain other transfers. It cuts 32 per cent of our own money, which it redistributes in the areas of health care, post-secondary education and social assistance and we have absolutely no say in the matter.

No one at the prebudget discussions, and I attended all of them along with my hon. colleague for Témiscamingue, some of my colleagues went several times, no one told the Minister of Finance to do what he did. No one ever told the Minister of Finance he should avoid his responsibilities and offload his

*Government Orders*

problems onto the provinces. No one told the Minister of Finance he should blithely cut unemployment insurance.

At no time, during the hearings held across Canada, from east to west, in the maritimes, Quebec, Ontario, the prairie provinces and British Columbia, at no time did anyone say that education should be cut. On the contrary. Education is fundamental to the success of nations today. No one ever said it should be cut.

No one ever said there should be cuts in health care either. Canadian nationalism is built in part on social programs, and the health care system in particular. Canadians are proud of this system. No one called for cuts to this system. What we got, however, was a 32 per cent cut over the coming years. I can count on my fingers the number of people who advocated this route to the Minister of Finance. I could even name them for you, but it would be a waste of time, and I have other things to say.

I will name one, Thomas d'Aquino, the head of the Business Council on National Issues. He told the government to slash everywhere, everywhere that is, but in subsidies to Canadian business. He was the only representative of business to tell the government not to cut the \$3.8 billion paid to business or to suggest it be done gradually to avoid having a harmful effect. He never said, however, that a \$7 billion cut in the unemployment insurance fund would hurt. It was not a major concern for him.

Some business people suggested cutting transfer payments, but these are not the people the government has to serve if it really cares about meeting the needs of the citizens of Quebec and of Canada. It should be working for ordinary people in Quebec. But their hands are tied when they form the government and come against those who finance the federal party. That cannot be stressed enough.

When a bank contributes \$45,000 to the Liberal Party of Canada, should we be surprised to later learn that the bank, and all banks in fact, do not pay their share of taxes? Why should we be surprised to see that they only have to pay a temporary tax, staggered over two years, which will bring in a paltry \$100 million, even though banks made \$5 billion in profits this year? That is what happens when there is no policy on the public financing of parties. That, and other things.

Regarding this 32 per cent cut in transfer payments over the next few years, I would say that although Canadian federalism was at one time profitable for Quebec, we all agree on this point—if we go back 30 years, as did one study recently, or 20 years—so, yes, it was profitable at one point, but it no longer is. They should stop trying to fool us.

Even André Raynauld, a good Liberal economist, whom I regard as very competent, a former Liberal minister at that, said

when he appeared before the Bélanger–Campeau Commission in 1990, that from 1988 on, Quebecers had not been getting more from the federal government than they were putting in. That was in 1988, but since then the difference between the \$30 billion in income taxes and other taxes that Quebecers pay into federal coffers and what the federal government gives in return has grown.

We are in the red. Look at it from any angle you wish, go ahead and crunch the numbers and try to make it look as if the deficit were equally shared by all the provinces. Between you and me, it is an exercise in futility. We all know that the right calculations, the true credit and debit entries show that Quebec gets less from the federal government than it contributes. And this deficit will only grow over the next few years.

● (1115)

And the reason is precisely because it represents 32 per cent of federal transfers to the provinces, including Quebec, 32 per cent less in federal transfers. In the case of one of the items, we were told that we were receiving more than we were paying. That was before this year, with reference to the unemployment insurance fund. But, this year, the fund will no longer have a surplus. This means that the contributions of employees and employers in Quebec will also correspond pretty much to what unemployed Quebecers receive. Even if the trend continues, there will be a deficit of 188 million dollars with respect to what employees and employers in Quebec are paying and what Quebecers will be receiving in unemployment insurance.

Therefore, not only is there no longer a surplus, but there are cuts of 32 per cent in federal transfers, and, as is always forgotten, that will be on top of this deficit. Given this deficit, the federal government's expenditure items need to be looked at carefully. We have always said, and it is even truer today, that the most important expenditure items are those which stimulate the economy, such as research and development, purchases of goods and services, expenditures in the agricultural and transportation sectors, and so forth, the expenditures that contribute to prosperity, economic growth and job creation. But in Quebec, these growth promoting expenditures are a concern. For 25 years now, Quebec has indeed had a surplus, but a surplus in terms of unemployment and social assistance benefits. And this surplus situation is attributable in part to structural problems in the Canadian economy. The problem was also that this system did not meet the needs of Quebecers in need.

And so we were told: "There are problems, but do not complain because you are getting larger transfer payments". This is no longer the case. Now, there is no longer any attempt to provide any relief for the increasing unemployment and poverty in Quebec, and, in addition, the transfers necessary for the

*Government Orders*

economy are not available. Hardly an advertisement for federalism. We have seen better elsewhere.

If at least—for there is nothing in the budget that I find acceptable as far as transfers are concerned—there had been some sign of a real, not just a cosmetic, improvement. Even the financial community has issued a warning, saying that, in the first year, the government's rating was being maintained, but that it was being watched. But no real improvements were made. The big federal machine, the heartless federal machine that is cut off from the needs of Quebecers and Canadians, rolls on.

No departments are eliminated. There is a transfer of expenditures, of deficit responsibilities to the provinces. Because the minister lacked the courage to assume his own responsibilities, he is letting the provinces do the dirty work, but the system as such remains unchanged. The big, inefficient system is still in place. They will say that we disagreed with them. Not only did they not do anything, not only did they not fix anything, but they hurt the provinces, the most disadvantaged, the unemployed, the people on social assistance, and they are about to do the same to seniors.

I would have liked to address the issues of transportation, labour relations and the disgraceful layoffs in the public service. Again, we never said that we should not cut fat throughout the entire system. This has always been our policy, except that there is a way to do it while showing respect for the workers. It is easy to see, however, that this government has no respect for anything. It does not even comply with the Canada Labour Code. It tried to silence us in last week's debate on the rail dispute and refused an opposition motion for more civilized labour relations and a return to work with the possibility of collective bargaining.

If only for the issue of transfers, I would like to propose a motion. I move, seconded by the hon. member for Châteauguay:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be not now read a second time but that it be read a second time this day six months hence."

In other words, the Minister of Finance should go back to the drawing board and do his homework, because he acted in a disgraceful way, even in trying to meet his goals some time in 1997-98.

• (1120)

**The Acting Speaker (Mrs. Maheu):** The House has heard the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mrs. Maheu):** Resuming debate. The hon. member for Kindersley—Lloydminster.

**Mr. Loubier:** Madam Speaker, I tabled the motion, you read it and asked if we approved the motion. Some hon. members shouted "yes", others "no". I do not understand what happened after that. Can you tell me?

**The Acting Speaker (Mrs. Maheu):** I asked if it was the pleasure of the House to adopt the motion. The answer was "no". So, we are resuming debate.

**Mr. Loubier:** No, Madam Speaker. We answered "yes".

**The Acting Speaker (Mrs. Maheu):** I will get back to you on this matter in two or three minutes, after taking advice. You may be right, but I would like to wait for further advice.

**Mr. Loubier:** Normally, Madam Speaker, one would expect the Chair, after putting the question to the House as a whole, to ask us to vote "yea" or "nay" and then, if you declared that the motion was negatived, we would have stood up. But we were waiting for this cue to stand up.

**The Acting Speaker (Mrs. Maheu):** I will get back to you in a moment.

• (1125)

Order. Resuming debate on the motion of the hon. member for Saint-Hyacinthe—Bagot, pursuant to Standing Order 67(1).

[English]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Madam Speaker, it saddens me that we have to debate Bill C-76 today. This bill implements laws allowing the government to put Canadians another \$32.7 billion in debt. It saddens me even more that the government feels this is acceptable. It is not acceptable. It is a deplorable act of financial incompetence of a weak kneed government.

The government borrowed a few pages from Reform's taxpayers budget in order to cut spending in some areas. The Liberals only did half the job, however. They would have been much better off following all of our suggestions, not just a few select pages. A lot of the rhetoric was right, but a lot of the numbers were wrong.

Because of the Liberal's failure to make all of the necessary cuts to get Canada back on track to financial good health, we continue on the debt treadmill. The budget is the minimum possible budget. The Liberals cut only enough to compensate for the additional interest charges their over spending has created.

The net effect of the bill which implements a budget that creates a greater indebtedness is before us, and deficit financing continues into the future. The only reason the deficit goes down at all is that the Liberals plan to take over \$10 million more out of the economy.

Even if everything goes their way, they will still have a \$25 billion deficit which is unacceptably high. The finance minister and the Liberals do not get it. The Minister of Human Resources Development seems to think the role of government is to continually come up with new and exciting forms of taxation. The Minister of Finance hesitated to rule out the Tobin tax or any other new taxes. This is the best way to bankrupt a country. The government simply cannot solve the nation's financial mess by taking more out of the economy through taxation.

No nation has ever spent and borrowed its way to prosperity. Quite the opposite is true. Many great nations and empires have fallen because of the growth of government and taxation. Perhaps the most prominent among them is the Roman Empire. When faced with the oncoming barbarian hordes, many of the outlying states decided to throw their lot in with the barbarians, saying: "Better the barbarians we do not know than the taxes we do know".

Not only some in Quebec but some folks in the western provinces are using the huge debt and growing taxation as a platform for seceding from the federation. For the sake of national unity we need to eliminate the deficit quickly.

As well, the only way the Liberals will ever be in a position to bring taxes down is to completely eliminate the deficit. We know they will not do it by 1996-97. If the Liberals have a plan to do it after that, they will not share it with Canadians. This is bad news for the Deputy Prime Minister. She made quite a performance out of announcing that she would resign if the GST were not gone within a year. They cannot bring down taxes while running a deficit, so I suppose her career is over. That is a shame. I am sure the House will miss her shrill voice and her partisan, illogical grandstanding. She has looked after herself, however, with a generous two tiered MP pension plan.

As well as being a bad budget for the Liberal Party it is also a very bad budget for Canada. That is the important matter I want to deal with this morning. Apart from the negative impact of continued debt and taxation, the budget creates some inequities in the country.

The cuts made by the government have a very lopsided impact. For instance, the agricultural industry in western Canada is hit harder than any other industry. The loss of the Crow benefit will have obvious long term effects on the industry. The gasoline tax will hit farmers particularly hard. Farming is a very fuel intensive industry and travel is a necessity in rural areas. The government has increased the input costs for farmers, increased the cost of getting the product to market and offered no hope of tax reduction in the future.

• (1130)

Farmers realize many of these things are necessary in order to save the country from financial collapse. What angers farmers is

### *Government Orders*

that so many others got off so easily in the budget. If everyone had been hit as hard as agriculture, the budget would have been balanced. We would have had something to show for our effort.

For years farmers have been saying they do not mind doing their share and losing the rail subsidy if other subsidized agencies do the same. Farmers have been hit with a 30 per cent loss to their safety net programs and the entire loss of their transportation subsidy in the west.

At the same time the CBC only gets kicked with a 4 per cent reduction in its subsidy. Does the government feel that a 4 per cent cut to the CBC is comparable to a 100 per cent cut to grain transportation?

The removal of the Crow subsidy appears to have been a last minute decision. It appears pressure was put on the minister of agriculture to find more savings and so he axed the Crow without thinking through and planning for the implications. The minister of agriculture calls it a buy out, but the value of the WGTA is much higher. Some suggest it is more like \$7 billion rather than \$1.6 billion. He should have more accurately called a Crow buy off at fire sale prices because the federal purse has been mismanaged for so many years by Liberal and Conservative finance ministers they simply do not have the money for a real buy out.

For years the Reform Party has been calling for a long term plan for moving the agriculture industry toward a market system. The government has had a year and a half in office to plan for this transition but it has done nothing.

The government waited until the last moment and then sprung this crow buy off on farmers with almost no warning and no plan for implementation. To date the minister of agriculture has not been clear on who the buy out money is to be paid to, how the amount will be calculated, what the tax implications of the pay out will be for farmers or any of the other dozens of questions that my constituents and farmers across the west are asking.

I am starting to believe the minister's offices cannot answer these questions because it has not even thought through many of these problems yet. The elimination of the Crow benefit has been poorly designed, very ad hoc and in a desperate manner. The minister of agriculture campaigned on the red book promises to develop a long term plan for agriculture.

I want to take a few minutes to look at what the Liberal red book says and what the minister of agriculture has been saying to Canadians. In the red book the Liberal government promised to develop an overall policy for the agri-food sector which will build upon three component strategies: developing new domestic and international markets for Canadian food products; reducing input costs to make farming more viable; introducing a new whole farm income stabilization program that assists farm families to secure their long term future.

*Government Orders*

The one that jumped off the page when I looked at it was reducing input costs to producers. The government is increasing the input costs to producers. It is doing it through taxation on fuel and by its continued borrowing of money that has to be paid back through both interest charges and principal eventually; farmers have to play a role as they are generators of the GNP.

The red book went on to say that it would preserve policies and programs such as supply management. As soon as the Liberals were elected they were forced to change the nature of supply management as a result of the GATT agreement. Reformers knew this was coming. The whole world knew it was coming. The only people who seemed to think it was not coming were the Liberals. They campaigned they would preserve supply management in the state it was in before the GATT agreement. That was absolutely misinformation to give to the Canadian public. It is unfortunate they would perpetuate this type of propaganda in their election campaign.

They also said they would craft stabilization programs to minimize the impact of market price fluctuations; government support in developing new commercial markets for commodities in which the agri-food industry has a competitive advantage; sustainable agriculture practices to maintain and improve the quality of land and water; emission oriented research to increase productivity and create quality products to meet market demand.

They are very nice words but where is the beef? We have not seen anything yet from the minister of agriculture and there is certainly nothing in the implementation of the budget that would indicate that any of these promises in the red book are about to be fulfilled.

• (1135)

In the first throne speech agriculture was not even mentioned. It certainly does not seem to be a very high priority with the government.

Actions speak louder than words. Let us look at the record of the agriculture minister and the government since they came into power. As far as agriculture was concerned, 1994 was a year of indecision and inaction. It will be remembered by most as a year comprised of consultation and study groups that were not intended to be genuine but rather as a way of avoiding making tough decisions.

Issues that were pursued through legislation in the House were rather insignificant and inconsequential such as Bill C-49, the department of agriculture reorganization bill, Bill C-50, the Canadian Wheat Board research check-off act, Bill C-51, amendments to the Canada Grains Act, certainly not of any consequence to the industry.

Outside the House of Commons the minister of agriculture was heavily criticized over his handling of the durum wheat dispute with the Americans. After months of posturing the federal government caved into the American demands that Canada place self-imposed caps on shipments of wheat to the United States.

The minister also reneged on the promise he and the Prime Minister made during the election campaign. They made the promise they would hold a referendum on the future of the Canadian Wheat Board and barley marketing. They did not carry out that promise.

For 1995 the minister of agriculture is again making some promises and we will be watching to see whether he carries them out. He said in the *Western Producer* of January 5, 1995: "It is a year when we can really see the turning of a corner on a lot of issues. I think 1995 will be a very active and vigorous year in which a number of these issues will come to a head and be dealt with".

We are well into 1995 and to this point we have not seen very much positive by way of performance by the minister of agriculture. There certainly does not seem to be much in the budget to get excited about.

The minister of agriculture in 1994 delayed introducing legislation that would end the backtracking of grain from Thunder Bay to the west. It is a very costly and terrible practice which he had the power to correct. He said he would but then delayed the implementation of the act which would correct this problem and cost producers more money.

From the *Western Producer* on November 17, 1994 the minister said: "I cannot tell you what the amount of the Crow benefit will be. I have to tell you in all candour and honesty that I will expect the number to be somewhat lower and that is a product of the harsh fiscal reality we are living in at this time".

The minister was still giving farmers some indication the Crow benefit would be with us. When this budget came down, which we are implementing through Bill C-56, the Crow was gone. Why was the minister indicating payment would only be reduced when it would be eliminated? These were not the signals farmers needed to make decisions over the winter months as to how they would operate their farms in the current crop year.

Another very interesting issue important to agriculture producers goes far beyond the agricultural industry; it affects all exporters, transportation of our product to port.

I again quote the minister of agriculture from the *Western Producer*, March 10, 1994: "I do not want to jump to conclusions about what is needed". This was with regard to labour problems that plague the grain transportation system: "I do not want to jump to conclusions about what is needed but I merely observe that it is important that all the players work on a way to



*Government Orders*

avoid this ever happening again in the future. The situation where losses occur for the grain industry because of a dispute outside their control is not acceptable”.

That was a little over a year ago. He said it was not acceptable, that we had to deal with the west coast port labour dispute and lockout. As we very well know, we had to deal with the issue of the west coast ports again and the rail strike.

• (1140)

When the minister said it was not acceptable, the problem is he realized it was not acceptable but he did not do anything about it. What is really sad is that he had the opportunity to do something about it. He could have supported the hon. member for Lethbridge when he introduced Bill C-262 in the House. It was a votable motion. The Minister of Agriculture and Agri-Food could have supported it. It would have legislated final offer arbitration for essential services such as the transport of grain to tidewater from the farm gate. The minister of agriculture recognized the problem was unacceptable. He had the opportunity to do something about it and he failed to do it. That is unacceptable to western grain producers.

With respect to research for agriculture, the minister of agriculture said it is fundamental and needs to rank very high in what we do in the future:

I have not yet had the tough conversation I expect I will have at some point with the Minister of Finance. If you are inconsistent in your research objectives or your research funding you can do a lot of long term damage. I would like to be able to reallocate resources within the department of agriculture should that prove necessary, to make sure that vital things like research do not get fundamentally undermined in the process of reworking the budget. I actually would like to see the situation (funding levels) improved. That may be a bit ambitious in the short run in the face of necessary restraint but the fundamental objective for the long term has to be to increase research and development.

That is from the *Western Producer* of January 27, 1994.

In the budget the minister did not follow through on his commitment. The way I would interpret it is that he was saying: “I do not think I can increase funding for research. I will going have a tough conversation with the Minister of Finance. Certainly we are not going to reduce it”.

What the finance minister did in the last budget was cut funding to agriculture research. He is asking the private sector to make up the difference. Perhaps that is a fair request. We could debate that in the House. The problem is the minister of agriculture said something else. He did not follow through on what he said. Not only did he cut funding for research, he also cut seven research station facilities across Canada.

He also said research for the smaller sectors of agriculture would be those hardest hit. What if that had been our policy in the past? There would have been no research to develop canola, one of the greatest assets in the western regions. Perhaps we would not have developed the lentil market we have had we followed the agriculture minister's policy. Perhaps because of his policy we will not develop the herbs and spices market to its full potential. That is a step which would harm diversification rather than assist it. The minister said he is committed to diversification and a broadening of the scope of agriculture. The agriculture minister's actions and his words do not line up.

I would like to return to the situation of supply management. What has happened is very unfortunate. Specifically on on article XI the minister of agriculture stated:

It is no secret that there is not a great deal of support for our position among the other GATT members. But we will continue to fight for that position. Our bottomline is that we will do what we have to to protect supply management.

It was obvious to the whole world, surely it was obvious to the finance minister, that Canada stood alone in its defence of article XI and that there were to be changes. The agriculture minister should have done the responsible thing and communicated the reality of the situation to agriculture producers. He should have done that before the election rather than waiting until after the election. Now their support is so slim they can do nothing whatsoever and they will have to go along with the changes proposed in the GATT agreement in 1994.

With respect to international trade, in campaign ads in his attempt to win the Liberal nomination in Regina—Wascana in 1988, his material contained the following:

This election will be the most crucial in our lifetime. It demands strong, decisive action to stop the bad Mulroney trade deal which threatens our future and our very way of life.

That is from the *Leader-Post* of September 15, 1988.

• (1145)

As the whole world knows, we need trade agreements. More of them are being put in place every day. We also know the Liberal government, including the minister of agriculture, campaigned against the free trade agreement. However, once the Liberals got into power they did nothing to change it although they said they would change it. They said they had wonderful changes planned for the North American free trade agreement. Once they got into power they made no changes whatsoever. Again, what the agriculture minister said and his actions were two separate things.

*Government Orders*

During the 1988 free trade debate the agriculture minister said that the current Minister of Finance and he stood strongly against the trade deal. He said it was not a fair deal but a sellout of our nation. How could it be a sellout in 1988 and then supported in 1993?

There are some real positive aspects to the North American free trade deal. Certainly it is not the perfect deal. Maybe there is no such perfect deal. The problem is that the minister of agriculture and the Liberal government flip-flopped on the issue. They did not keep their word. It is very unfortunate that we do not know what direction we can take from the words of the agriculture minister and his colleagues.

I would like to read one more quote with regard to the durum wheat dispute last year with the Americans. The agriculture minister said:

Those on the other side of the border who might think that action can be taken against Canada with no consequences, should think again. There will be consequences—I want our American trading partners to know that Canada is not going to roll over and play dead—For every action there will be a reaction.

That is a quote from the Ottawa *Citizen* dated March 30, 1994.

In the newspaper *The Western Producer* the minister said: “No deal is better than a bad deal”. That was April 16, 1994. As we know, the minister of agriculture caved into the Americans and agreed to export restrictions of 50 per cent of previous exports to the United States of Canadian durum. Again that is very regrettable. Again the minister of agriculture did not match his actions and his words.

I want to read one final quote regarding the agriculture minister because the Canadian people need to be aware of this. It is with regard to deficit reduction. As members know, for some time Reformers have called for the government to come to grips with the deficit. I have a very interesting statement made by the minister of agriculture in the past with regard to the deficit. He said it is more than irresponsible, it is immoral. Those are the words of the agriculture minister.

I agree with the minister of agriculture. It is immoral to pass on the deficit and debt to future generations. However, the agriculture minister is part of a government that is adding billions of dollars to the debt by annual deficits, last year, in the current budget and in the one that is projected for next year.

I have three primary criticisms of the Crow buy-off in the Liberal budget. I would like to put those on record. First, the government's action on the Crow benefit comes as too little, too late. Three years ago Reformers suggested that the funds for the transportation subsidy for grain should be rolled over into a trade distortion adjustment program that would protect producers from damage received as a result of the grain trade wars. We did not hide this information. It was very public. The Liberals had access to it when they came to power. They determined that

they would stick with the old Crow until they could bargain it away in the GATT negotiations when they had no cards left to play in the deck.

Second, the government should have designed and introduced a transition plan prior to the discontinuance of the Crow benefit, not a year or more after it ends. It seems incomprehensible that the federal government would end the Crow benefit on July 31, 1995 and then say it is going to introduce a transition program in the 1996–97 fiscal year. That is really putting the cart before the horse. The Liberals are going to eliminate something and then not have any idea what they are going to put in place for transition. I cannot fathom that thinking.

Third, the government is justified in reducing support to agriculture if, and only if, it reduces spending in other departments and programs by equal amounts so that farmers do not carry an unfair portion of the pain caused by fiscal restraint. This has not happened. In many cases, which I will mention in a few minutes, the federal government has actually increased spending. This is unacceptable. The minister of agriculture has obviously not considered those most vulnerable to the loss of the Crow, namely young renters. I have had many calls from young farmers in my constituency who are renters. They will lose at both ends with the Crow buy-off. First, they are not recipients of the \$1.6 billion buyout. Second, they will bear the cost for the additional transportation with the ending of the subsidy. This is truly regrettable because often these young farmers have a pretty tight cash flow situation and low equity. They are not able to go to their banker and command the same infusion of cash for their operations. It is very difficult for them to plan to farm again this year.

• (1150)

I want to really stress this. I am not complaining about the cuts in support to agriculture. I will say it again so that it is clear to the House. I am not complaining about the cuts in support to agriculture. Probably Reform would have done some of the cutting differently and I think better.

I want to point an accusing finger at the government because it did not level with Canadians about the way cuts would be made. It did not level with farmers about how cuts would be made. Particularly it did not level with the western grain farmers about how cuts would be made. It did not level with supply management about how it would deal with that industry. It failed to fulfil its promises. That is truly regrettable.

While farmers took a triple whammy in the budget, the government continues to subsidize special interest and advocacy groups such as the National Action Committee on the Status of Women and others. It continues to provide huge tax breaks and subsidies to big business and doles out millions to western economic diversification and other regional agencies. The Lib-

*Government Orders*

erals are still planning on sending billions of dollars overseas while cutting programs for Canadians.

I thought it would be interesting to go through the budget and the estimates for this year and take a look at the areas where spending is actually rising. The result is quite interesting and I would like to share my findings with the House.

Spending by the Enterprise Cape Breton Corporation will rise by about 70 per cent from last year to \$17.5 million. The Canadian Museum of Civilization will receive 22 per cent more, bringing the total to \$46.2 million. The Canadian Museum of Nature's budget goes up by 33 per cent to almost \$25 million. The National Gallery of Canada gets a 23 per cent increase to bring its budget to over \$33 million. The list continues. The National Museum of Science and Technology gets a 25 per cent increase to \$20.5 million. The Status of Women Co-ordinator gets a—wow—322 per cent increase to \$15.2 million. I know that farm women do not support that increase to the budget for the status of women.

The increase to the Immigration and Refugee Board, \$11 million. Perhaps it is to install more hidden cameras. This is very interesting. The finance department gets a \$9.7 billion increase. With a bigger deficit and a bigger debt comes a bigger finance department. That is a real reward for incompetence.

The Canadian International Trade Tribunal receives a \$500 million increase. The Federal Office Regional Development Quebec, \$34 million; the Superintendent of Financial Institutions, \$38,000; the Ministry of Fisheries and Oceans, \$121 million. Maybe he will be able to buy some more extravagant furniture with the increase in his budget.

National Health and Welfare is receiving an extra \$321 million. It is spending more money while services are eroding. The Medical Research Council, \$2 million; Statistics Canada, \$5.5 million; the justice department \$500,000; Indian and northern affairs, \$285 million. That one year's increase is equal to a six-year Crow transition fund. It is just appalling. The Federal Judicial Affairs Commissioner, \$1 million; the Tax Court of Canada, \$180,000; the Atomic Energy Control Board, \$165,000.

The Senate of Canada, \$1,000. It actually gets an increase and its members do not even show up for work most days. The Privy Council Department, \$4.5 million. More money for the people who brought us the Fowler-Doyle affair. The Canadian Inter-governmental Secretariat, \$250,000; the National Round Table on Environment and the Economy is a new agency and its entire \$3.3 million budget is new spending. The security intelligence review committee, \$6,000, more money to reward recent poor performance; the correctional service, \$50 million; the RCMP, \$10 million; the RCMP external review committee, \$91,000; civil aviation tribunal, an extra \$15,000; Treasury Board Secretariat, an extra \$32 million; western economic diversification, an extra \$26 million.

• (1155)

All of this is new spending. Those departments and agencies are all having their budgets increased while farmers are taking it in the neck. It is not fair.

Overall government spending has moved up since the Liberals took power. In 1993-94 total government spending was \$158 billion. The Liberals came to power. In 1994-95 it was \$160.3 billion. That is an increase. This year in the budget it is projected to be \$163.5 billion. Spending is increasing. It is not decreasing despite some of the spin doctor campaigns that the Liberals are promoting to say that they are reducing the deficit and cutting spending. They are actually increasing spending.

The government has sent a clear message that it feels special interest groups, business subsidies, regional patronage handouts and foreign aid are all more important than the agriculture sector. The budget is nothing more than a raid on the income of hard working Canadians so the Liberals can continue to fund their pet projects with \$1 billion of additional tax revenues to help them along.

The budget is a failure. It fails to get Canada off the debt treadmill. It fails to demonstrate that we can avoid hitting the wall. We are already seeing the ill effects of the budget in the value of our currency. The U.S. dollar is plummeting versus other international currencies and our dollar is losing ground to the Americans. The Canadian peso, as it is becoming known, is at constant risk and interest rates may rise because of the weak budget.

It is interesting that the minister of public works is planning to issue a \$2 coin. It indicates how little value our currency holds. Soon a coke machine will require a two buck piece for a can of the real thing. The coke will know doubt be more real than the money we use to buy it.

In an effort to prevent a rout on the Canadian dollar and a decrease in our credit rating, the Minister of Finance, the Prime Minister and other members of cabinet have been trotting around the world trying to convince our creditors that we are still a good credit risk. The very fact that our status is in question demonstrates the seriousness of the problem caused by the government and its Liberal and Conservative predecessors.

The best way to sum up the budget is to read a poem written by Dr. John Robson. The poem is based on *Casey at the Bat* by Ernest Lawrence Thayer. Dr. Robson apologizes to Mr. Thayer for sullyng his poem by including Liberals in it. I would like to read the poem to the House. It is called *Marty at the Bat*:

*Government Orders*

It looked extremely rocky for Canadians that day;  
 The deficit was growing; how short time was none could say.  
 So when Wilson died on OAS, and The Maz did the same,  
 A pallor wreathed the features of the patrons of the game.  
 A straggling few then went off shore, leaving there the rest,  
 With that hope which springs eternal within the human breast.  
 For they thought: "If only Marty could get a whack at that,"  
 They'd put even money now, with Marty at the bat.  
 But the PM controlled Marty, and Coppie always sounding off,  
 And the former was a pudd'n, the latter face down in the trough.  
 So on that stricken multitude a deathlike silence sat;  
 For there seemed but little chance of Marty's getting to the bat.  
 But the PM gave him Finance, to the wonderment of all.  
 And the much-despised Coppie saw her influence free-fall.  
 And when the dust had lifted, and they saw what had occurred,  
 The HRD man had folded, and Marty could ride herd.  
 Then from the gladdened multitude went up a joyous yell—  
 It rumbled in the mountaintops, it rattled in the dell;  
 It struck upon the hillside and rebounded on the flat;  
 For Marty, mighty Marty, was advancing to the bat.  
 There was ease in Marty's manner as he stepped into his place,  
 There was pride in Marty's bearing and a smile on Marty's face;  
 And when responding to the cheers he lightly doffed his hat,  
 No stranger in the crowd could doubt 'twas Marty at the bat.  
 Ten million eyes were on him as he rubbed his hands with ink,  
 Five million tongues applauded when he sat him down to think;  
 Then when the writhing Moody's ground the rating in its hip,  
 Defiance glanced in Marty's eye, a sneer curled Marty's lip.  
 And now the budget '94 came hurtling through the air,  
 And Marty stood a—watching it in haughty grandeur there.  
 Close by the sturdy batsman the deficit unheeded sped;  
 'No need for haste,' said Marty; 'Strike one,' the markets said.  
 From the benches, black with Lib' rals, went up a muffled roar,  
 Like the beating of vast spending when the tax can rise no more.  
 'Kill him! Kill the lender!' shouted someone in the stand;  
 And they might well have defaulted, had not Marty raised his hand.  
 With a smile of Liberal charity, great Marty's visage shone;  
 He stilled the rising tumult, he made the game go on;  
 He produced no mini-budget, and once more tax dollars flew;  
 But Marty still ignored it, and the markets said, 'Strike two.'  
 'Fraud!' cried the maddened Lib' rals, and the echo answered, 'Fraud!'  
 But one scornful look from Marty and the audience was awed;  
 They saw his face grow stern and cold, they saw his muscles strain,  
 And they knew their Marty wouldn't let his chance go by again.  
 The sneer is gone from Marty's lips, his spreadsheet's clenched in hate,  
 He swears he'll cut most drastically, before it is too late;  
 It comes to budget time again, the deficit still high;  
 And Marty swings beneath the ball, and hits an infield fly.  
 Oh, somewhere in this favoured land the sun is shining bright,  
 I think it's in Reformland where Presto has got it right;  
 And somewhere children laugh, and adults raise a festive cup,  
 But there is no joy in Canada—Paul Martin has popped up.

• (1200)

This budget implemented by Bill C-76 raises taxes. It increases the debt by over \$100 billion over three years. It offers no hope of tax relief to Canadians. No member of this House who has any concern for the welfare of their children and grandchildren can support a bill that enables the government to increase the debt load and therefore the future tax load we are leaving for them.

I call on all members of this House to join with my Reform colleagues and me to defeat this budget implementation act. Canada and Canadians deserve better.

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Madam Speaker, I will be splitting my time with my colleague, the hon. member for Wellington—Grey—Dufferin—Simcoe.

It might have been quicker if the hon. member had read *War and Peace* into the record, but if brevity is the soul of wit, then the poem was neither brief nor perhaps particularly witty.

It has been said by another poet that nothing is either good or bad, but thinking makes it so. That poet was speaking to attitude. We just had a very good portrayal by the member for Kindersley—Lloydminster of the Reform Party attitude about the budget.

He was very effective as a prophet of doom and gloom in speaking about the budget. Quite frankly, as most Canadians know and indeed as the previous speaker well knows, perhaps to his chagrin, the budget is being very well received by Canadians. Although every decision perhaps is not what Canadians would have liked, in general the budget is being very well received and for some very good reasons.

I would like to speak first to the process the hon. Minister of Finance followed in this budget and indeed in his first budget. There has never been a more open and transparent process which has taken place by a finance minister. There has never been a greater opportunity for Canadians right across this land to have input into the budget.

There is very good evidence of that in my riding and in the city of London, Ontario where I live and part of which I represent. The finance minister was in our city for an open forum with a cross-section of groups from London and the surrounding area and other individual Londoners. He received tremendous input during that evening.

All members of Parliament have the opportunity to hold special meetings. I know that most of the members on this side of the House held special prebudget consultations with their constituents.

• (1205)

With the encouragement of the hon. minister, Canadians have never had a better opportunity for input into the budget. Whether one accepts and likes every single budget decision or not, universally the process very correctly is being praised.

It is my view that the budget is both balanced and fair. Now we come to what I said in terms of attitude. We can adopt the philosophy of the Reform Party and the attitude of doom and gloom and that everything is negative, or we can face the fact that yes, there were significant cuts which had to be made. They were necessary. In some cases I would say they were regrettable but necessary.

It is quite clear that Canadians expect us to come up with a more efficient, more effective, leaner but not meaner government in this country. To cut, slash and burn at a more hectic pace, which is what is being suggested by the Reform Party, would produce a much meaner government and a much meaner society which is something I reject as a Canadian and Canadians generally reject.

We had very good evidence of that on October 25, 1993. Canadians were given a clear choice between a gradual, common sense, determined approach to reducing the deficit and debt in this country as outlined in the Liberal red book, and a much more dramatic and draconian approach to the deficit and debt problems put forth by the Reform Party. Canadians spoke very clearly in October 1993 about what choice they preferred. Indeed, they have endorsed that choice again with the reaction we have seen to the budget in the weeks since it was brought down.

Why is that? In my view it is because Canadians understand that if private sector businesses are facing the situation where they must downsize and become more efficient and effective, then so too must governments. It is not incumbent on any government more than the federal government to show by example that this must be done.

I heard repeatedly from my constituents the phrase to just share the pain equally and all Canadians will support it. Just make sure we are spreading it out equally. That is exactly what my constituents have told me. Urban constituents, rural constituents, people in business and in farming, all of whom I represent, have told me they are content with the budget and they think we are on the right track.

One of the best indicators of the budget being very fair and balanced is the fact that we are now up to eight provinces out of 10 that have claimed to have been the hardest hit by this budget. That is one of the clearest signs that the budget is fair and is trying to treat all provinces as equally as possible.

Critics from the left are saying the budget was much too tough. Critics from the right are saying that the budget was not tough enough. Perhaps the surest way we Liberals have of knowing we have reached the right, common sense, balanced decision is just to acknowledge the fact that at the same time on the same decision on this budget we were getting criticism from the right that it was not tough enough and from the left that it was much too tough.

**Some hon. members:** We must be right.

**Mr. O'Brien:** That is right. As my colleague says, that must obviously give us some evidence that we must be right. Canadians certainly feel that we have reached a balanced position in the budget.

### *Government Orders*

We have met our targets. For the first time in over 10 years a finance minister has announced deficit targets and has actually held and met those targets. He has exceeded those targets. In just a year and a half this minister has produced two budgets both of which have cut spending and have begun the important government restructuring which must take place as we move toward the 21st century.

In the next three years over \$29 billion in savings will be realized. I remind members that there are \$7 in cuts for every \$1 in revenue in this budget. It is quite clear to Canadians that this budget turns the corner. It puts us on a national diet, if you will. It indicates the way in which we must start to seriously attack this deficit problem with the view to totally eliminating it when that is possible.

• (1210)

The minister's two year rolling target is a sensible determined way to go about this. No, it is not endorsed by the Reform Party, which wants to be much more slash and burn in its approach, but then again Canadians do not generally endorse that view.

The reaction I have had in my riding to this budget has been quite favourable. My constituents are pleased. Canadians from coast to coast have indicated repeatedly that they are pleased. No, not with every single decision in the budget but they are pleased in general that the minister and the government are on the right track.

In my riding I have formed an agricultural advisory committee. The previous speaker from the Reform Party pretty much solely addressed large parts of his comments to agriculture. The farmers I represent have made it clear that yes, they took a hit, but they acknowledge that business subsidies were cut by 60 per cent. The farmers I represent feel that the finance minister got it about right.

It would seem that except for Bob Rae who has an election coming up pretty soon which he would like to duck and some of his colleagues in the NDP—

**Mr. Calder:** Bob who?

**Mr. O'Brien:** Yes, it will soon be Bob who? Except for those people on the left and the Reform Party—I prefer to call it the excessive conservative party—except for those two parties on the extremes in this country, most Canadians have reacted favourably to the budget. That is the reality. That is the fact. I know it is not popular to members on the other side but then again, that is life.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Madam Speaker, I listened with interest as the member opposite was going through some Olympian hurdles and patting himself on the back for the marvellous job they did.

*Government Orders*

Reference to the Olympics would be fair and accurate because the Liberals do have this new Olympic sport. It is called low hurdles. No matter how tough it is, you can only bruise your shins going over the Olympic low hurdles of the Liberals.

We know we have to take some serious hits and Canadians by and large are prepared for it. They are anticipating it and want to do it. We do not want to leave a bankrupt country to our grandchildren. The essence is that it must be fair. If it is not fair, it will not meet with public acceptance on a broad base.

My specific question has to do with the fairness of the budget. It has to do with the Public Utilities Income Tax Transfer Act. How is it that this affects one province disproportionately, the province of Alberta? It affects Nova Scotia and Alberta, no other province in Canada.

The hon. parliamentary secretary said that the reason it is being cut is that it is not being passed along from the province to the individual taxpayer. Does it matter? Is it any business of the federal government what the provincial governments do with that money? It does not belong to the federal government; it belongs to the province.

The idea behind that tax was to ensure that all utilities were treated fairly. An enterprise that establishes itself in Nova Scotia or in Alberta has relatively the same base of taxes for its utility demands.

The hon. member's arm must now be relaxed after all that patting himself on the back. Would he speak to the fairness of two provinces, Nova Scotia and Alberta, being singled out for this punitive tax measure, which is \$70 for every single homeowner in either province?

**Mr. O'Brien:** Madam Speaker, I appreciate the question from my colleague.

I recall for him that I applauded the efforts of the finance minister. Then again, I just joined the vast majority of Canadians who are neither in the Reform Party nor perhaps Reform Party supporters in applauding the minister for a job very well done.

• (1215)

As to the specific question, it is interesting that my colleague singled out Alberta. I would not say he was whining, but I am tempted to think that it sounded a bit like a NIMBY type complaint. Then he corrected himself because he heard information from this side of the House that Nova Scotia was being hit by the same measure.

It was not something that was aimed at the province of Alberta. My colleague had to correct himself in asking his question. The government felt there was no good reason for the measure in that it had to be reformed and it was not aimed at one particular province.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Madam Speaker, I have a question for the hon. member. If his constituents are so pleased, is it not because the government is hiding the truth? Did the hon. member tell his constituents that the federal government was not making any effort to recover the \$6.6 billion in unpaid taxes? Did he tell his constituents that they are the ones who will end up paying for the cuts of over \$7 billion in federal transfers to the provinces, because the Minister of Finance lacked the courage to put his own fiscal house in order, and chose instead to dump his deficit problems on the provinces?

Did he also tell his constituents that 70,000 companies did not pay taxes, including CN, which made profits of \$400 million and did not pay one cent? Mr. Tellier is certainly privileged. Does the hon. member tell the truth to his constituents?

[*English*]

**Mr. O'Brien:** Madam Speaker, I ask for the indulgence of my colleague to give me the gist of the question again. I had to step outside as he began his remarks.

[*Translation*]

**The Acting Speaker (Mrs. Maheu):** Could the hon. member for Saint-Hyacinthe—Bagot repeat his question?

**Mr. Loubier:** Madam Speaker, this is ridiculous. I am not going to repeat all that I said.

**The Acting Speaker (Mrs. Maheu):** Fine. I was not sure if you were expecting an answer or not.

[*English*]

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.):** Madam Speaker, I rise to speak on Bill C-76, an act to implement certain provisions of the budget. I am reminded of how different one year in the life of a government can be. A year ago following our first budget we were roundly scolded by both the media and our constituents that we needed to do more to cut the size of government to address the deficit.

One year later we have listened, consulted and acted. Not surprisingly we have a budget that has been roundly praised by the media and our constituents as being pragmatic and realistic, a budget for our times.

There are times when fundamental changes must be faced. For Canadians 1995 is a time when choices and change are still possible without destroying the ideals or the principles we as Canadians hold dear.

The government came into office because it believed that jobs and growth must be the nation's top priority if we are to create a climate of economic well-being for all Canadians. To achieve our goal we must act now to restore the nation's fiscal health.

Over the next three years the actions in the budget will deliver upward of \$7 or spending cuts for every \$1 of new tax revenue. By 1997–98 the deficit could be brought below \$19 billion if interest rates and income growth conform with the average private sector forecast rather than with our cautious assumptions.

After extensive review the budget overhauls how government works and what government does. We must redesign the role of government in the economy. We can no longer design programs with one hand in the taxpayer's pocket. The role of government should extend only to those things that government can do best, leaving the rest to those who can do it better.

● (1220)

The budget puts our priorities into action. Between this fiscal year and 1997–98 annual spending will have decreased by \$25.3 billion in expenditure cuts. For example, annual spending will decrease by \$1.6 billion in defence, \$550 million in foreign assistance, \$1.4 billion in transport, \$600 million in natural resources, upward to \$900 million in human resources development, approximately \$200 million in fisheries, \$900 million within industry, and almost \$450 million in agriculture.

As a result of the cutback and reform of programs the public service will be reduced by 45,000 positions over the next three years, representing approximately 20 per cent of the total government workforce. This is not downsizing government. In my opinion it is right sizing government.

As mentioned, a key principle of the 1995 budget is to redesign the role of government in the economy. The decision to dramatically reduce subsidies to business shows that principle at work. The simple fact is that the subsidies often did more harm to businesses than help them as they fostered a relationship of dependence that had nothing to do with good business practices. That is why the budget cuts business subsidies by 60 per cent, from \$3.8 billion last year to \$1.5 billion by 1997–98.

Areas where subsidies will drop sharply include agriculture and transportation. We can no longer afford subsidies designed decades ago which today are actually restricting and restraining adaptation, diversification and competitiveness.

Western Grain Transportation Act subsidies are being eliminated for a savings of \$2.6 billion over five years. However there will be transition measures. We will make a one-time \$1.6 billion payment to prairie landowners and invest a further \$300 million to help establish a more efficient grain handling and transportation system. As well we will co-operate with provincial agriculture ministers to develop a national whole farm package. It will encourage innovation and diversification while producing a 30 per cent reduction in federal contributions to agricultural safety nets.

### *Government Orders*

The Atlantic freight subsidies are also being eliminated for a five-year savings of \$500 million. This will be balanced by a five-year transition program, including help to modernize the highway system in Atlantic Canada and eastern Quebec.

Our cuts to subsidies extend far beyond the agriculture and transportation sectors. At Industry Canada subsidies will be cut in half, from \$525 million in 1994–95 to \$264 million in 1997–98. The remaining spending will focus on initiatives in high growth sectors in partnership with the private sector.

A new role for regional development agencies will see them focusing on small and medium size enterprises. However the assistance will rely on loans and repayable contributions rather than on direct subsidies. As a result subsidies from these agencies will drop from \$700 million to \$234 million over three years.

Subsidies to cultural industries are also being reduced, including an 8 per cent reduction to the postal subsidy. As well we are eliminating the Public Utilities Income Tax Transfer Act which returns to the provinces the taxes paid by privately owned utilities. As a result major energy subsidies will virtually disappear, dropping from \$410 million to \$8 million.

These subsidy cuts are vital components in restoring Canada's fiscal health. We also recognize that there are times and places where government can and should assist the private sector in today's fast changing global environment.

● (1225)

Nowhere is this more evident than in agriculture and agri-food where the government is committed to a growing, competitive market oriented industry that is profitable and responds to the changing food and non-food needs of domestic and international customers.

In support of its vision for Canada's agriculture and agri-food sector the government will, besides the changes already noted, provide \$1 billion in credit guarantees for the export of grains and other agri-food products. The government will enhance trade and market development programs to support exporters and potential exporters through the creation of a new agri-food service, including the agri-food trade network, a new agri-food 2000 program, and the establishment of the agri-food marketing council.

As well it will streamline our research infrastructure and reallocate resources to matching investment initiatives up to \$70 million per year by the end of the decade. That is \$35 million from government and \$35 million from industry, a dollar for dollar match. The government will allocate \$60 million per year to enhance the sector's ability to respond effectively to an environment of new market opportunities and fewer subsidies.

*Government Orders*

The program will support better access to capital, new management skills and better infrastructure including improved access to information and technology.

It will reduce dairy subsidies and undertake consultation with industry on the use of remaining moneys to enhance the industry's competitiveness. Additionally it will eliminate the feed freight assistance subsidy in 1995 and redirect approximately \$60 million over the next 10 years to encourage agriculture and agri-food development in Atlantic Canada, eastern Quebec, northern Ontario, British Columbia, Northwest Territories and Yukon.

Under the Farm Improvements and Marketing Co-Operative Loans Act the government is proposing to increase the amount of loan guarantees from \$1.5 billion to \$3 billion to assist in the process of adaptation and change.

The government's proposals in the agriculture and agri-food sector represent significantly the necessary change. With the current fiscal situation we must shift to activities that enhance the industry's ability to compete and succeed in the marketplace.

In conclusion, for too long governments have known the need for change, the need for renewal, but have lacked the will. The government has consulted with the people of Canada, including the agriculture community. I urge members to pass the bill.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Madam Speaker, I appreciate the opportunity to ask a question of the member who during his remarks placed a considerable amount of emphasis on agricultural issues, particularly the elimination of the grain freight subsidy which the budget and the bill bring forward.

The single most devastating element of the budget is the elimination of the Crow benefit, the transportation obligation of the government with respect to ensuring that we have agricultural exports of grain.

The member and the government are aware that regardless of what diversification occurs on the prairies and regardless of what value added industries are in place, anywhere from 60 per cent to 80 per cent of grains grown on the prairies will remain for export. As a result the increase in costs for freight will be substantial and the reduction of income for farmers and the communities they support will be substantial.

I know the government has spent some time in calculating how it would eliminate the subsidy and save the departments of transport and agriculture some money. I wonder if the member has seen any analysis or evaluation that points to or substantiates the evidence the government says is available concerning the long term implications of the withdrawal of the Crown benefit from the prairie economy. Has the member seen any analysis, evaluation or study regarding what the elimination of the subsidy will mean to the prairie economy?

• (1230)

**Mr. Calder:** Madam Speaker, I would like to respond to the hon. member, that I have not seen a report that means to say these studies have been completed. This is an ongoing procedure right now. We have come up with \$1.6 billion to anticipate any property loss that will be experienced by prairie land owners and there is a \$300 million program there to soften the blow also.

The issue we really have to look at is the commodity of moving potash in the prairie provinces and moving the commodity of wheat. The transportation costs for the two by the railways has to be the same. The farmer cannot carry the extra cost of having his wheat be more expensive to move and still be competitive on the world markets.

That tells me there has to be a unified front of all the industry players. Everybody has to come up with the most efficient, effective way of moving grain for the international markets. That is the process going on right now.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Madam Speaker, since the hon. member is so fond of figures, I want to ask him if he realizes that the February 28 budget does nothing to improve the medium term indebtedness of the federal government.

If the hon. member did examine the figures and the assumptions contained in the budget, I want to ask him the following questions: What will be the average annual growth rate of tax revenues, for the next three years, based on the Minister of Finance's budget? What is the average growth rate of operating and program expenditures anticipated in the Minister of Finance's budget? Finally, what is the expected indebtedness level of the federal government in 1997-98, according to the Minister of Finance's budget?

If the hon. member looked at the real consequences of the budget of his colleague, it might be a good idea for him to answer these three questions.

[*English*]

**Mr. Calder:** Madam Speaker, if I could give the hon. member answers to question like that, I would be a millionaire in the stock markets.

We have listened to the forecast from the private sector as to what the anticipated growth will be for this year and next year. Our assumptions have been lower than that.

I will crunch some figures. We started 1994-95 setting our budget figures at \$39.7 billion. That was to be the deficit. By 1996-97 the figure is being set at around \$24.3 billion. That is a \$15.4 billion cut over two years. We know we are adding to the accumulated public debt which is also costing us.



*Government Orders*

[Translation]

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Madam Speaker, first of all, I am delighted with this opportunity to speak to the amendment moved by the hon. member for Saint-Hyacinthe—Bagot.

Since we first came to the House of Commons on October 25, 1993, you have come to recognize the spirited style of the hon. member for Saint-Hyacinthe—Bagot. Although style is not necessarily a guarantee of competence, I think the hon. member for Saint-Hyacinthe—Bagot passes the test. He is both spirited and competent, and I want to commend him on the way he defends the interests of our party and the interests of Quebec.

• (1235)

This motion, and I will read it quickly, says that the hon. member moved, seconded by the hon. member for Châteauguay,

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be not now read a second time but that it be read a second time this day six months hence."

I must say that I do not claim to be as competent as the hon. member for Saint-Hyacinthe—Bagot in this particular area, so I asked him to explain the purpose of this amendment. For the benefit of our listeners, not necessarily in this House but outside the House, I would say that the purpose of this amendment is to let the Minister of Finance go back to the drawing board, to ask him to go back and do his homework.

I have a 16-year old son in high school, and when he shows my wife and me some work that is not up to par, we tell him to go back and do his homework. That is the purpose of the amendment: to ask the Minister of Finance to go back and do his homework.

Why? Because there are a number of questions worth asking Canadians and Quebecers who are listening. Is this budget realistic when fails to mention \$6.6 billion in unpaid taxes which are not recovered? Is this budget realistic when it is so reluctant to tax Canada's big corporations? According to the statistics, between 62,000 and 70,000 companies in Canada make a profit and do not pay a cent in taxes. Is that normal? Should a democratic society like ours accept this double standard, when the middle class and the poor are getting poorer and the rich and the big corporations get richer at their expense?

Is this normal? Is this acceptable from a social point of view? I am convinced that all these people who are having lunch in their kitchens, every time they get the mail and see their bills piling up and interest rates go up, all these people wonder whether they will be able to afford a new car two or three years from now. Will this young couple be able to afford a house two

or three years from now, a roof over their heads? Will they be doomed to live in poverty? Will our prospects seem better two or three years from now, or are we going to go back into a recession? These are considerations that this legislation totally ignores.

Something else. Are these tax loopholes normal? Is it normal to see millionaires who do not pay taxes and, in some cases, draw unemployment insurance benefits? That takes some doing. In any case, on the Île d'Orléans and the Beaupré flats, people say: "C'est le bout", which means adding insult to injury.

Family trusts. When he brought down his budget on February 27, the Minister of Finance announced that the family trust system would be abolished. He forgot to point out it would be abolished in 1999.

This means, if I am a very rich family that has a family trust, I have until 1999 to adjust to the new rules and to find other tax loopholes, other investment vehicles so that I can continue to shelter these amounts. So the question is whether all this, whether this budget is normal, acceptable and realistic in the Canada and Quebec of 1995.

• (1240)

When I go back to my riding on Fridays and on the weekends, people often stop me at the corner store or at the shopping centre to tell me that it did not hurt as much as they expected. This may be true, but we have to look beyond the words to see how vicious the budget was. I tell these people to wait for the Quebec government to bring down its own budget to see how the federal budget will affect them.

And if I was talking to the people of Ontario, I would tell them to wait and see what kind of problems the Ontario government will have. The budget includes a decentralizing measure whose only aim is to offload part of the deficit onto the provinces and make them pay for something else. We will see how much Ontario and Quebec have been affected, when they bring down their budgets. The finance ministers of the two provinces have already mentioned this, in any case.

It is almost a truism to say that the real budget promised this year will be carried over to next year, once again. Why is the federal government waiting until next year, we might ask? Is it expecting the Quebec referendum to be held in May or June and therefore putting off the offensive cuts in health care, education and social assistance until afterward? I ask you. Is this not the case?

The Minister of Intergovernmental Affairs, however, promised the introduction of flexible federalism. Is this flexible federalism? Now we have a real idea of the cost of the status quo and of a no vote in the upcoming referendum.

*Government Orders*

Coming back to transportation, which is the field with which, as my party's critic, I am most familiar. I said, in reaction to this budget, that the federal government had decided to hold a garage sale with Transport Canada. Why would I say such a thing?

I said it because the Martin budget announced program review cuts of \$1.1 billion, or 50.8 per cent of expenditures between 1995 and 1998. If we include the cuts from the preceding budget, Department of Transport spending will be reduced by \$1.4 billion between 1994 and 1998. In fact, the measures in the Martin budget will allow the government to save \$2.6 billion in the Department of Transport over three years as a result of the program review.

We should look at what makes us think that the government is getting out of transportation. Well, there are the moves to privatize announced in this budget, the planned commercialization of the air navigation system. First of all, let us be clear that most of the employees affected by rationalization in the government will be transferred to the private sector. A non-profit corporation will be set up, looking after the 5,800 employees now working for the air navigation system.

I would remind the hon. members that our party is not necessarily opposed in principle to the creation of a non-profit corporation in the move to commercialize the air navigation service. However, I and my party still have questions about this plan that we would like answered. Among other things, what would be the value of the assets transferred and what would the transfer cost? Before giving our full blessing, we will need answers to the questions that we will be asking at the appropriate time.

The second sector in which the government has announced plans to privatize is Canadian National. It will be recalled that the report of the government group, composed entirely of Liberal members—no members of the official opposition or the Reform Party were included—recommended that before CN could be put up for sale, its debt should be reduced, its profits increased and the network rationalized, among other things.

• (1245)

Again, it should be pointed out that CP's offer to buy CN for \$1.4 billion was totally unacceptable. This point was debated, and we had the opportunity to agree with the government that offering \$1.4 billion for CN's assets was totally unacceptable. We do agree on that.

It remains to be seen, however, how much CN's privatization will actually bring in. Let us not forget that CN is the property of Canadian and Quebec taxpayers. So, it should not be sold at bargain price to friends of the regime or those who make donations to the Liberal campaign fund. In that regard, the official opposition will play its role as a watchdog, to see if CN's purchase price reflects its true value.

The Bloc Québécois is now the only party defending the rights of the workers, including the right to strike in Canada, as evidenced by the NDP's failure to show up last weekend, when special legislation was passed to force resumption of operations in the railway industry. So, we will have to make sure that the rights of CN workers are not trampled in the privatization process, that their rights will be maintained. We will certainly get to talk about this issue again.

Also contemplated in this budget as part of the privatization effort is the commercialization of operations under the national airports policy. A task force was appointed by the Government of Quebec to provide assistance to those municipalities and local groups who wish to undertake negotiations with Ottawa on this subject.

I would like to take this opportunity to congratulate Quebec's labour minister, Jacques Léonard, on taking a very worthwhile initiative in support of municipalities which may be facing airport privatization or even closure, because the problem has not been resolved. Considering that the airport in Sept-Îles lost \$1.9 million and the one in Baie-Comeau, \$1.2 million, while in Val-d'Or the airport is also running on a deficit, we have to ask ourselves if municipal taxpayers will be able to absorb these deficits?

It is important to bear in mind, when the federal government invests in our regions, these funds are not gifts to us. As a matter of fact, it is our money because, as far as I know, Sept-Îles residents receiving services from the federal government which is building an airport pay federal taxes through automatic payroll deductions or, in the case of professionals, make tax payments, so they are entitled to receive services from the federal government.

A fourth target for privatization in this budget is the motor vehicle testing centre in Blainville, which should remain in the hands of the government but whose operation will be handed over to the private sector in the course of this year. Negotiations are apparently under way. On this particular subject, we reserve comment as we have received information regarding some goings-on that are not very—I do not want to make a religious comment, but my colleague from Chicoutimi is suggesting that I should say not very kosher.

It is true that, like the hon. member, I come from the Saguenay. There seem to be some dubious goings-on with regard to this operation, but I cannot go any further because I want to save this for questioning the Minister of Transport in due course.

This budget provides for the revocation of the Western Grain Transportation Act and the elimination of a \$560 million subsidy. This subsidy created, once again, a double standard in Canada, especially in the railway sector.

• (1250)

We realized that in the railway sector—and this comment does not apply only to Quebec—, there are two different criteria to determine the profitability of rail lines in Canada: everything east of Winnipeg had to be profitable in order to survive and continue operating, while everything west of Winnipeg was considered to be a subsidized service. This in turn led to some very strange things. They even discovered that some trainloads of grain were shipped to Vancouver via the port in Thunder Bay just to qualify for the subsidy.

I remember when we were kids and we used to play Monopoly. After going around the board, we would pass “Go” and claim \$200 before continuing to circle around. This truly reminds me of a game of Monopoly.

By eliminating this subsidy, the government will put an end to this game of Monopoly. We would like to be supportive and say that this is a good measure, but there is always an unfortunate aspect. In this case, it is the fact that the budget provides compensation—and I hope that farmers of Île d’Orléans and the Beaugré shore will not choke when they hear this—to the tune of \$2.9 billion to western agricultural producers.

**Mr. Loubier:** Untaxed.

**Mr. Guimond:** Untaxed, the hon. member for Saint-Hyacinthe—Bagot just pointed out.

We have to ask ourselves whether it is normal or acceptable, in 1995, for a democratic society to implement such provisions. This is why westerners have not been too vocal. They do not complain too much about the fact that the Western Grain Transportation Act will be repealed, because they know that they will get \$2.9 billion in compensation.

I say to Quebec agricultural producers: “Put on a smile, the federal taxes you pay will help your competition”. These subsidies will help western producers to change their production, and who is to say that they will not replace their grain production with meat, poultry or dairy products. And they will do it all with your federal taxes. This is incredible.

The bill also repeals the Atlantic Region Freight Assistance Act. Subsidies totalling some \$99 million, and perhaps as much as \$108 million, depending which of the two figures I have is accurate, are provided for the region located east of an imaginary line called the Jackman line, in the Beauce region, including the Gaspé peninsula and all of Atlantic Canada. Again, we are talking about subsidies totalling some \$100 million.

This program will be eliminated. As a transitory measure, the budget provides for a five year, \$326 million transportation adjustment program. Bloc Quebecois members representing eastern Quebec will probably express their views on this issue, since their region will be eligible for the moneys which will be

### *Government Orders*

made available to either improve the highway system or support programs for secondary or tertiary processing.

In any case, I represent the riding of Beauport—Montmorency—Orléans and I am not directly concerned by this issue. However, I think that the residents of eastern Quebec, the lower St. Lawrence region, the Gaspé peninsula and the riding of Bellechasse are in a good position to know how this adjustment fund could be used.

I did meet business owners from that region who told me that, sometimes, this subsidy was ineffective—

**The Acting Speaker (Mrs. Maheu):** I am sorry to interrupt the hon. member, but the period for debate is over. We now move on to questions and comments.

Since there are no questions, we resume debate. The hon. member for Egmont.

[*English*]

**Mr. Joe McGuire (Egmont, Lib.):** Madam Speaker, I will be sharing my time with the hon. member for Algoma. I am happy to have the opportunity to speak in support of Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27.

• (1255)

I speak in support of the bill. I commend the Minister of Finance for the excellent job he has done in developing a budget that has been embraced by an overwhelming majority of Canadian people and international money markets.

On the one hand there have been complaints, as we heard from the Bloc Quebecois, that the minister went too far. On the other hand the consensus of the Reform Party is that we did not go far enough. However, the general consensus of Canadians is that the budget was a reasonable and fair effort to address the problems faced by the nation.

The people of Canada indicated very loudly and clearly that they wanted the minister to move decisively to address the problems of the debt and the deficit. They wanted to see a definitive plan by which the country could be moving toward a balanced budget and beyond to a surplus budget. Canadians also indicated that they did not want any increases in personal income tax, and there was none.

I am happy to say that the fundamental thrust of the budget addresses in a fair, equitable and balanced fashion the demands of the Canadian people. The budget responds to the need to put Canada’s fiscal house in order. Granted, there will be some pain but I believe that the burden of deficit reduction has been distributed fairly. The confidence of the Canadian people is being restored as they realize spending is tightening up and that they will be getting better value for their tax dollar.

*Government Orders*

Many of the provisions in the budget have already been dealt with. Those remaining are being handled today with Bill C-76. However the message is clear and the message is consistent. The government is getting its own house in order. It is downsizing. It is focusing on cutting expenditures and not on raising taxes.

The targets set by the Minister of Finance indicate that we are moving toward the much desired position of a balanced budget. It is reassuring that we are moving in this direction in a fair and humane fashion. We must never lose sight of the fact, though, that some parts of the country are not as economically advantaged as others.

The principles upon which the country was founded require that the federal government maintain a program of redistribution of wealth so that no Canadian should have to endure diminished social security simply because he or she lives in one province as opposed to another. One of the main standards by which we are measured against other countries is the degree of caring and compassion we show to one another. Less fortunate Canadians must be protected.

I realize the system of federal transfers must be reformed. It must become more efficient, more effective and more sustainable. Without this kind of change our capacity to fund would be seriously constrained, maybe even terminated. Some critics say that the proposed changes which consolidate the EPF and CAP into the Canadian social transfer put some social programs at risk. I suggest that without a sustained effort to address our deficit and debt problem the same social programs will be put at even greater risk.

However, in my province of Prince Edward Island there is considerable concern about the possible effects of the new CST. I am sure the Minister of Finance understands that the fact a province has more flexibility and more capacity to be innovative is of minimal value if the resources, the dollars, are not available to work with.

When the minister is negotiating with the provinces I am sure he will keep this in mind. Though the budget document indicates that national standards especially under the Canada Health Act will be maintained, there is still concern in economically disadvantaged areas that there could be some difficulties encountered. It is encouraging that included in the process of change is a commitment to a co-operative approach whereby a new federal-provincial fiscal relationship will be established.

One area about which Canadians were quite vocal was taxation. They wanted no increase in personal income taxes, and there was none. They wanted no changes to RRSPs, and there was virtually none. They wanted health and dental plans left alone, and they were left alone. They wanted big business to pay a fairer share. This has happened with increased taxes on large corporations, a surtax on corporate profits, and a tax on deposit taking institutions.

The public got hit with a small tax it did not particularly want, but I have not heard many complaints about it. That was the 1.5 cent per litre tax on gasoline.

• (1300 )

Overall, for every \$1 in new revenue the government cuts \$7 in spending. That ratio is a fair and balanced way to approach our deficit and debt problem. It is also reflective of the sentiments of the vast majority of the Canadian people.

One of the areas of budget cuts that did impact negatively on P.E.I. involved the transportation subsidies. The cuts to the freight subsidies will be supplemented for a number of years with transitional funding in the amount of \$326 million. There were cuts to the dairy industry. The dairy people did expect some cuts there, especially when they saw the Western Grain Transportation Act being abolished.

One thing not counted on in the budget was the hit from Human Resources Development Canada whereby the farmers will suffer the loss in the agriculture employment program. Hopefully over the next few weeks we can develop a program which will ease the burden on the farmers as they ease out of this well used program.

Atlantic Canada is sharing in the pain of deficit reduction. Two items in the budget which had relatively cosmetic treatment, which would seem to be due for major surgery over the next year, are seniors benefits and UI. I am pleased the government is renewing its commitment to seniors so they will have a system of protection that is fair and reliable.

In order to do that the CPP, OAS and GIS must be sustainable. In making the changes that will make it sustainable I asked the Minister of Finance to keep in mind concerns such as those expressed by John G. Bates of Etobicoke. He said:

I'd gladly trade all the benefits that I'm supposed to be getting as a senior for a return to a level playing field for those over and under age 65.—return my right to work beyond age 65—allow me to be eligible for employer paid health and dental plans—allow me to get tax breaks allowed others through RRSPs and work related deductions and credits.

Discrimination because of advancing age is the last bastion of the bigot.

I would caution the Minister of Finance and the Minister of Human Resources Development that frequent UI users are not automatically abusers. In my riding the main industries are fisheries, agriculture, tourism and forestry. They are all seasonal. Workers in these industries are needed every year. Some of them cannot simply be retrained or shipped out to higher employment areas.

I want to use a quote from the columnist Peter H. Nicol in the *Ottawa-Carleton Review*:

The most significant word to come out of the federal budget speech is the word change. Not the millions of dollars slashed here, the millions of dollars promised there, numbers which are virtually meaningless to those of us who can't balance our cheque books. The word change was the crux of the matter, for it was the first indication that the federal government was prepared to face an issue that the public had been aware of for some time; that is to say that if Canada is going to survive in either the financial or political sense we must make fundamental changes both in our political structures and in our personal lives.

The change the Minister of Finance talked about was not so much in terms of dollars, although they will play a role, but more in the philosophy of government. The minister asked what role the government should play in the lives of the people of the country and the answer he received was less.

Paternalistic government seems to be becoming a thing of the past with the government once again becoming a tool instead of a solution. That is no bad thing.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Madam Speaker, I listened carefully to the hon. member's speech. He started off by saying that one of the objectives of this budget was to put the government's fiscal house in order, in a way that is fair and equitable.

I wonder what he means by fair. Does he realize who is going to bear the brunt of all these budget cuts? The provinces, which will be stuck with billions of dollars they will have to raise themselves.

• (1305)

Young people will be affected by cuts in a number of employment programs and in the money required for post-secondary education. Cuts will also affect the public service, but only the base, not the higher-ups in their ivory towers, with the biggest paychecks and the biggest expense accounts. This morning we heard about the trips these officials make. Not the people who work at the bottom but those who are up there in their ivory towers in each department, the generals who are chauffeured around in their limos. They are not affected by the budget.

I am also thinking of farmers. The hon. member said a few words about them in his speech. Yes, farmers will be affected by cuts to employment and other programs.

I am also thinking of the unemployed. This has almost become a dirty word to members opposite, because to them, the unemployed are just a lazy bunch of beer drinkers. Since last week, they are cheaters as well, and an army of public servants has been recruited to try and recover negligible amounts, while we do not even bother to recover \$6.6 billion in taxes outstanding. Most of this amount is owed by large corporations.

When the hon. member talks about everything being fair and equitable, I wonder at whose expense. What is so equitable about it, if everybody can use family trusts and tax loopholes to shelter their money?

### *Government Orders*

Not once did the hon. member mention job creation. What job creation programs has this budget proposed, especially for young people?

[*English*]

**Mr. McGuire:** Madam Speaker, I thank the member for his question.

As we read the newspapers over this past month and a half we saw provincial government after provincial government, New Brunswick, British Columbia, Alberta, Saskatchewan and probably tomorrow Prince Edward Island, coming in with balanced budgets.

The hon. member says we are offloading to the provinces. Is it fair for the provinces to expect the federal government to subsidize the provincial balanced budgets and not address our own budget problems? If he answered that honestly he would say no. We have a major budget problem, not only an accumulated debt but in our annual deficits.

We see provinces balancing their budgets. We know most of the provinces receive transfer payments of one sort or another. They are looking very good in front of their people and getting all kinds of support and applause for doing so. A lot of the money to those provincial governments is coming from the federal government.

I do not think any fair minded provincial premier would say we should not address our budget deficits at all; that we should continue sending money to the provinces and to individuals that we do not have and have to borrow year after year.

**Mr. Brent St. Denis (Algoma, Lib.):** Madam Speaker, I am pleased to follow my colleague, the member for Egmont, in participating in the debate on our most recent federal budget, a budget which speaks to a whole new attitude toward governance, a new attitude by the people of Canada because they see good leadership.

• (1310)

After many years, finally again they are seeing good leadership in their government; the kind of leadership that breeds confidence. Even though Canadians are having to accept a share in the national effort to reduce our annual deficit and ultimately the debt, they recognize it is a small price for putting the country back on track.

Some of our critics take issue with jobs and say we have not addressed that. Fundamentally the budget is about jobs. We cannot properly take our place on the world stage if our financial house is not in order.

When our finance minister was faced with the challenge of creating a budget, he had to deal with the view of our nation from outside and from within its borders. The view from outside

*Government Orders*

was we had to deal specifically with the problem of our deficit and debt. If we did not we would pay the price over the short, middle and long run with higher interest rates, more instability with respect to exchange rates, more uncertainty with respect to inflation.

The international marketplace, whether we like it or not, does influence the domestic marketplace. Our finance minister—great credit due to him—has found that delicate balancing point between dealing with the need of the international marketplace to have confidence in the future of our economy while at the same time respecting the need of individual Canadians and their communities to have confidence in their government, to know their federal government is there standing behind them even though we have had to take difficult measures at this time.

No doubt we face more challenging budgets in the years ahead. I can refer to a recent Angus Reid poll that indicated some two-thirds of Canadians who were polled support the budget.

They have concerns. My constituents of Algoma are like other Canadians. They support the budget but they know they will feel the effects one way or another. The budget was fair because Canadians will feel it but they will also know and feel those efforts are worth the trouble.

Our finance minister in finding that balance has created a situation in which the cuts are as evenly spread across the country as possible without hurting the most disadvantaged. As the member for Egmont emphasized, he did it without increasing personal income taxes. That is of great credit to him. He listened to Canadians. He listened to the finance committee, which held prebudget consultations last fall.

I am honoured to be a member of that committee. When we listened to Canadians last fall from all areas, they told us in no uncertain terms we have to do something with the deficit.

The absence of whining among the witnesses was remarkable. The absence of whining after the budget is remarkable. Canadians understand something had to be done. It is testimony to the quality of leadership that the budget met the objectives of the international community and the objectives of most Canadians.

The finance minister had to respect the traditions of the country. One of the most fundamental traditions is the network that is our social safety net. It is one of the features of our country that sets us apart in this world. It is one of the features of this country that makes us one of the most desirable nations in which to live.

● (1315)

All of us are aware the safety net is under review and we are expecting legislation later this year. The best way to secure the safety net is to have a strong and vibrant economy. The government and our finance minister have done just that.

I want to address some of the things my constituents will have to face. We have a transparent government. We consult with people and we share with them what needs to be done.

For some, their deepest worries are about pensions. They need not worry because the minister has done nothing to create concern in that area. In fact, he virtually has not touched the whole issue of RRSPs.

My constituents will have to share with Canadians everywhere as we cut expenditures. Some of those areas include the string of several dozens of small craft harbours in my riding of Algoma in northern Ontario. These are small recreational harbours and some not so small. They have developed over the last 20 or so years in support of tourism in the marine industry.

This government is not throwing out the baby with the bath water. What this government is saying to the provinces and in my case to the local governments: "Work with us, let us find a way to continue these local facilities. Let us do it in a way that gives you more local control over these facilities".

I have spoken to a number of municipal leaders in my riding. The response has been very positive to this government's initiative to say: "Let us partner with you. Let us preserve these facilities. Let us work with you so the local governments can take these over and manage them themselves, instead of having management from Toronto, Ottawa or elsewhere".

Many of my constituents had concerns about the federal RRAP program, which is a CMHC program that assists lower income people with needed home repairs. To the credit of this government the program has not been cut. I want to assure my constituents in that regard. The funding for the rural residential assistance program which was committed in the 1993 campaign is still there. Unfortunately there was a large backlog created in that program because the previous government cut the program. Now many people are lined up who need important work done on their homes so they can safely and healthily live in them.

There is a federal mining research laboratory in Elliot Lake. It is a CANMET lab. Likewise with this lab, the federal government did not say: "We are closing the doors. This laboratory has to be closed because the mining industry in the community is on the verge of total closure". Instead, the federal government has said to the community: "Let us partner. Let us find a way to attract other research into this facility so we can make a more viable research effort in this community. Let us partner with the province; let us partner with the private sector and others to create a viable situation for mine related research and other kinds of research in this community".

The government did not take the old hatchet to programs like we have seen previous governments do, when they had the nerve to even try. When they did do it, it was done without thinking. This government did not and does not do that. A tremendous

amount of forethought has gone into the planning of the required adjustments needed to the finances of this country.

• (1320)

The budget sets us on the road. It is a complement to last year's budget which I believe will lead to a balanced budget in a few years time. It will cause investment, jobs and all the other fruits of economic growth and strength this country and the people of Canada deserve.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Madam Speaker, I congratulate you on your splendid work in the chair. I listened attentively to my colleague and was surprised by his statement that Canadians across the country expressed confidence in this budget.

I am sure my colleague has not visited Quebec in a very long time, because he would have heard for himself what Quebecers think of the budget. It is easy, of course, to say that we will all have to make small sacrifices, but, it will be those already most disadvantaged, such as the seniors, who will be making most of them.

You know, in a region such as mine, the Saguenay—Lac Saint-Jean region, where unemployment is very high, young people are forced to go elsewhere just to try to find work—unsuccessfully. When we see this happening in pretty well all the regions of Canada and cuts being made to transfers to the provinces, we have to assume that the government does not care about educating young people.

My question concerns these transfers. Does my colleague realize that most of the budget cuts to transfer payments for health care and post-secondary education will be made in 1996, 1997 and 1998? This year's cuts, even though they will hurt, will be smaller than the ones in the years to come.

What is the government's strategy here? Instead of creating jobs, it is pursuing a strategy of showing Quebecers that federalism is effective, which is not true. It is trying to delay the effects of the budget until as long as possible after the referendum.

[*English*]

**Mr. St. Denis:** Madam Speaker, I thank the hon. member for Chicoutimi for his comments and question.

I visit Quebec often. When I am in Ottawa I live in Quebec. That should put his concern in that area to rest.

**Mr. Fillion:** Where?

**Mr. St. Denis:** Near Wakefield in the beautiful Gatineau hills.

### *Government Orders*

The hon. member talked about the transfers and what the federal government is allegedly doing to impair the ability of the provinces to do their job. To spend \$63 million and counting on a referendum campaign is not exactly the wisest use of money. I submit to him that Quebecers would like the provincial government to focus its attention on economic issues and not so much on the sovereignty campaign. His message and his question should more fairly be put to his provincial counterparts but nonetheless, I will answer his question.

• (1325)

The strategy is quite transparent. Through the proposed CST, the Canadian social transfer, it is proposed through block funding to give the provinces more jurisdiction over health, post-secondary education and social services within a framework of some form of national standards to be agreed on with the provinces.

There is a strategy. It is transparent. It is obvious. I submit that the member for Chicoutimi should really discuss this with his provincial colleagues.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Madam Speaker, in rising to speak to Bill C-76, the budget implementation act, I want to make it clear from the outset that the Reform Party will oppose this bill as a whole.

This bill in some ways is like Bill C-68, the gun control legislation in that it is a bill with more than one part. Some of it is wholly unacceptable, but other parts with some minor changes would be acceptable to the Reform Party of Canada and to me.

Reform currently has a motion before the House to separate the gun control bill into two parts so that we could examine each main idea on its own merits. I wish we could do that with this bill as well. Bill C-76 is an omnibus bill dealing with more than one subject at once. There are public service issues. There are transportation and federal-provincial transfer issues and so on.

Since I am fortunate enough to be critic for renewal in the public service, we have examined the areas which deal with the public service. I have found some things I like and some things I do not like one bit. I am here to say what we like and what we do not like about the public service portion of this bill. I want to expose some very serious shortcomings indeed.

I want to go through the first 10 clauses of the bill. I will give my comments on each of the important clauses and then draw some conclusions from what we have found.

Section 39 of the Public Service Employment Act allows public servants who work in a minister's office for more than three years to bump other public servants, to be appointed in essence without competition. This is unfair in some cases. I am pleased to report that public servants declared surplus will not

*Government Orders*

be able to be bumped by the staff of the ministers. Those declared surplus in this act will move to the top of the priority list for job offers. That is a fair and reasonable thing to do.

I have been disturbed by other parts of the act. Allow me to quote from a letter written by the President of the Treasury Board to the Professional Institute of the Public Service last July. He was writing about the work force adjustment directive which is an umbrella agreement between Treasury Board and the unions that represent indeterminate or regular full time employees of the Government of Canada.

Members opposite should listen very closely to what the President of the Treasury Board wrote on July 22, 1994: "This government has stated in the past and remains committed to the principle that the employment protection provisions in the work force adjustment directive will only be changed through negotiations".

To me this promise does not speak of unilateral action; it speaks of a process of consensus. What is the main purpose of the first 10 clauses of Bill C-76? The main object is to break a promise. This bill unilaterally without negotiation changes the provisions of the directive.

The government tried to negotiate. It took a long time but not all unions would agree to change the directive. Therefore the government went ahead and broke its promise. Why is this little broken promise so important? I will be glad to tell you why this is so important and every public servant in the federal government should be listening right now.

The government made all sorts of promises during the last election campaign. The Ottawa *Citizen* reported a few days ago the contents of a brochure sent out during the campaign under the name of a man who today is the minister for renewal in the public service.

The brochure read: "Public servants, enough is enough. The Conservatives have used public servants as scapegoats and treated them with contempt. I pledge to protect public servants against job loss". He is the minister who is sitting in the House now. That is another wonderful promise from the government, but today that promise lies in shreds along with 45,000 public service jobs.

• (1330)

It is ironic that the Liberals in the last election campaign tried to stir up fear among the public servants about what the Reform Party might do to their job security in the days ahead. Many of them put their trust in the Liberal Party, hoping that nothing would be changed, that the words of the minister would hold true. The Liberals were happy, of course, to promise the moon as long as they could get the public service vote.

The President of the Treasury Board was happy to promise that the workforce adjustment directive would only be changed

through negotiation. It was easy to promise that. If he was not sure he could deliver on that promise, he never should have made it in the first place. All public servants should beware Liberal promises. They have proven today with this bill that their promises are not worth the paper on which they are written.

As the financial situation of the government becomes more and more serious, more and more promises will have to be broken. In just two years the interest alone on the national debt will be \$51 billion. Total program spending will be barely double that, just \$108 billion. Social programs and the public service will be reduced to a shell because the Liberal government feels free to make promises but does not intend to lay the fiscal groundwork in order to be able to keep them.

This bears repeating. The threat to social programs and the threat to our public service does not come from fiscally conservative people such as myself. The threat to the public service and social programs comes from people who will not and do not have a plan to balance the budget and bring the deficit to zero. That is where the threat comes from and the budget does not address that.

Further to this concern, I want to say a word about fiscal responsibility. I received an anonymous letter today from a public servant who talks about the air navigation system of the Department of Transport. There are 6,600 employees in this part of the department and the public servant alleges in this letter: "Transport Canada employees expect to be terminated with full severance and cash out packages and immediately be offered the same jobs in a new commercialized air navigation services organization with no interruption. Some retiring people can be expected to be hired back on contract as they are now". That would be a real travesty.

We need assurances from the minister that this will not happen, that it will not be allowed to happen. The public servant who wrote this letter suggests that this boondoggle could cost the taxpayer in excess of \$200 million.

We in the Reform Party of Canada will watch the Liberals. We will hold their feet to the fire to make sure that they are not going to merely transfer from the public service an equally expensive and maybe even a more expensive contracted service in another sector, just for the sake of saying they met a bottom line on the job count. That is something that must be watched because the key is fiscal responsibility and economic savings to the government. If it cannot show that, if it cannot prove that, then it should not be axing the jobs to begin with.

With tongue firmly in cheek, I would suggest perhaps that the Reform Party is not as sophisticated as the Liberal Party. The Reform Party sticks to the economic, bald faced facts and offers the unvarnished truth. It is not prepared to promise the world to the public service or to anyone else. Reformers are willing to face the situation as it is and be responsible with taxpayers' dollars. All we promise to do is to act immediately to preserve



*Government Orders*

what remains of our social programs and what remains of our public service over the long run.

Reform promised the opposite of the Liberals in the last campaign. We promised a smaller government. We promised spending cutbacks. Ironically, the cutbacks that the public service has experienced since the Liberals took power are already and will be in the long run far, far more than what the Reform Party promised under our zero in three plan of the last election.

If Reform had been elected government, the public service cutbacks would have been accomplished a year ago. We would be within one year of balancing our budget. All the worse would be behind us. Interest rates would be lower. Our economy would be growing by leaps and bounds. We would be in a good position to keep our most valuable social programs and the core of our civil service permanently intact. Because of Liberal inaction and because it took 18 months to get the first serious budget on to the table, all public servants will continue to suffer year after year. The government will continue to whittle away at the public service until it is reduced to a shell and no negotiated settlements, no agreements, no three-year suspensions, no promises will mean anything when that happens.

• (1335)

The government has set itself up for another promise. It has only suspended the workforce adjustment directive for three years. Conveniently, this is just beyond the next election. We know what kind of a carrot the government will dangle in front of public servants at that time, don't we?

The government will be expansive. It will be benevolent. During the next election campaign, if the economy is still doing well, it will play to the public service vote. It will promise that the freeze is almost over and the workforce adjustment directive will return. Trust us again, government members will say. However, if the economy is doing poorly the government will play to the taxpayer. It will say that it had to suspend the workforce adjustment directive.

No matter what is done, the government plays to the audience of the day. It is enough to make one a permanent political cynic watching the government flip-flop on its promises.

Public servants will remember the President of the Treasury Board when they are declared surplus under the authority of the bill. They will remember the minister for renewal in the public service and his boastful words during the election campaign. He said: "Public servants, enough is enough. I pledge to protect public servants against job loss". That is a good promise. However, 45,000 jobs later it is a pretty empty promise. He knew it at the time. Yet government members continued to make the promise during the election campaign, knowing full well that

when they were on the government side of the House they would not be kept.

I will address another subject, term employees. The incentives, job offers, notice periods and other things which are offered under this bill do not apply to term employees, as opposed to indeterminate or permanent employees. Term employees have no status whatsoever under the workforce adjustment directive. Some of them have worked in government for years, but they have no status.

The 45,000 positions spoken of in the budget are all indeterminate positions. That could mean, for example, that the 24,000 term employees could be laid off at any time, in addition to the 45,000, with absolutely no incentive programs, no retirement packages, no appeal, nothing. I call on the government to treat term employees with fairness and not to lay them off in order to be able to afford more handsome payoffs for some of their own friends in the system.

My concern is with clause 3 of the bill. It lays out a plan for public servants. It empowers the cabinet to offer an early departure incentive and then it gives public servants a choice. They will have 60 days to choose whether to take the offer and go, or to refuse the offer, sit tight and hope for another job. They will remain on staff for a period of six months and then move on to unpaid surplus status for an additional 18 months. If there is no job offer after 18 months, they can be laid off.

The minister's officials have already admitted that a lot of jobs are going to be declared surplus. There will not necessarily be work for the surplus public servant to do when his or her job disappears. Yet under the bill the surplus worker will receive six months' pay regardless, in some cases for doing nothing at all.

All members of the House will remember that the President of the Treasury Board promised just a few weeks ago that no employee would be paid if he or she was not working. This was a fundamental, unbreakable, unshakeable promise on behalf of the President of the Treasury Board; that no one would be paid if there was no work to be done. Yet like so many other promises, this one too has been laid aside by this bill.

I would like to move on to clause 9 of the bill which mandates a change to the Financial Administration Act. Section 7 deals with the delegation of authority. I have real accountability concerns on this one because it says that Treasury Board may authorize any person who is part of the public service of Canada to perform functions or powers that it is able to delegate. That clause reads differently in the Financial Administration Act. The way it currently reads is actually safer, it is more restrictive. It says that anyone authorized under the Treasury Board may under the current regulations "authorize one or more persons under his jurisdiction to exercise or perform any such power or function".

*Government Orders*

• (1340)

It may be a small thing but it is a dangerous concept. No longer do we have separate jurisdictions. We collapse them all into one. It is a dangerous dilution of accountability and an unwise splitting of ministerial authority.

A deputy minister of Environment Canada could delegate some of his power to an official from National Defence. To which minister would the civil servants then be accountable? In the case of conflict whose orders do they follow? Both ministers would have a valid claim on their services and their actions and indeed both ministers could be held accountable for what they did.

In the end what would happen is a public servant would do something wrong and one minister could say it was really not his department, it was the other minister's department and vice versa, back and forth. Any accountability will be lost. This is a move in the wrong direction.

In the end no one would be accountable for the actions of that type of public servant. I sincerely hope that this clause will never see the light of day. I hope our members will be able to address it more fully in committee.

I want to dwell on clause 8 which gives tremendous power to the Public Service Commission, a power which should not be given to it. I want to talk about the competitive process of job applications for a moment.

Western democracies have always depended on checks and balances. This is born out of a basic mistrust of government, I think a valid mistrust of government. It is an attitude which says: "We think you are doing okay right now, but we don't know what you would do if the checks and balances were not in place". That is why we have opposition parties in the House of Commons. That is why we have opposition parties in committees and so on. It is in order to scrutinize the actions of the government.

Checks and balances are very important. They are vital for the health of a western democracy. When we see that an opposition party, for example, in some third world country is getting mistreated by the government we see that democracy, and that country in general, is in trouble. There are checks and balances right through our system.

One check against nepotism, bribery and other forms of corruption in government is the competitive process. This means that people get jobs through merit and not because they are someone's friend. That process is open to scrutiny. It is fair. It means that we get the best person for the job.

The selection process within the federal government is really quite fair. All the checks and balances are in place to make sure nepotism does not take place.

That is why I feel such concern when I read clause 8 of Bill C-76. We are in a period of flux right now, a flurry of activity, where the departments are downsizing and there is a certain amount of chaos in a big reorganization of government. During this time there is a chance that the vigilance and the controls are not going to be as strong as they have been in the past and as they usually are.

Clause 8 empowers the Public Service Commission during this chaotic and stormy time to appoint an employee without competition to another position within the jurisdiction of the deputy head for which in the opinion of the commission the employee is qualified. This is a dangerous departure from the merit principle.

Reformers believe that a system of checks and balances is the only way to ensure that corruption is weeded out of the system, and the competitive process is the check on the public service that is missing under this clause of the bill.

All sorts of irrelevant qualifications could be used here, anything from "I'm a good friend of the decision maker", to "I'm a relative of somebody else you know", to the pressure that sometimes can be imposed from the outside. That departure from the merit principle is a serious departure that public servants should be very alarmed about. At any rate, people can be appointed without consideration of merit using this clause.

• (1345)

I agree with the idea the commissioner should be able to appoint surplus people to different departments. However, again the merit principle in the competition should continue in that process.

If merit does not need to be a factor in this clause and if the competitive process can fall by the wayside without a backward glance in this clause, the government can use it for other purposes as well. Even under the current regulations of the Public Service Employment Act there is already in place a system under the employment equity plan by which a member of an employment equity group can be appointed to a position in accordance with an employment equity program excluding merit, discrimination and geographic area with no right of appeal. That is a serious departure from the merit principle and something the government should not be delving into. I rest my case.

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Madam Speaker, I did enjoy the hon. member Fraser Valley East's speech on the budget. However, I would like to ask him if he has given consideration to the fact the deficit and debt did not

happen overnight. It has accumulated over a period of time. With respect to the budget, we are taking a planned period of time to deal with it very prudently and efficiently.

When the hon. member says we have no plan, we did have a plan and we made promises according to the plan to reduce the deficit. That is the number one priority on Canadians' minds today.

If the member feels the budget is something he cannot vote for, as he has indicated, why was the budget presented a few weeks ago by the Reform Party so heartily rejected by all Canadians and this budget so readily accepted?

**Mr. Strahl:** Madam Speaker, I thank the hon. member for her intervention. It may be jumping to a conclusion to say the Reform Party's alternative budget was not well accepted. When I read editorial comments from the *Globe and Mail*, when I read the *Financial Post*, when I read comments from other people who have looked at the substance of our alternative budget, there is widespread acceptance that we must have a balanced budget. Although we may quibble about some details or some finer points, the essence of the argument remains sound that we must have a plan to balance the budget. The Liberal budget has no such plan. In the Liberal budget the hope is to get it down to 3 per cent of GDP, twenty billion or twenty-five billion dollars.

The irony of it is although they can say this may be kinder and gentler because they will not take as many steps as the Reform Party, in essence what they are saying is that with the cuts we see now, we ain't seen nothing yet. To get it from \$20 billion down to zero, they will have to make significant, serious cuts.

The interest component of their budget is going from \$38 billion to \$51 billion in three short years. How can that be a good thing for the Canadian economy? How can that help to preserve social programs? How can that help to preserve the core of the public service? How can they hope to meet the legitimate needs and the legitimate concerns of the needy people when they are promising them that within three years they will spend an additional \$13 billion on the interest component of the budget?

There is no compassion in a budget that says there is no plan to balance. The compassion lies in having a plan to balance. When it is balanced we can offer security of social programs, tax relief and some assurance about where we heading into the future. Unless they can offer that, Moody's and the rest of the economic fiscal world will say the budget the Liberals are presenting is not good enough.

**Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.):** Madam Speaker, I wanted to ask my colleague two questions. How would my colleague explain the fact that Canadians generally and the business community in particular have been extremely supportive of the

### *Government Orders*

budget and have also supported the initiative of reducing the deficit at 3 per cent of GDP?

• (1350)

I heard some comments that were not supportive of the government's initiatives with respect to the civil service. Could my colleague tell the House what the Reform Party's options are in reducing the civil service?

Would it provide an early departure initiative, an early retirement initiative? Would it permit counselling? Would it provide other types of assistance such as working with communities for the creation of jobs?

If it is yes, how can he be critical? He should jump up and applaud.

**Mr. Strahl:** Madam Speaker, I thank the member for those questions. They allow me to clarify both the weakness of the Liberal budget and the soundness of the only alternate budget we have seen that will balance the budget in the short term to offer the security I am talking about in the long term.

What the budget does, to give credit, is signify a change in attitude in government spending. For the first time ever we see a government that has actually seen the light and has turned the corner. It has gone from what is a hopeless situation of increasing deficits to one of modest deficits.

The trouble is—this gets down to the security of the public service—there is no security in offering continued deficit budgets. What possible security is there when someone is loosing their house and not making their mortgage payment?

Why does one see cutbacks in health care transfers from the government? Why does one see cutbacks in welfare transfers? Why does one see cutbacks in training, cutbacks in the military, cutbacks of 45,000 in the public service? One sees it because the government cannot balance the budget. Until it can balance the budget there is no security in any of those programs.

When we brought forward our zero in three plan three years ago we proposed a cutback of 15 per cent in the public service because we were up front and honest. A cutback of 15 per cent would have been a cutback of around 30,000 or 35,000 public servants. We were up front about that.

The government went through the election promising no job losses by the minister of public service renewal. He promised something he could not deliver on. We would have had our program in place. The budget would be within one year of being balanced.

There would have been certainly a job loss of 35,000 public servants but already 45,000 public servants are laid off under the budget. We are not done yet. There will be more contracting out. There will be more private and not for profit agencies. There will be more initiatives by the government in years to come to

*S. O. 31*

make sure public servants pay more than their adequate share of pain for the government's inability to balance the budget.

Come to grips with the fact that the best security one can offer the public service is a balanced budget soon so that there is not the continual whittling away year after year the security the public service deserves.

That is what is happening on that side by failing to address the debt and deficit problem.

[*Translation*]

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Madam Speaker, I would like to tell the Chair that I will be splitting my time with the hon. member for Cumberland—Colchester. On behalf of the constituents of Brome—Missisquoi, I would like to congratulate the Minister of Finance, who lives in my riding, for the courageous budget he tabled on February 27, 1995, five days after I was sworn in and became an official member of the House.

In the February 13 byelection, one of the mandates I was given was to ensure the good management of public finances. That is what we in the Liberal Party are currently doing. Canada is on the right track. We kept on having visions of a deficit out of control. We absolutely had to review the federal government's activities. The result was that we introduced a series of cuts, and I believe that the government made wise choices. The thousands of people I met during the election campaign told me that the government should trim the fat, not increase income taxes for individuals.

• (1355)

That was what it did in the budget. The support that people have given to the Minister of Finance's budget proves that Canadians want to eliminate the deficit as quickly as possible and that the remedies he is using are fair.

The Liberal government set realistic and firm objectives for itself during the election campaign, which we are now in the process of attaining. It is important to keep the momentum going. We will reduce the deficit to \$32.7 billion in 1995–96 and then to \$24.3 billion. By 1996–97, the deficit will have sunk to its lowest level since 1974–75.

The measures in the budget will fundamentally change the size and structure of the government machine. Program spending will be reduced from the level in last year's budget, \$120 billion, to close to \$108 billion in 1996–97. The size of government will be substantially reduced over the next three years. Compared to 1994–95 amounts, departmental budgets will be reduced by close to 19 per cent. The budgets of some departments will even be cut in half. All told, these measures will create savings of approximately \$17 billion over three years. As

a result of this vast reform of federal programs, 45,000 jobs in the public service will be cut over the next three years.

Of course, it would have been unreasonable to cut program spending without trimming the public service. We will never rid ourselves of the deficit unless we trim the fat in government and improve management and efficiency.

These are but a few of the specific measures in the 1995 budget allaying the concerns of my constituents and all Canadians. The role of regional organizations, for example the Federal Office of Regional Development—Quebec, will change, as they will be called on to help small and medium size businesses by means of loans and repayable contributions, not grants. My constituents will be happy to know that they will still be able to count on their MP and the federal government when it comes time to open up a small or medium size business.

**The Speaker:** The hon. member will have another chance to speak shortly after question period, he still has some time remaining. However, since it is 2 o'clock, we now proceed to statements by members.

---

## STATEMENTS BY MEMBERS

[*English*]

### LAND MINES

**Mr. Reg Alcock (Winnipeg South, Lib.):** Mr. Speaker, I would like to join with the member for Brant in drawing to the House's attention the issue of land mines.

The International Red Cross estimates that every 15 minutes someone is killed or maimed by a land mine. Before question period ends today three more people will become innocent victims.

In our world there is no place for such indiscriminate, anti-personnel weapons. Every year some 10,000 people are killed by these devices and many more are injured. There are an estimated 65 million to 110 million uncleared land mines in the world and an additional 10 million to 30 million new land mines being produced every year.

I am proud to say that Canada does not take part in the deployment of these devices and that the government has endorsed the UN's convention on inhumane weapons.

I sincerely hope that during the United Nations review conference in June the government will strengthen Canada's position and place a complete moratorium on the deployment of these weapons.

Let us not forget that today's theatre of conflict is tomorrow's farmland or refugee camp. Innocent men, women and children

are dying. Since 1975 land mines have claimed an estimated one million victims, mostly in the developing world.

Let us help bring an end to this war on the world's poor.

\* \* \*

[Translation]

### BURUNDI

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, although the situation in Burundi is getting critical, and ethnic massacres might start any day now, all the United Nations Security Council is doing on the matter is considering appropriate measures to bring to court people who might commit actions which could be construed as genocide.

It is astounding to realize how fast the international community has forgotten what happened in Rwanda. Rather than trying diplomatic means to defuse the situation and planning for the quick deployment of multinational forces should the conflict degenerate, the UN is preparing for a post-genocide period.

Canada's attitude toward this partner state in the Francophone is just as disappointing as the attitude of the Security Council, and it shows a total lack of leadership.

\* \* \*

[English]

### NATIONAL GALLERY

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, I think the Canadian taxpayer will be appalled to know that \$200,000 has already been spent to purchase one-half of the AZT exhibit at the National Gallery of Canada. I think they will be even more outraged to realize the National Gallery intends to spend more money to purchase the other half of the exhibit which is currently on loan and on display.

AIDS is a largely preventable disease. I am sure most Canadians will agree with me that the money would be better spent educating our young people on the dangers of promiscuity rather than on an exhibit such as this one.

\* \* \*

### NATIONAL DEFENCE

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I am greatly concerned about the recent announcement concerning changes to the Canadian forces recruitment operation in New Brunswick.

According to the Minister of National Defence he has decided to close the Canadian forces recruitment operations in Moncton, reduce the detachment in Bathurst, and move the main recruitment centre from Saint John to Fredericton.

### S. O. 31

The province of New Brunswick once again is being hit extremely hard by these closures, especially from the closure and moving of the main recruitment centre from Saint John to Fredericton.

The minister has stated that the move will save \$180,000. However, does the minister realize that the move will remove an annual payroll of \$1 million from Saint John? These jobs are permanent jobs that have a positive impact on the economy of Saint John, Moncton and Bathurst.

I ask the minister and the Liberal government to please stop. New Brunswick has already had its fair share of cuts in the budget.

\* \* \*

### CHARITABLE DONATIONS

**Mr. David Iftody (Provencher, Lib.):** Mr. Speaker, it should come as no surprise to anyone that the people of Manitoba, and especially the people of Provencher, are generous people with big hearts.

Statistics Canada has declared that Randolph, a small community near Steinbach of only 130 residents, has the most charitable citizens in all of Manitoba. Despite its size it is truly large when it comes to donating to charity. According to Statistics Canada the median donation given by people in Randolph was \$1,890, which means that 50 per cent of the population gave more than \$1,890.

Last year it was Blumenort, another Mennonite community in my riding of Provencher, that was reported by Statistics Canada as having the median, again in Manitoba.

It makes me very proud to be representing Manitoba's most giving, most charitable citizens. I congratulate the generous people of Randolph and Blumenort.

\* \* \*

### HUMAN RIGHTS

**Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, the protection of human rights is a universal concern. In this respect Canada has played a respectful role on the international scene.

Often we do not put a face to the issue of human rights. However today the city of Ottawa is graced with the presence of Ajit Singh Bains, retired Chief Justice of the Punjab High Court and the Chair of the Punjab Human Rights Organization. He has also been the victim of many human rights abuses at the hands of the Indian government, including being charged under the notorious Tada law.

Only international public outcry has assured that Justice Bains is able to travel to Canada to make his views known about the conditions in the Punjab.

*S. O. 31*

I hope members will join with me in saluting the efforts of this remarkable man in bringing justice to the people of the Punjab.

\* \* \*

**HERITAGE VISION '95**

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Mr. Speaker, I rise in the House today to acknowledge the hard work and dedication of a group of my constituents who have taken it upon themselves to make a difference in our riding.

They call their initiative Heritage Vision '95. It brings together the communities of Chisholm, Nipissing, Himsworth South, Powassan, and interest groups that have united for a common cause.

Heritage Vision '95 plans a community heritage park, including an interpretive centre, a tourist information centre, an agricultural centre and a refurbished eight-sided rotunda that will serve as a band shell. The historic Clark House will be the park's focal point.

Heritage Vision '95 chair Dennis Andrews and his hard working team of volunteers have what it takes to see the project through to completion: shared objectives, the will to work co-operatively and the desire to persevere with volunteer time, labour and motivation to accomplish the goals.

• (1405)

Community spirit starts and grows because small groups of people wholeheartedly believe that they can make a difference. Heritage Vision '95 will do just that.

\* \* \*

[Translation]

**MEMBER FOR HALIFAX**

**Mr. Maurice Godin (Châteauguay, BQ):** Mr. Speaker, during a recent debate, the parliamentary secretary to the Minister of Citizenship and Immigration said that the physicians who approved the use, by Silken Laumann, of a certain drug, banned by the Olympic organization, which resulted in her losing her medal, had to be Spaniards.

This comment has, rightfully, offended the Spanish speaking community of Quebec and Canada. The present dispute between Spain and Canada over turbot stocks must not be used as a pretext to insult people of Spanish descent whose contribution to the development of Quebec and Canada is very important.

The Bloc Québécois is denouncing this unacceptable comment by the parliamentary secretary which is tarnishing the image of Quebec and Canada, countries which have always welcomed immigrants from all over the world.

[English]

**WORLD CONFERENCE ON WOMEN**

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, a delegation from various government departments including Status of Women is now in New York for an international conference.

Proposals from the conference will dictate the agenda for the fourth UN World Conference on Women to be held in Beijing in September 1995. The government has established a \$102,000 bureaucracy to co-ordinate the effort.

The appointed unrepresentative Canadian delegation has proposed an amendment to the conference's platform for action that discrimination based on sexual orientation be recognized as a barrier to women.

How could the government justify spending tax dollars to promote a policy on the international front that has failed to receive approval from grassroots Canadians on the home front?

I call upon the government to cease and desist from subverting the democratic process and the rule of law by covertly promoting its own agenda on the international stage.

\* \* \*

**ABORIGINAL VETERANS**

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, after months of public hearings, consultations and study, a Senate committee has concluded that aboriginal soldiers were poorly treated after they returned from the two world wars and the Korean war.

The committee now recommends that the federal government apologize to aboriginal veterans and create a scholarship fund in the name of the thousands of aboriginal soldiers who fought for Canada in overseas theatres of war.

I have followed the Senate hearings closely and have listened to the testimony of the many veterans who spoke of the difficulties and discrimination they faced after they returned.

Now that the Senate committee has confirmed what the Minister of Veterans Affairs has long denied, I hope the federal government will take its own initiative and begin the process that will adequately address the grievances so well articulated by aboriginal veterans during the past year.

\* \* \*

**HUMAN RIGHTS**

**Ms. Colleen Beaumier (Brampton, Lib.):** Mr. Speaker, I ask all members to join me in welcoming three distinguished human rights activists to Parliament Hill. Ajit Singh Bains, Jasdev

Singh Rai and Jaswant Singh Khalra will be discussing human rights in India this afternoon in room 209 of the West Block.

The issue of human rights violations in India is a very important one for Canadian parliamentarians. Given the growing interest in building on our excellent relations with India through expanding trade opportunities, it is crucial the issue of human rights is not forgotten.

Various international organizations from Amnesty International and Asia Watch to the United States state department have expressed concerns with human rights conditions in India. It is imperative that Canada use its strong ties with India to effect improvements in the human rights situation there.

I say to these gentlemen: "Sat sri akal".

\* \* \*

#### LAW OF THE SEA

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Mr. Speaker, to those who confuse the European Union, for the most part non-elected officials and bureaucrats, with Europe, the British House of Lords has now spoken out.

The Lords have rebuked the British government for supporting a country, Spain, that has been shown to be a fish pirate nation which has depredated stocks everywhere in the world, including the North Sea.

The Lords have praised Canada for an appropriate action to enforce the principles of the Law of the Sea laid down years ago. They have asked Canada to lend them our minister of fisheries so that they would have somebody in Brussels who would stand up for British fishermen.

To the European Union fisheries commissioner who seems rather light in the knowledge of fisheries and of contemporary international law, the Lords invoke the words of Queen Elizabeth I:

*I have the heart and stomach of a King—and pour foul scorn (on you)—or (all the princes of the Commission who) dare to invade the borders of my realm.*

• (1410)

Thank you to the British House of Lords for having a sense of humour and for reminding us that the International Law of the Sea no longer licenses predatory overfishing and spoliation of the earth's dwindling fish stocks.

#### S. O. 31

[Translation]

#### QUEBEC SOVEREIGNTY

**Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.):** Mr. Speaker, Quebecers are realizing that independence is not the best way to meet the real needs of the outlying regions.

During the hearings held by the regional commission on Quebec's future, the PQ vice-president, Mrs. Monique Simard, warned her party not to enshrine in a new constitution the powers of the regions. Instead, she said that it might be wiser to deal with decentralization through legislation, adding: "You cannot amend the Constitution at the drop of a hat".

Our government agrees with Quebecers that we can achieve much more through administrative agreements than with another constitutional debate; we can only hope that the Parti Quebecois will eventually discover this virtue of federalism. Let us hope that the Parizeau government will decide to co-operate with the Canadian government, because this is what the vast majority of Quebecers want.

\* \* \*

#### TAXATION

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, Senator Jean-Claude Rivest and the former Liberal health minister, Claude Forget, warned Quebecers, not against sovereignty, but against the status quo. They fear that, should the no side win, Ottawa might play a dirty fiscal trick on Quebec, shutting the province out of international money markets.

It would appear that the drastic cuts made by the last budget to transfer payments to the provinces are only a beginning. This is not surprising. Indeed, transfer payments to Quebec were cut by more than \$14 billion between 1982 and 1995.

After the failure of the 1980 referendum, Quebecers were played a dirty constitutional trick. Should they choose the status quo this time, the federal government might play a dirty fiscal trick on them. It must be said that the Prime Minister sure knows how to play dirty tricks on Quebec.

\* \* \*

[English]

#### AIR TRAVEL

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, the government says that it is looking for suggestions on ways to trim costs. We have found a way.

Air travel cost the government \$275 million in 1993-94. While some departments were reasonable, others were not. The

*Oral Questions*

Privy Council Office has only 650 employees but took 2,400 flights, nearly one-third of them business class. That is four flights per employee. The same with Environment Canada: 22,000 flights but only 6,000 employees. The Canada Labour Relations Board flew high with 42 per cent of its flights in business class.

For the grand-daddy of them all, nearly half of all government flights were booked by national defence with 190,000 flights not including peacekeeping and military missions. DND alone spent \$83 million.

There is an invention the government should know about. It is called the telephone. I call upon the government to show some leadership, let its fingers do the walking, and reduce flights by 15 per cent in the coming year.

\* \* \*

**GUN CONTROL**

**Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.):** Mr. Speaker, the nation's capital, long considered one of the greatest capital cities in the world, has been rocked by bank robberies, armoured car heists, drive-by shootings, and most recently the shooting of two police officers.

Most, if not all, of the criminal acts have been done with the use of illegal firearms. We have to rid our streets of criminals and the government's crime control legislation is a step in the right direction.

I have long supported tougher punishment for anyone convicted of using a firearm in the commission of a crime. To this end, the government is proposing a mandatory minimum sentence of four years in prison in addition to a lifetime prohibition against possession of a restricted firearm.

While I commend the government for the initiative it is not a strong enough message. Last April I proposed to the justice minister a 10-year mandatory sentence. My proposal is hard line and will send the right message to all criminals in the country.

\* \* \*

**WORLD CONFERENCE ON WOMEN**

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, Canada has proposed that the final document for the upcoming UN World Conference on Women reflect the full diversity of women. A paragraph was inserted to recognize the fact that many women face numerous barriers due to various factors including sexual orientation.

[Translation]

Mr. Speaker, this paragraph was unanimously adopted by the 54 members of the European Economic Commission, including the United States. Canada's position reflects the policy approved by the government after consultations held prior to the preparatory meetings.

• (1415)

[English]

Canada has an obligation to reflect the domestic situation in international meetings. Seven provinces and the Yukon Territory include sexual orientation as a prohibited ground of discrimination in their respective human rights acts. The courts have interpreted the Canadian Human Rights Act to include sexual orientation as a prohibited ground of discrimination and would be in contravention of the charter otherwise.

The Minister of Justice has stated he would be introducing legislation amending the Canadian Human Rights Act. Many people are anxious for this amendment. Hopefully it will happen soon.

\* \* \*

**HUMAN RIGHTS**

**Mr. Barry Campbell (St. Paul's, Lib.):** Mr. Speaker, the fourth United Nations conference on women will be held in Beijing this September. The purpose of this conference is to review the status of women worldwide and to place women's equality high on the global agenda.

At this conference Canada will propose a paragraph for the final communiqué stating that women face many barriers to equality, one of which is discrimination due to sexual orientation.

Some have resisted inclusion of this paragraph in the final communiqué. However, this position is consistent with the domestic situation in Canada where the human rights codes of seven provinces and Yukon already include sexual orientation as a prohibited ground of discrimination. The federal government has stated its intention to amend the Canadian Human Rights Act to include sexual orientation as a prohibited ground of discrimination.

Domestically and internationally the government remains committed to the equality of all people and I am proud we will be taking a leading role in Beijing on this issue. It is the right and decent thing to do.

**ORAL QUESTION PERIOD**

[Translation]

**MAINTAINING PEACEKEEPERS IN THE FORMER YUGOSLAVIA**

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, yesterday, during a special debate called on very short notice, the Minister of National Defence mentioned several scenarios which included maintaining our peacekeeping force in Croatia and Bosnia or concentrating our efforts in Croatia, the final decision being left up to the UN. Although he emphasized the need to continue the rotation of the troops, he also indicated



that Canada's participation in these peacekeeping missions could not last indefinitely.

My question is directed to the Prime Minister. Could he indicate the government's official position on the presence of Canadian peacekeepers in the former Yugoslavia, considering that the stance he adopted during the debate yesterday was ambiguous, to say the least?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the government has decided to maintain Canada's troops in the former Yugoslavia in the same configuration in which they are now. Every time changes occur, either in Bosnia or Croatia, there may be changes in troop deployment, and that is what the minister pointed out. However, Canada's presence in the former Yugoslavia will be maintained for the next six months.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, less than 24 hours before the current mandate of the peacekeepers in Croatia expires, could the minister or the Prime Minister tell us what has transpired from negotiations between UN officials and the Croatian government?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we are over there under UN supervision, and we regularly discuss with UN leaders to determine where our troops should be deployed. These discussions are going on all the time. The troops are now in two locations. For the time being we will stay there, but, as the minister said, we may be asked to move and replace troops at another location. We have had similar rotations in the past, and as the minister pointed out yesterday, there may be more in the future.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I trust that the UN's supervision is not absolute and that we still have some say in the conditions under which we operate. I have the following question for the minister.

I ask the Minister: Instead of inviting parliamentarians to take part in piecemeal debates, as he did yesterday, would he commit himself to a debate on a general definition of the terms and criteria for Canada's future participation in peacekeeping missions that exceed the narrow parameters of his bill?

[English]

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the government has been very accommodating over the last year and a half in terms of having these debates.

The debate last night was not a restricted one. The hon. member spoke rather eloquently and we appreciate support for the continuation of our troops in Bosnia and Croatia.

### Oral Questions

• (1420)

I do not think he can fault the government for providing opportunities for these kinds of debates. He also has the vehicle of opposition days if he wants to get into it in greater detail.

\* \* \*

[Translation]

### CANADIAN ARMED FORCES

**Mr. Jean-Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, my question is for the Minister of National Defence. Yesterday, the minister offhandedly minimized the importance of the many cases of suicide within the Canadian Forces, particularly among soldiers returning from peacekeeping missions, including those in the former Yugoslavia. The minister's attitude is surprising, to say the least.

How does the Minister of National Defence explain the fact that members of the military are more inclined to turn to outside help rather than use military resources in order to overcome their difficulties and adjustment problems upon returning from a mission?

[English]

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I did not say what the hon. member said I did. I was asked yesterday by one of the members of the Reform Party about an apparent increase in suicides, which is of great concern to us, at the base in Valcartier.

While it is true the suicide rate in the armed forces is lower than that of the population as a whole, there is no question that in the last year there has been a slight increase in suicides at the base in Valcartier.

Some preliminary work has been done on that to see whether there is any cause and effect. A Reform member yesterday asserted this had something to do with deployment in Bosnia and Croatia.

We cannot make that statement because there does not seem to be that tie in. Most of the suicides that occur, including these, deal with domestic reasons, family matters. We want to get more information, more analysis. That will require more extensive interviews. We will try to get full information for hon. members so they can have their fears allayed.

[Translation]

**Mr. Jean-Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, I would just like to point out to the minister that the suicide rate at the base in Valcartier alone is higher than in the population as a whole.

Does the minister not recognize that if Canadian soldiers returning from peacekeeping missions refuse to rely on the in-house resources available at the Department of National

*Oral Questions*

Defence, it is because they are afraid of compromising their careers within the Canadian Forces?

[English]

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, there have been increased programs that the departments have put in place in the last year or two at the various bases to deal with the stress of members, especially those who have been serving in peacekeeping.

If we look at the last seven or eight years, when Canada has been quite involved in peacekeeping assignments, the suicide rate has not increased abnormally and there is no established link between service overseas and suicide.

As I said yesterday, even one death is of concern to all of us and we will try to get more facts so that all hon. members can appreciate the true nature of the situation. If there is cause and effect, we will have to do something about it. I cannot categorically state that today, but we will get the information.

\* \* \*

**PEACEKEEPING**

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, with respect to peacekeeping in Croatia and Bosnia, it has been the Reform Party's position that the government should develop clear criteria to determine whether Canada should involve itself in such situations, how long we should stay and when we should get out. Last December we proposed four minimal conditions for continuing our presence in Bosnia, only one of which has been met, which is why we counsel withdrawal.

Will the Minister of National Defence outline the minimal conditions which he feels must be met in order to justify keeping our peacekeepers in Croatia and Bosnia?

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, every mission has to be viewed on its own merits. Obviously the criteria are somewhat subjective. It depends on the hostilities in question. It depends on the threat and the requirement made by the United Nations.

I would like to remind the hon. leader of the Reform Party that the special joint committee looked into this matter last year and made some very useful recommendations about peacekeeping in general, some of which have been adopted by the government.

• (1425)

It is important that we make sure before we go into any situation we understand the strategic reason for entering an engagement, the costs and the likelihood of success.

That is why when we engaged in Rwanda last year for six months we extended it by a few months. We have engaged in Haiti for six months.

I want to remind the hon. member the original commitment to Bosnia and Croatia was made by the previous government. I understand why it felt pressure to take part in that engagement. We have a difficult situation, one that is difficult to extract the United Nations from. It is a commitment we are prepared to continue indefinitely.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, yesterday the minister said one of his criterion was not wanting to let the UN down. Surely a more important criterion is not wanting to let Canadian peacekeepers down.

Our peacekeepers are not adequately equipped to do the job. They are not getting the leadership they deserve from the minister and the government, and morale is at an all time low. There have been six suicides in six months in the royal 22nd regiment, the same regiment that will be returning later this month.

What concrete steps is the minister taking to remedy the morale problems and the equipment deficiencies being experienced by our peacekeepers in Croatia and Bosnia?

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, what a sad situation when the leader of one of Canada's political parties on the eve of re-engagement in Croatia and Bosnia, for which up to 2,000 people will be leaving their base in Valcartier, makes unfounded allegations about the nature of equipment and morale. I totally reject these assertions.

My parliamentary secretary has very kindly given me a copy of the special joint committee report. On page 29 there are certain criteria outlined adopted by the committee. His members signed on to that report. These criteria are followed by the government.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, we simply asked the minister what he was doing to bolster the position of our people in Croatia and Bosnia. That is hardly undermining their position.

All Canadians share a concern that a withdrawal of peacekeepers from Croatia and Bosnia without adequate replacement could result in wholesale tragedy for innocent victims. If that is our priority concern, should the government not have been doing a great deal more to mobilize world opinion against atrocities being committed there, particularly to mobilize European support for peacekeeping?

What is the government doing to mobilize world opinion against atrocities in former Yugoslavia and to pressure our

European allies in whose backyard this is occurring to play a bigger role in the peacekeeping and humanitarian mission there?

**Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I am surprised at the hon. member's comments. I believe 40 per cent of the troops now in Yugoslavia are from European nations. I would like him to make that statement to the ministers of defence and foreign affairs from Britain, France, Holland, Spain and other countries in Europe discharging their duties very effectively in that theatre.

\* \* \*

[Translation]

### IMMIGRATION

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

Yesterday, Canadian authorities apprehended Tsara Rahmani, a 30-year old Algerian student, upon his arrival at Mirabel airport. French authorities had expelled him because they suspected him of belonging to the radical wing of the Islamic Salvation Front.

Since this individual is strongly suspected of terrorist activities, does the minister intend to take immediate action by launching an investigation and, if need be, deporting him quickly from this country?

[English]

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, it is true the person in question was apprehended by our officials at Mirabel airport at approximately eight o'clock last night. He was questioned immediately by immigration and CSIS officials. Those officials have also been in touch with European agents. We have detained him overnight. The questioning continues.

• (1430)

I certainly appreciate the kind of support the member is offering. Obviously this country should not harbour individuals who have ill motives. Once we establish the facts, we will move accordingly.

[Translation]

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, in complete contrast to Mr. Rahmani's case, a thousand Algerians already in Canada are claiming refugee status because they fear falling victim to the surge in fundamentalist violence if they are deported to Algeria. Does the minister intend to give special consideration to their fate?

[English]

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, it is something we are closely

### Oral Questions

monitoring. Certainly in terms of the inland determination system, it is true that a number of Algerians have sought refugee status. They are moving through the province of Quebec particularly and are going through the Immigration and Refugee Board.

We are also in concert with the UNHCR, the prime international vehicle for overseas resettlement. I have had occasion to discuss this with the Minister of Foreign Affairs as well as the Prime Minister in the last number of months. We certainly are prepared to be part of an international movement in terms of facilitating those in greatest need. However, we should distinguish that from the case we are currently looking at.

\* \* \*

### CANADIAN ARMED FORCES

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, yesterday in response to my question on the tragic suicides reported at Valcartier the minister stated: "The rate of suicides is lower in the armed forces than it is in the population as a whole".

However a review of relevant Statistics Canada data shows a suicide rate of .02 per cent, whereas the rate at Valcartier for the past year is .12 per cent, or six times higher. It should also be noted that the suicide rate at Valcartier among peacekeeping forces sent to the former Yugoslavia is still three times higher than in the population at large.

Given these facts, will the minister not agree this issue must be addressed before more troops are sent to Bosnia and Croatia?

**Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the hon. member of the Reform Party is distorting what I said. I said yesterday that the suicide rate in the Canadian Armed Forces was lower than the suicide rate generally in the population of Canada and that is absolutely true.

I have acknowledged that there has been an increase in suicides specifically at that one military base. In response to my colleague from Charlevoix I gave the assurance to the House that we will try to get more information to see what causes are related to these specific suicides and the increase in suicides in the last 12 months.

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** I am encouraged by part of the minister's response that we will get more information.

The deployment regulations state that personnel must have 18 months between peacekeeping rotations, yet since 1992 Valcartier has sent 5,000 troops to the former Yugoslavia. Given the manpower situation at the base, it is clear this regulation is being disregarded.

Given the tragic consequences this appears to be having on the troops, will the minister explain why deployment regulations are being ignored?

*Oral Questions*

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, two weeks ago I visited the base at Valcartier.

I saw many of the men and women in action preparing for their assignment. I specifically asked a number of them as to whether they had gone before. Some said yes. I asked: "Does it bother you to go back again?" They said: "No. We want the challenge to serve our country". That is the attitude of these young men and women who are serving our country.

The hon. member and his colleagues should start to rethink their strategy in trying to undermine the efforts of our soldiers fighting to establish world peace in the former Yugoslavia.

\* \* \*

• (1435)

[Translation]

**KANESATAKE RESERVE**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, yesterday, Kanesatake Mohawk leader Jerry Peltier said that he was still planning to go ahead with his plans for a casino in Kanesatake. At the same time, he indicated that he would not negotiate the terms and conditions under which this casino can be opened with the Quebec government, but only with the federal government, on a government-to-government basis.

Does the Prime Minister confirm that, contrary to how things were done in Saskatchewan and Manitoba, where negotiations were held with the provincial government, his government has agreed to negotiate the opening of a casino in Kanesatake directly with the band council, as requested by Jerry Peltier?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the statement was made by Mr. Peltier. I do not think that any firm commitment was made in this respect by the Minister of Indian Affairs on behalf of the federal government.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, I ask the Prime Minister this: in his capacity as leader of the government, can he undertake not to allow his government to go over the head of the Quebec government and negotiate the opening of a casino in Kanesatake with the band council, when he knows full well that casinos, lotteries and games clearly come under provincial jurisdiction?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I think there are discussions are under way between the Minister of Indian Affairs and people from that reserve who wish to set up a casino, but I have heard nothing about negotiations concerning definite plans to open one. This is, of course, a place where relations with the Government of Quebec are somewhat strained, as we all know. Therefore, caution is in

order and, personally, I will wait to hear from the Minister of Indian Affairs before commenting any further.

\* \* \*

[English]

**NATIONAL DEFENCE**

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, the head of the Somalia inquiry, Justice Gilles Letourneau, has stated that the Privy Council Office was informed personally by Anne-Marie Doyle about her conflict of interest with Robert Fowler.

Why did the Privy Council Office not tell the defence minister and why was the government's ethics counsellor not immediately asked to rule on the matter?

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I answered most of these questions yesterday in reply to the leader of the Reform Party.

As I have said publicly on a number of occasions, I was not in full possession of the facts with respect to this individual. It is something that was very unfortunate and we regret it.

We will make sure in choosing a replacement for Ms. Doyle that we will find someone of equal stature. We will be a little more thorough in checking all aspects so that we do not have these questions emanating from the Reform Party. They are diverting attention from the very essential work the inquiry has to do.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, this morning Liberal strategist Mike Robinson stated that the defence minister probably wakes up in the morning wondering what land mines someone might have planted for him when he arrives at his department.

If the minister cannot control or trust his staff, does the minister not agree that he needs to restructure his entire department from the top down?

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, one of the things that consoles me every day is that I do not wake up every morning to look at the hon. member or his colleagues. I have my family around me.

As far as I am concerned, I do not want to minimize the problems in the Canadian Armed Forces. We are dealing with them on a day to day basis.

If the hon. member and his colleagues would take time out to visit the military bases, to visit the rank and file members, I will make all the arrangements for them. I will go with them. They can have access and they would find that members of the armed forces are very distressed at the line of questioning coming from that party.

[Translation]

**THE ENVIRONMENT**

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, my question is for the Minister of the Environment.

Yesterday, just days before travelling to Berlin to attend the World Climate Conference, the Minister of the Environment finally admitted that her government will not be able to meet the commitments made in its red book with respect to reducing greenhouse gas emissions.

• (1440)

In the light of Canada's incapacity to control its greenhouse gas emissions, how can the Minister of the Environment content herself with presenting in Berlin a mere strategic plan, when what the 1992 Rio accord called for was a true action plan?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I said yesterday and I repeat today that we cannot be satisfied with stabilization only. The commitment agreed to in Rio was to achieve stabilization by the year 2000.

I can assure the hon. member that, in developing our action plan at the federal level, we will go beyond federal stabilization commitments. That being said, when we table a master agreement like the one reached with the provinces, in spite of Quebec's absence, we must work together with all the provinces to ensure that their action plans also go beyond stabilization.

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, Quebec has done its homework in this area, but the minister made it clear in an interview given to *Le Devoir* yesterday that she had not done hers.

Is the minister's proposal, which will almost certainly be rejected by the European Union, not in fact part of a plan to create a diversion to mask her incapacity to fulfil Canadian commitments?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, it is sad to see that, on an issue as vital as greenhouse gas emissions, the Bloc Quebecois would rather play politics than join in the search by developed and developing countries alike for a global solution to a global problem.

We are confident. Brazil has accepted our Berlin proposal and we expect support not only from developing but also from industrialized countries in finding a global solution.

We, in the Liberal Party, do not live in a small world. We live in the big world.

*Oral Questions*

[English]

**FISHERIES**

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

All Canadians are vitally concerned with the continued negotiations in preservation of the world's fish stocks and the jobs of fishers everywhere, as well as the food for the next generations. They support the strong stand taken by the minister on the turbot issue.

Can the minister advise the House what progress is being made in the negotiations at Brussels to save the Atlantic turbot fishery?

**An hon. member:** Brian for the Academy Award. Tell us about Broadway.

**Mr. Tobin:** Mr. Speaker, I am being heckled by my own side.

**An hon. member:** The envelope, please.

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

**The Speaker:** We anxiously await the minister's reply.

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, the negotiations in Brussels are going on today and are constructive. They focus primarily on the area singled out by the Prime Minister some two weeks ago as the matter of primary concern for Canada. That is the question of conservation and enforcement.

We have had the support of the country and unanimous support in this House of all members and all parties. It is deeply appreciated by the government and has allowed us to take a strong position.

• (1445)

We have said that sustaining the species is what matters most. We have said we would put our priorities, as the Prime Minister indicated two weeks ago, on conservation enforcement. We are making progress in that area. We hope the talks will conclude successfully but we have learned to be patient, to make sure we do it right rather than do it quickly. We will see what happens.

\* \* \*

**FORESTRY**

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, my question is for the Prime Minister.

Last November I asked the Minister of Foreign Affairs why his department was funding environmental groups whose main purpose was to actively discredit B.C. logging practices in North America and in Europe. Since 1990 the Western Canada Wilderness Committee has received over \$754,000 from foreign affairs, environment, human resources development, heritage and natural resources.

*Oral Questions*

Does the Prime Minister support providing federal funding to groups whose main purpose is to undermine our number one industry in Canada, forestry?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, these groups have been helpful because most of the provinces have improved, quite dramatically, the way they harvest forests. It is helping make our case when we are abroad.

We have to be careful. For example, we are asking people to help protect the fishing environment of the sea. We have to do the same thing in Canada. When we have groups in Canada that want to harvest trees in a proper fashion, they are not causing a disservice to Canada, they are helping us to do the right thing.

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, some of us may recall seeing Stumpy, that large cedar tree stump from the Clayoquot in my riding on Vancouver Island, around Parliament Hill last fall.

The Western Canada Wilderness Committee not only took this stump across Canada at taxpayers' expense, but is planning to take it to Berlin next month to discredit, again, the Canadian forest industry.

My question is for the Prime Minister. Will he act immediately to cancel all funds to this group, which has not only cost taxpayers \$754,000 but continues to cost the Canadian economy millions in lost revenue?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister has underlined how important it is for Canada to have sustainable forestry practices. The work of organizations such as the Western Canada Wilderness Committee reinforces the notion for an international forest practices code where all countries can be judged on a level playing field.

The member would be the first to criticize the government if it did not have a proactive international stance by which it shares Canada's sustainable forestry practices with those of other parts of the world. That is what we are attempting to do, working with environmental groups, rather than damning them all as the Reform Party would do.

\* \* \*

[Translation]

#### UNEMPLOYMENT INSURANCE

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development. According to the monthly report published by Quebec's income security department, during the month of March, over 800,000 Quebecers had to rely on social assistance. In spite of the recovery, this increase is a source of real concern, particularly since the under-25 group accounts for 40 per cent of the new welfare recipients.

Will the minister finally recognize that this increase in the number of young welfare recipients is the direct result of his UI reform, which excludes young people from the program, and will he admit that these young people are the first victims of UI cuts?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the best way to answer the hon. member's question is to cite some useful facts and figures which she will be interested in knowing.

The employment gains which took place during 1994 mean that we have been able to reduce UI claims by some 10 per cent over 1993 and helped more than 200,000 Canadians get back to work without exhausting their benefits. In fact, if we look at the figures more closely we find that the exhaustion rate was down by 25 per cent in 1993-94 over 1992-93.

• (1450)

It shows what is contributing to the reduction in the unemployment benefit rate, which is that far more Canadians are going back to work.

[Translation]

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, the minister cannot ignore the fact that a StatsCan report indicates that the proportion of unemployed covered by the UI program went from 77 per cent, in 1990, down to 53 per cent, in 1994. There are fewer recipients, even though more people are out of work.

Will the minister finally recognize that, if the number of UI recipients decreased so drastically, it is not because the number of jobless dropped significantly, but because more and more of them are excluded from the UI program and have to join the welfare ranks?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the StatsCanada report shows that one of the distressing areas of concern that we should all share is the fact that numbers of Canadians are unemployed for longer periods of time. It is one of the really disturbing phenomena taking place in labour markets. We are not alone. It is taking place around the world.

Rather than admitting to some great guilt, we should be coming together to work to find solutions to the problem. That is one reason why we are looking seriously, as the hon. member knows, at developing more active employment programs.

To give one example, we have just initiated and will be starting on April 1 some 20 pilot projects across the country using wage supplements to help those long term unemployed to get back into the job market.

If the member is interested, I can give examples of seven such projects in the province of Quebec. It is that kind of real effort that we have to come together on to find new answers to help along—

\* \* \*

### CRTC

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question is for the Prime Minister.

On January 1, 1995 the CRTC launched an innovative tax grab on Canadian cable subscribers. It ignored its previous decision to issue a rebate to consumers which would have caused cable rates to decrease. Instead, half of the money will go to line the pockets of cable giants such as Rogers.

Why will the Prime Minister not protect the interests of Canadian consumers by getting rid of this hidden tax?

**Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Mr. Speaker, I would suggest that the country and the government over time has been very grateful to the CRTC. It has been able to protect the Canadian cultural content of the delivery system through its broadcast system.

The growth of Canadian arts, culture and performers has been a vital part of the responsibilities administered by the CRTC through its vigilance and its application of the rules of the will of the House.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question was very specific. It was specifically focused on the CRTC and the issue of the current innovative tax grab, as I say. However I appreciate the eloquence of the hon. member.

The CRTC has flip-flopped on the consumer rebate. It has not only imposed an information highway tax but it has also required these companies to pay into a Canadian program production fund. This is nothing more than a tax to subsidize Canadian content. Consumers will no longer stand for this behaviour from the CRTC.

How can the Prime Minister justify this tax without having consulted the Canadian consumer?

**Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Mr. Speaker, the hon. member should think through the outcome of her observations and her direction. It would mean that a worthy and considerate member of the ministry would have to resign as a result of interference in an arm's length organization.

\* \* \*

### THE ENVIRONMENT

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Mr. Speaker, my question is for the Minister of the Environment.

### Oral Questions

• (1455)

Next week the minister leads the Canadian delegation to the first conference of the parties on climate change in Berlin. Why is this conference so important that the minister is personally attending and what is the Canadian government's position on climate change?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I appreciate the question from a member of the standing committee on the environment.

The reason it is such a crucial issue is because if we fail as a globe to address this very critical problem, we will see a situation by the year 2050 where the island of Prince Edward Island will be completely under water, where the lower mainland of British Columbia will suffer massive flooding and where there will be severe fires on the prairies as a result of drought.

Ten years ago people laughed at scientists' claims for the codfish stocks and we know now the price we paid.

**The Speaker:** I am sure we agree that all questions from all hon. members deserve an answer and that the answers should be quite succinct and to the point. If the hon. Minister of the Environment has not finished, I give her the floor.

**Ms. Copps:** Mr. Speaker, I do not want to belabour the point. I will only point out that the same naysayers that we are hearing now on the opposite side of the House were the same kinds of people who 10 years ago said we should do nothing about the cod stocks.

Global warming is a crucial world issue and we will address it with a global solution in Berlin.

\* \* \*

[Translation]

### YOUTH STRATEGY

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

The assessment made of the federal government's Youth Strategy in Newfoundland and in New Brunswick is devastating for this program. Part III of the 1995-96 Estimates indicates that the evaluations did not reveal significant improvements in terms of job opportunities, compared to what could have been anticipated without the Youth Strategy program. The Canada-New Brunswick Youth Strategy also increased the participants' dependency on social assistance.

Will the minister recognize that his Youth Strategy is a big flop?

*Oral Questions**[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, one thing I would like to point out to the hon. member is that at this moment—give or take a few numbers—we have been able to work with the private sector to enrol over 10,000 young people in new internship programs in a wide variety of fields such as horticulture, electronics, car repair, logistics, software development.

We are giving our young people a chance to move from formal schooling into the workplace by giving them real, direct work experience training. That is the heart of our youth strategy. I think it is one of the most successful programs in the world.

\* \* \*

**IMMIGRATION**

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, last year only 27,000 immigrants came to Quebec, well short of the expected 40,000. Despite that incredible drop and despite taking a share of immigrants far lower than its share of the population, Quebec will still get \$90 million for immigration or about three times as much per capita as Ontario.

Does the minister of immigration agree it is completely unfair for the federal government to give a province a share of immigrant funding that is vastly disproportionate to the number of immigrants actually accepted?

• (1500)

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, as we talked about for some two hours in the standing committee this morning, when we talk of settlement it is not only a question of looking at dollars and cents, particularly with respect to the province of Quebec which has nurtured an agreement over the course of 20 to 25 years where Quebec does settlement very well.

In other provinces, in talking to the Alberta minister responsible for immigration, it is not simply a case where everyone wants the same kind of agreement as Quebec or Ontario. There needs to be some flexibility under the guise of a federal immigration policy to allow enough regional and provincial nuances so they too can articulate the priorities.

It is in that spirit that we will fashion provincial–federal agreements that will work for the benefit of the country in all its regions.

\* \* \*

**CAREER COUNSELLING CENTRES**

**Hon. Audrey McLaughlin (Yukon, NDP):** Mr. Speaker, my question is for the Minister of Human Resources Development.

Tomorrow funding will run out for many career counselling centres across the country that give career counselling to

women, immigrants and others who need assistance to find work. At this point staff and clients are in limbo not knowing if these services will continue.

Earlier today the minister said he would like suggestions on helping to get people back to work. Many of these centres have success rates of up to 85 per cent.

Will he commit to continuing funding for these career counselling centres?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I do not know the exact centres the hon. member refers to but as of yesterday I signed off on a number of the career outreach programs that will serve the clientele there.

Clearly as we are going through a transition year moving into the new human resource investment fund there will be adjustments along the way.

If the hon. member has specific centres in mind I would be glad to receive them and I can indicate to her which ones I have already approved.

\* \* \*

**PRESENCE IN THE GALLERY**

**The Speaker:** I draw the attention of the House to the presence in the gallery of Mr. Colin Shepherd, member of Parliament in the British House of Commons and Chairman of the Executive Committee of the Commonwealth Parliamentary Association.

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

\* \* \*

*[Translation]***BUSINESS OF THE HOUSE**

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I wonder if the Secretary of State for Parliamentary Affairs could tell us what is on the legislative agenda for the next few days.

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, today, tomorrow, that is Friday, and Monday, the first item on the agenda is second reading of Bill C–76 to implement the budget, then, on Tuesday, we will have an opposition day for the Bloc Québécois.

*[English]*

On Wednesday we will return to second reading of Bill C–68 respecting firearms. The back up legislation on all days will be Bill C–69, the redistribution bill, and Bill C–75, the farm bill. If not disposed of earlier we expect to deal with these items on Thursday.

There have been discussions among the parties and there has been an agreement that the House not sit on Friday next week.



Accordingly, I ask for unanimous consent for the following motion. I move:

That the House shall not sit on Friday, April 7, 1995 provided that, for the purpose of Standing Order 28, it shall be deemed to have sat on that day.

(Motion agreed to.)

---

## GOVERNMENT ORDERS

• (1505)

[Translation]

### BUDGET IMPLEMENTATION ACT, 1995

The House resumed consideration of the motion that Bill C-76 an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the second time and referred to a committee; and of the amendment.

**The Acting Speaker (Mr. Kilger):** We will resume debate with the hon. member for Brome—Missisquoi, who has five minutes left. After that, there will be a five-minute question and comment period.

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Mr. Speaker, as I was saying earlier, the residents of Brome—Missisquoi will be glad to know that they can still depend on their hon. member and on the federal government for help if they want to start a small business.

The people in Brome—Missisquoi are known for their entrepreneurship and their capacity to develop new niches and to adapt quickly to new sets of rules on the world market.

I want to get back to spending. Expenditures at National Defence will also be drastically reduced. Business subsidies have been cut by 60 per cent. Because of the deficit and our current financial situation, we can no longer afford to maintain subsidies introduced ten years ago, which are now eroding our capacity to adapt, to diversify and to remain competitive.

We will also transfer certain programs to other levels of government and privatize some of our operations. For example, airports and marinas will be transferred to local authorities and CN will be privatized this year. Moreover, and this is very important, departments will have to prepare three-year business plans, which will be subject to parliamentary and public scrutiny.

The federal government is cleaning up its backyard, but other levels of government must do the same. The provinces will have to review their programs also.

Speaking of cleaning up, I urge the hon. member for Saint-Hyacinthe—Bagot to do some cleaning-up in his own mind. During his remarks this morning, I heard him criticize the way some Quebec members have voted. This is the budget of a responsible government that knows exactly where it is going. Does the Bloc know where it is going? They are preparing to

### Government Orders

hold a referendum so that they do not have to sit here anymore, but at the same time they are trying to ensure that Quebec will have 25 per cent of the seats in the House. This is hypocrisy. Do they want to stay or do they want to leave?

I believe in a flexible federalism, a federalism based on dialogue and consensus, not on hypocrisy. Members of the Bloc know full well that it takes a constitutional amendment to change the rules of the game between the various levels of government, but they are still trying not only to confuse people, but to provoke them. We had an opportunity to see, when the vote on the Bloc's motion was taken, the kind of contempt that members of the Bloc feel toward those who do not share their views. It bodes well for the referendum. The remarks made today by the member for Saint-Hyacinthe—Bagot show once again that, for the Bloc Quebecois and the Parti Quebecois, it is just «believe it or die».

The constitution of our country, Canada, guarantees a minimum of 75 seats for Quebec. I hope that Bloc members, after their defeat in the referendum, will have the decency to separate themselves from this House and go back to Quebec to work real hard at helping Quebec population grow. I might indicate to them that there are many ways to go about it, one of which is certainly not to maintain a political and economic climate contaminated by the Bloc, but rather to foster job creation in a strong economy. Then, Quebec will be strong in the true sense for Canada and within Canada, and we will no longer remember the hypocritical tactics devised by the Bloc members and their cousins in the PQ.

To get back to the budget, there is also the new Canadian social transfer. Globally, the major transfers, including equalization payments—which, for that matter, are not affected by this budget—will be 4.4 per cent lower than what they are now. At the same time, the other spending reductions the federal government is imposing on itself will reach 7.3 per cent, almost twice as much.

To summarize the budget, it proposes to reduce spending by \$7 for every \$1 increase in revenue. The in-depth reorganization of the machinery of government announced in the budget confirms the faith of the people of Brome—Missisquoi in a flexible federalism evolving in a secure environment for all the classes of citizens, young people, students, families and seniors, and also in a secure environment with regard to our political and trade relationships with all our neighbours, who are well aware of the rules of the game here in Canada.

• (1510)

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, the new member for Brome—Missisquoi has adjusted quickly to the House of Commons. We can see this from the gratuitous insults he is flinging at the Bloc Quebecois. This member who, during the election campaign in Brome—Missisquoi, carefully avoided all the debates with his adversaries, is using some rather aggressive language for a new member, now that he is elected.

*Government Orders*

He prompts me to ask the following question when he says that the federal government has put its house in order in its budget and that the provincial governments should do the same. I would like to hear his comments on this matter. Of course we want to see the federal government put its house in order; that is what we have been asking it to do since we were elected.

I would like the hon. member to comment on the reduced transfer payments under the new Canada social transfer, with cuts of \$2.5 billion next year and \$4.5 billion every year thereafter. Does the member think that that is a good way to reduce spending if, in the end, it costs the provinces more to maintain the services which their money was already used to provide?

I would say that yes, the federal government has been putting its house in order, but only by dumping problems in somebody else's backyard. Is this what it calls flexible federalism, the brand of federalism it prefers? I would like to hear the member's comments on this subject.

**Mr. Paradis:** Mr. Speaker, I thank the hon. member for his question. First, I must say I have just been through an election campaign in Brome—Missisquoi where I met many citizens. The citizens of Brome—Missisquoi, as those of other regions in Quebec, have asked for a budget that would not increase personal income taxes and that would trim the fat.

This is exactly the kind of budget that minister Martin presented. When we speak about putting our financial house in order, and that is what trimming the fat is all about, I think that Mr. Martin's budget does just that. The other part of the member's question deals with the new Canadian social transfer program.

The minister announced that this new transfer program would be implemented only a year from now in order to give the provinces the opportunity to adapt to the new realities. This new Canadian social transfer program gives Quebec a global envelope where budgets for universities, health and social programs will be consolidated and the province will be free to manage them as it pleases. This is what we mean by new, progressive, flexible federalism.

As for the amounts mentioned by my colleague, I must say that the global cuts in federal programs account for a decrease of 7.3 per cent for all federal programs here in Ottawa.

But, for a year, the cuts in provincial programs will mean a reduction of 4.4 per cent only. The federal government is much more severe with its own programs than with the provinces and this is very important. It would be important also that Bloc members go back to their ridings and meet with their constituents. They would see that this is the type of federalism they want.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, the hon. member says that during a recent election

campaign his constituents told him certain things. There must be farmers in Brome—Missisquoi and I would like to know whether they told him they would like to see a 30 per cent cut in the dairy credit.

This will drive up milk prices and penalize low-income families. Did anyone tell him that when he was seeking the votes of farmers in Brome—Missisquoi?

• (1515)

**Mr. Paradis:** Mr. Speaker, it is with pleasure that I reply to my colleague. During the election campaign, farming was, of course, one of the topics, particularly in a riding such as ours, which borders the United States. Given its location, the new GATT and NAFTA international trade rules are important at this time.

I am on the point of creating a sort of advisory committee with all the farmers in Brome—Missisquoi to look at how we can adapt as quickly as possible to the new international trade rules, including those of NAFTA. The State of Vermont is across the border from the riding of Brome—Missisquoi and I think that together with the farmers not just in my riding but throughout Quebec we will find ways of adapting to the rules of the new world economy.

[English]

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, it is a pleasure to rise in this House to address second reading of Bill C-76.

As I have stated previously, this budget may be viewed by future historians as a watershed budget. It is a very definite turning point in the history of this government, in the government of the day, when it had the courage to make the really tough decisions, to make the necessary cuts in spending in accordance with responsible financial management.

The budget redesigns the very role and the structure of government. It is a budget which achieves large savings to reach the deficit reduction targets set out in our red book plan. This budget is the cornerstone of the foundation of sustainable finances, sustainable social policy and sustainable economic policy for the future of Canadians. The budget is about nation building. It is about values and principles rooted in fairness among the regions, compassion, and above all, economic and financial leadership.

The future of the country is at stake with a debt of \$550 billion and annual deficit budgets for more than a decade now. Because of this, a huge portion of government revenues are consumed by the cost of servicing this deficit and debt, money that could otherwise provide services and programs for Canadians or better still, reduce the amount of taxes we pay. The unexpected increase in these rates since last year's budget has put tremendous pressure on deficit targets. Meeting our targets is essential to strengthen confidence and bring interest rates down. This in

turn is essential for job growth and more job creation for Canadians.

Over \$13 billion in savings will be realized through spending cuts and there will be no increase in personal income tax rates. Going beyond to 1997–98, our reforms will deliver a further \$13 billion in savings for a three year total of \$29 billion. This is the largest set of actions in any budget since the war years in the 1940s.

We are also taking firm steps to increase tax fairness and close loopholes. The budget delivers almost \$7 in spending cuts for every dollar of new tax revenue. That is very significant, a 7:1 ratio of spending cuts to taxes.

The government accepted the challenge not only with this budget, but with several budgets to come, to work toward a balanced budget. This is not politically expedient, but it is the right thing to do.

The measures taken in the budget will ensure that Canadians can face the economic challenge of international competition and that we will be able to do so with growth and confidence. This budget is about restoring confidence in government and confidence in Canadians.

Measures which were taken last year in the first budget of this government showed positive results in our economy. Economic growth is at 4.5 per cent which is the strongest of the G-7 nations. 1994 was the most impressive year ever in Canadian exports. We showed a massive trade surplus with the United States and inflation was at its lowest in three decades. There were improved business profits and some 433,000 more full time jobs.

A snapshot of our growth is found in Statistics Canada's report on railway car loadings. It showed that in a seven day period ending February 21, 1995, just a few weeks ago, the number of railway cars loaded in Canada increased 3.7 per cent from the same period a year earlier. Revenue freight loaded increased 6.9 per cent to 4.6 million tonnes. Piggyback traffic tonnage which is included in total carload traffic increased 9.5 per cent during the same period. Tonnage of revenue freight loaded as of February 21, 1995 increased 19.8 per cent from the previous year.

• (1520)

That is growth. Growth in freight means growth in GDP where it should be and not growth in government.

Cuts in government spending mean pain. The budget is about pain. However, the pain was spread fairly to all regions. In the west, grain transportation subsidies were eliminated, while in the east the Atlantic region freight assistance program was abolished. However, both the west and the east, including Quebec, will receive transitional funding helping to alleviate shipper hardship and upgrade transportation infrastructure.

### *Government Orders*

The bill also proposes the elimination of the Atlantic freight subsidies under the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act. This measure will take effect in December of this year. It will save nearly \$100 million.

The MFRA and the later ARFAA subsidies derive from recommendations of the 1927 report of the royal commission on maritime claims, the Duncan commission. The report noted that the BNA Act had guaranteed construction of the Intercolonial Railway, an obligation long met at the time the Duncan commission was appointed. The commission concluded however that there was a particular intention behind the enactment of this guarantee and on its interpretation of this intention recommended a reduction in freight rates.

Therefore, we had the Atlantic freight subsidies program. However, it has proven inefficient in reducing shipper costs. Moreover, it has encouraged companies to structure their investments and organizations to meet regulatory criteria rather than for sound business reasons. The subsidies are of marginal and declining importance to regional economic activity, since transportation services in the region are now more competitive than they once were.

To help ensure that elimination of the subsidy contributes to a better transportation system, the budget announced a five year \$326 million transportation adjustment program. Provinces will be able to target assistance under the program to meet local shippers' needs and upgrade infrastructure. Among other things, this should help to modernize the highway system in Atlantic Canada and eastern Quebec.

The people of Nova Scotia know that the backbone of the economy is small business and that Atlantic Canada ended 1994 with the highest rate of growth per capita. Our region grew by 2.7 per cent. This was followed by the prairie region.

One of the most important elements of the bill is the reformation of transfers to the provinces. This represents new federalism. The federal government wants to create a transfer system that functions better and is more fiscally sustainable.

The centrepiece of this reform is the replacement beginning in 1996–97 of established programs financing for health and post-secondary education and the Canada assistance plan with a single consolidated block transfer, the Canada health and social transfer.

The Canada health and social transfer represents a new approach to federal-provincial relations. This new approach is marked by greater flexibility for provincial governments and more sustainable financing arrangements. It continues the evolution toward more mature fiscal responsibility.

The Liberal government approach to provincial transfers passes three important tests. First, the federal government has hit itself harder through cuts. Second, we have given the provinces ample time, that is, one year notice of our intentions.

*Government Orders*

Third, the reduction in transfer payments is equitable. This is where the fairness comes in again.

Under the previous government the 1980s were a time of greed, a time of surplus and a time of waste. The 1990s under the present government are a time of basic need, not greed, a time of high efficiency and productivity, and a time of sustainability, not waste. It is a time to sustain our finances as well as our environment, our resources and as we all know, our fish stocks.

• (1525)

We made a commitment to the men and women of Canada to reduce the deficit while restructuring social policy. We take that commitment very seriously.

The budget of February 1995 is more than a bunch of numbers. It is one part of a very large social plan, an economic plan, as well as a financial plan. It maps out a very prudent and courageous incredible path, not only for our generation but more important, for the next generation of young Canadians to come. I urge all hon. members to support this bill.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, the member for Cumberland—Colchester spoke about the changes to freight subsidies in eastern Canada. The way she presented it, in a very positive manner, is of course self-interested. However, I must say that this measure changes the whole picture.

Last week, there was a debate on railways. Now, they want to change the shipping assistance program and focus more on road transportation of goods. We must realize that in the past, many businesses had their goods shipped by rail. What did this mean? It meant that they avoided making abusive use of road transportation which, we know, is bad for roads at certain times.

It is all very well to talk about a form of flexible federalism because money is transferred to the provinces so that they can carry out public infrastructure projects. However after a few years, when the roads are a mess, everyone knows that it will be up to the provinces to repair and maintain them with their own funds. I would like to hear her comments on this. She can contradict me if she can. I believe that it is a short sighted view. It harms rail transportation which was appreciated by many.

The need to build a railway was even the pretext used to create the Canadian confederation and what do we have? All of a sudden, in order to control its expenditures, the federal government transfers an equivalent amount on the short term from the railways to road transportation or to businesses. I would like to hear what the member has to say about this transfer and about offloading such expenditures onto the provinces.

[*English*]

**Mrs. Brushett:** Mr. Speaker, I thank the hon. member for Lévis for his comments. We have enjoyed a valuable asset in the rail system in building this country.

Many times I have gone through the province of Quebec, growing up in New Brunswick and living in Nova Scotia. It is part of our whole eastern heritage, part of our whole country.

These assistance programs are antiquated. They have come through the British North America Act in 1920, 1930, 1940. I say again that they are antiquated. It is important that we update and modernize. Our manufacturers, our grain growers, our furnace makers in Nova Scotia, our farmers, wherever they are, in Quebec or Nova Scotia have the same needs: to move products to the marketplace.

I cited some statistics taken by StatsCanada four weeks ago. Trains have increased some 19 per cent in freight in this country. If time permitted, I could address the question of railways, how a line in Nova Scotia from Sydney to Truro, my hometown was sold. It has become privatized. It was losing a million dollars a year and now it is making several million dollars a year. The amount of freight moving through those lines has increased. This is happening with short lines across the country. They are becoming profitable.

By taking the subsidies away we are allowing our manufacturers and farmers to have more flexibility. We are allowing them to be more efficient in the 21st century, to modernize and to look at creativity under a world trade organization as well. The transitional funding allows us to get to that point and to upgrade the highways.

• (1530)

The hon. member for Lévis knows as well as I from Cumberland—Colchester that the highways between Quebec and Nova Scotia certainly need upgrading so that we can share in trade wealth a lot better between each other.

[*Translation*]

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, I thank you for allowing me to speak in this House on Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

In its budget, the government announced a series of measures that jeopardize our social programs. Bill C-76 confirms what we feared most and shows the extent of the damage done to Quebec and to the provinces by the federal budget. Cuts in transfers to provinces amount to \$7 billion. That is \$7 billion of the federal deficit reduction taken off the back of provinces. These new cuts in transfers to provinces come on top of all the unilateral cuts made in the few last years that were so stridently criticized by

the government members who were then sitting in the official opposition.

We must recall that, between 1977 and 1994, the federal government's share of social program financing, that is for health, education and welfare, dropped from 47.6 per cent to 37.8 per cent. Bill C-76 is the confirmation of a sharp drop in federal funds, which is supposed to reach 28.5 per cent within two years, by 1997-98.

After so many years of offloading its responsibilities onto the provinces, the federal government still does not understand that reducing transfers does not solve in any way the fiscal problem that all Canadian governments experience. By imposing dual jurisdictions in fields that are not federal according to the Constitution, the federal government is preventing any real solution to the crisis in Canada's public finances, whether at the federal or the provincial level. In the end, the real losers are the taxpayers we are here to represent.

I said earlier that this budget would be the end of our social programs as we know them. We all know that Quebec and the provinces are facing a breathtaking rise in medicare costs. This raise is mainly due to factors such as an aging population, new and more expensive medical technologies and significant cost increases in pharmaceutical products.

In the last budget, as was the case in previous budgets which froze transfer payments, the government announced substantial cuts in transfers to Quebec and to the other provinces for health care. It does not matter that, under Bill C-76, transfers for this program will be lumped in with other program funding in one transfer, the Canada social transfer. The result will be the same. Less money will be available for health care, and in this way, the government has chipped away at one of the foundations of our health care system.

The Minister of Finance should be honest and open with Quebecers and Canadians. He should admit to them that such cuts in transfer payments will put an end to the health care system as we know it, because that is what is at stake here.

The claim that all of these cuts will have no impact on the health of Quebecers and of Canadians and on the health care system itself is false. I cite as proof the recent statements made by the Prime Minister, when he quietly and furtively introduced the new concept of guaranteed fundamental or basic health care services for Canadians. By even talking about minimum standards, which have not been specified or determined, as being essential, the Prime Minister only draws more attention to a cross-Canada phenomenon: a two-tiered and two-speed health care system.

The two-tiered health care system is gathering steam from the well established tendency in the system which, unless there is a spectacular about-face, will become the norm. On the one hand, a normal or basic service will be covered by health insurance and, on the other, a fully loaded, specialized service will also be

### *Government Orders*

available for those who can afford to pay the user fees, to buy private insurance or to finance their health care in another way.

• (1535)

As for the two-speed health care system, it is well entrenched throughout Canada: slow public services for those who cannot afford to pay and fast private services for those who cannot afford to wait but can afford to pay.

No one in this House can deny that our health care system as we knew it has undergone radical changes across Canada. The two-level and two-speed system is no longer a doom-and-gloom scenario but a reality.

In his budget speech, the Minister of Finance solemnly declared, and I quote: "The conditions of the Canada Health Act will be maintained. For this government, those are fundamental".

Bill C-76 reimposes these national standards while, at the same time, cutting the financial resources needed to maintain them. It is pitiful double talk: although we want a Cadillac, we will only make payments for a bicycle.

They are saying that the provinces should find ways to make up the difference and trying to pass this off as an example of flexible federalism. How can the Minister of Finance still think and maintain that Quebec and the provinces will manage to provide the same health services to the population? How can Quebec and the provinces manage to maintain all five conditions of the Canada Health Act imposed by Ottawa, when the Minister of Finance is offloading onto them a deficit in the billions of dollars through cuts in social programs?

The Minister of Finance should have shown some courage and should have been straight with his fellow citizens by telling them: "Unfortunately, because of our past mistakes, in particular at the time of the Chrétien and Lalonde budgets, we can no longer afford to maintain our health care system as we know it today". The Minister of Finance is dodging his responsibilities instead of facing up to them. This government is dodging its responsibilities by transferring its deficit to Quebec and the provinces. This government is misleading the people by hiding the fact that the health care programs are about to sink as a result of the budget.

Bill C-76 takes out two heavy mortgages on the Canadian health care system. On the sole basis of the obscene interest rates resulting from the federal government's inability to bring under control the public finance crisis it has created, the health of our patient, the taxpayer, is not about to get better.

The Martin budget and Bill C-76 implementing it take out a first mortgage on the general state of health of our fellow citizens. All studies conducted here and elsewhere clearly show the cause-and-effect relationship between poverty and the state of health of the population. By making cuts to social housing and unemployment insurance, attacking the unemployed rather than unemployment itself and reducing transfers to the Canada Assistance Plan, the government is launching a full-scale attack against the most disadvantaged in our society. For the

*Government Orders*

second year in a row, the unemployed and the working poor will be the budget cuts' main victims, while large corporations and financial institutions will be spared for all practical purposes.

The Minister of Finance announces further cuts to the Unemployment Insurance Program but only a temporary tax on the capital of large banking institutions. The minister will beg for a mere \$100 million from banking institutions, when the Royal Bank alone made over \$1.2 billion in profits last year.

In addition, this government turned a deaf ear to requests from all sides, from the Bloc and the Conseil du patronat alike, to eliminate all business subsidies. Instead, the Minister of Finance chose to make cuts of more than \$300 million in social housing rather than going for the remaining \$1.5 billion in business subsidies. That is the federal approach.

Large corporations and banks can sleep in peace. The Minister of Finance clearly indicated in his budget that, once again, the unemployed and the disadvantaged will bear the brunt of the financial problems of this inefficient federal system, while at the same time ensuring that wealthy Canadians may continue, until the end of the century, to benefit from the advantages that flow from the establishment of family trusts.

So, this is one way Bill C-76 attacks the health of Canadians. In time, sparing the rich by squeezing more and more money out of the disadvantaged, the government is, in fact, taxing the health of the latter.

● (1540)

In this land of renewed and flexible federalism, the idea is to be rich and healthy not poor and in ill health. The second attack of Bill C-76 on the health area is a direct attack on the provinces' capacity to meet national standards in health care at a time when the federal government is substantially reducing its transfer payments. There is a certain irony in this way of proceeding. The federal government is cutting its transfer payments to Quebec by 27 per cent while at the same time developing national standards like those arising from the Canada Health Act and imposing them upon Quebec.

Quebec is expected to absorb a large portion of Canada's deficit, while the federal government continues to interfere in Quebec's jurisdiction. Quebecers will continue to pay for the duplication imposed by the federal system. There will still be two health departments, two human resources departments, two environment departments, and so on.

As for the health sector, if the federal government can no longer afford to meddle in this field of provincial jurisdiction, it should get out completely and leave it to the provinces, with the appropriate means of financing. This way, the federal government would at least save all the administrative costs related to its programs, which duplicate those of the provinces. One example is the pre-natal program established last year by the health minister, which is identical to the Quebec OLO program. Both the federal government and the provinces would gain and, in the end, the public would get more for the same money.

In Quebec, as in the rest of the country, people now realize that they can no longer get deeper into debt if they do not have the means to pay. Canadians and Quebecers balance their budget by reducing waste and frivolous spending. In every household, people consult each other to avoid buying the same item twice. By taking on two major financial commitments in the health sector, the federal government clearly shows that it still does not realize the seriousness of its financial situation. The only appropriate remedy would be to stop spending, in fields which do not fall under its jurisdiction, just for the sake of satisfying its compulsive need to centralize.

Canadian finances suffer from an acute case of federalism. In order to centralize everything, federal initiatives duplicate and overlap with provincial ones, regardless of the costs, or net results in terms of services to taxpayers. I draw the attention of this House to the eloquent silence of the health minister regarding the negative but foreseeable effects which this bill will have on health care services in Quebec and in Canada. If the minister is at all receptive to what goes on in her department, she must be aware of the serious impact of this bill on our health system.

She must see the flaws of a system which is obviously and quickly leading us to a two-level program. Since the hon. member assumed her functions as Minister of Health, she keeps on repeating that Canada's system is the best in the world and that she cares so much about Canadians' health that she will never sacrifice the five major principles underlying the Canada Health Act.

But the facts do not bear this out. If the minister will not sacrifice, as she claims, these major principles, her colleague, the Minister of Finance, has no scruples about doing it, although not directly, since that would require a good dose of straightforwardness, but indirectly. Principles or not, the Minister of Finance slashes the established programs financing, thus making deep cuts into the health care system.

The minister may claim over and over her attachment to the principles underlying the legislation, but what happens if the necessary financial support is not provided? The principles gradually but surely fall into oblivion. Those are the facts of the matter, and they are becoming more and more obvious to Quebecers. Canadians all over the country would not rush to private clinics the way they are doing if the attachment of the health minister to the principles of the Canada Health Act was

shared by all, and particularly the Minister of Finance, who is showing just the opposite with Bill C-76.

• (1545)

I realize that the Minister of Health cherishes the principles which, at the time, were instrumental in establishing what she invariably refers to as the best health care system in the world. However, I do not think that, cherished though they may be, these principles had any impact on the government's budgetary decisions. It is clear that the minister failed miserably in her attempt to obtain the appropriate financing for our health care system.

Perhaps I may recall for the benefit of hon. members what the Minister of Health had to say about the impact of the cuts and freezes imposed at the time by the Conservative government on transfers to the provinces for health care programs.

The minister said in 1992, and I quote: "Cutting back on the transfers in these areas has not contributed to better management of our health care system". She went on to say: "We have literally forced our deficit on to the provinces and said to the provinces they have a choice: they can either increase their taxes or cut back on their services. What we have seen in many instances is a mix of the two".

Then, still in the same speech, the minister indicated the following: "Cutting back on the transfers in these areas has not contributed to better management of our health care system. They have only contributed to the cutbacks and to the fear that we feel now across the nation as the middle income group, which is the largest group of Canadians, are frightened and afraid of what is going to happen to them in the future. Will there be a health care system for them, will they be able to get the drugs that they need at the prices they can afford to pay when they need them, when they get to be a certain age? There is this feeling that perhaps the federal government is letting go of its responsibilities in this matter".

So what does the Minister of Health have to say now about her government's responsibility for health care, when the bill before the House today offloads \$7 billion of the deficit to the provinces by cutting transfer payments? Since she probably knows better than anyone else the serious consequences of these cutbacks, what did she do and what is she doing now to defend her position before the Minister of Finance?

In fact, the Minister of Health has abdicated her responsibilities. When the last budget was brought down, she formally announced there would be a national forum on health, as promised in the red book, to be chaired by none other than the Prime Minister. We were told the health care system would be

### *Government Orders*

spared until the conclusions of the vast public forum were known.

While the Minister of Health was unable to hold her forum, which was going to provide all the answers, her colleague, the Minister of Finance, wasted no time and spared no expense on a course of action. The national forum, the discussions and the reforms were all to be scuttled; blind, uniform and unilateral cuts were the answer.

The Minister of Health who must see the same two-tiered two-speed system we see everywhere in Canada, should have the courage to rise in this House and denounce the unilateral decisions of her colleague, the Minister of Finance.

Bill C-76 proves to us that the Minister of Finance is not getting caught up in his colleagues' proposed reforms. In the case of the Axworthy reforms, he did not wait for either the report or the recommendations. The agenda for reform was so vague, there was no time to wait. This was the case also for the national forum on health. At the rate things are going, with the health department dragging its feet and finance charging away at a gallop, there will probably be no more money for transfers by the time the Minister of Finance gets a whiff of a recommendation from the national forum on health.

In the final analysis, this bill is the antithesis of flexible federalism. Nothing in it, in the facts or in the measures announced alters the status quo in the slightest. On the contrary, it confirms the governments imperialist propensity to conduct its business with the provinces by presenting them with a fait accompli. It is true to its vision of ever more centralized federalism.

Mr. Speaker, I conclude on this point. The bill conceals serious consequences for the future. It continues to widen the gap between the rich and the poor in our society and condemns many aspects of our social programs to certain death. The people of Canada have to know these things. More specifically, the people of Quebec have to know them before they make a final decision on the federal system, which is clearly not managing to solve its problems and is even less successful at changing to meet the expectations of Quebecers.

• (1550)

**Mr. Dan McTeague (Ontario, Lib.):** Mr. Speaker, I listened attentively to the speech by the hon. member for Drummond.

Earlier on, she talked about our health care system and the negative effect that this budget would have on drug costs and on Canada's health care system. Yet, I did not hear the hon. member say a word about what really has an impact on the system, drug patents, which, interestingly enough, the Bloc Quebecois supports.

My question is based on reality. The reality is that the health care system is falling into ruins because of an annual increase of 12 per cent caused by the system that the previous government left behind. My question for the hon. member opposite will be

*Government Orders*

simple: While things are so equal, with this being the truth, how can she say that this government, which is more committed to preserving the health care system than any other preceding it, is destroying the system; how can she fail to tell the true story, fail to recognize the impact of drug patents, especially in the Province of Quebec, where people can no longer afford to buy drugs like they used to in previous years?

**Mrs. Picard:** Mr. Speaker, the role of the federal Department of Health at the outset was to transfer sums of money for certain programs being established at the time, like the EPF which was calculated per capita. But, the government, because it holds the power to spend, decided to reduce its deficit by cutting and freezing transfer payments.

The demand for health care in the provinces has increased and freezing transfer payments has reduced the provinces' ability to manage their health care system. Last year, the decision to extend the freeze meant that billions of dollars were not transferred to Quebec, and these billions of dollars which the Province of Quebec did not receive obliged it to reduce the services offered in hospitals. This year, transfer payments will be cut even more.

That is not the role of the Department of Health. The department is supposed to transfer moneys owed to the provinces. Regardless of how it will come about, the result will be that funding for health care will be reduced and it is the provincial governments who will get the squeeze when the population or the costs of new technology and pharmaceutical products rise. And now, the provinces have to do the dirty work associated with the cuts in transfer payments for health care services. The government should limit itself to transferring the moneys it promised at the very beginning, in 1967, when it imposed standards, when it imposed the principles of the Canada Health Act.

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, since we did not have time to discuss it, and my colleague for Drummond is the health critic, I would like to ask her what she thinks of the absence of the provincial governments from the national forum on health.

**Mrs. Picard:** Mr. Speaker, I find it completely absurd, because the Liberals had promised a national forum on health during the election campaign with all the provinces being invited to review the system as a whole, since they are on the front line and are primarily concerned, as it is they that manage the health care system. And then the government ignored the provinces.

• (1555)

It probably invited people who are doubtless competent. But this is not their role. It is the role of the provinces. The ministers

of health of each province have something to say. They know what they need.

The situation is absurd. Millions more are being spent for what? We will end up with one more report on the shelf, and that will be the end of that. We will move on to another electoral program in which we will be promised a new national forum on health.

[English]

**Mr. McTeague:** Mr. Speaker, I want to be perfectly clear about the comments made by the member for Drummond. Once again the Bloc Québécois demonstrates that it is not prepared to live up to the reality of why the health care system is in such bad shape and has badly deteriorated.

The reality is that when drug prices increase by 12 per cent a year it affects the province of Quebec and every other province. They are undermining health care costs.

The Bloc Québécois demonstrates once again that it is prepared to play all sorts of sleight of hand and to use a good budget like the one presented by the Minister of Finance for another agenda. If the member is concerned about the health care system, will you and your party not agree that—

**The Acting Speaker (Mr. Kilger):** Order. I remind members to direct their interventions through the Speaker.

**Mr. McTeague:** I wish the member would respond adequately to the following question. How is it possible that the Bloc Québécois and the member are interested in attacking the budget without dealing with the reality that drug prices are undermining the health care system and not the budget of the finance minister?

[Translation]

**Mrs. Picard:** Mr. Speaker, I would like to respond to my hon. colleague. I would like to know how his constituents react to being told that the Minister of Finance is cutting transfer payments to the provinces for health care. In Quebec, if there is a shortfall of \$1.2 billion, who is going to suffer? Your taxpayers, sir.

**The Acting Speaker (Mr. Kilger):** Order. I encourage members equally, and perhaps I should do it more forcefully, to direct their interventions through the Chair.

**Mrs. Picard:** I am sorry, Mr. Speaker. I apologize.

Taxpayers will be the ones to suffer. However, these are the very taxpayers who, along with Quebecers, provide \$30 billion in taxes. Quebecers were promised that funds for health care would be returned to Quebec to cover the cost of administering their health care system, since its administration is a provincial and not a federal matter.



Now we are talking about drugs. In the present budget, regardless of the method of transfer, there is not enough money. There is not enough money to manage our health care system and in fact to pay the cost of drugs, which is on the rise, and to pay for medicine for seniors.

I reject this bill, which cuts health care and unemployment insurance once again on the backs of the most disadvantaged. This is what I object to.

[English]

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, I do have my supporters; it is a great delight to hear their applause. It is probably because they basically know what topic I will deal with.

• (1600)

It is a pleasure to rise in support of the budget because it breaks new ground in a way that has generally been overlooked by the media and by some members of the House. I am speaking of the fact that the budget, for the first time, declares that the government is going to put some restrictions on the funding of special interest groups. It will be setting out some guidelines to bring order to what has been over the years a very bad situation.

For many years government funded advocacy groups have controlled the political agenda. The government, in calling to account special interest groups, will not only save a lot of money, it will also change the way in which politics are conducted.

The innovation that the government has introduced requires all cabinet ministers to take personal care in the funding of special interest groups. It has given Treasury Board very specific guidelines. The Minister of Finance did not mention them in the budget so I will tell the House what the guidelines are.

Basically when a minister is deciding whether a group should get government funding, the first question asked is how large the public benefit will be because of the activities of the group. If that group is going to do a great service and be of benefit to many people, then the guidelines dictate that it should get special attention for funding. However, if a group can raise the money itself then ministers are instructed to give it less attention for funding.

If a group has a very narrow focus, then the guidelines suggest that it should probably find its own funding. That is a very important point. Many advocacy groups, single agenda groups, have a very narrow focus. Many Canadians believe that these groups should raise their own money to further their own causes.

**The Acting Speaker (Mr. Kilger):** Order, please. I must interrupt the hon. member.

### *Government Orders*

#### MESSAGE FROM THE SENATE

**The Acting Speaker (Mr. Kilger):** I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed the following bills: Bill C-73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995; Bill C-79, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995; Bill C-80, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996.

---

#### THE ROYAL ASSENT

[English]

**The Acting Speaker (Mr. Kilger):** I have the honour to inform the House that a communication has been received as follows:

Mr. Speaker:

I have the honour to inform you that the Honourable Beverley McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate chamber today, the 30th day of March, 1995 at 4.00 p.m., for the purpose of giving royal assent to certain bills.

Yours sincerely,

Judith A. LaRocque  
Secretary to the Governor General

---

#### GOVERNMENT ORDERS

• (1605)

[English]

#### BUDGET IMPLEMENTATION ACT, 1995

The House resumed consideration of the motion that Bill C-76, an act to to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the second time and referred to a committee; and of the amendment.

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, it is a pleasure to be interrupted with such good news.

I will carry on. I was describing the guidelines the treasury board specifically developed for ministers to decide how they should fund special interest groups—

**An hon. member:** You are going to be interrupted again.

*Government Orders***THE ROYAL ASSENT***[English]*

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

- (1615)

*And being returned:*

**The Acting Speaker (Mr. Kilger):** I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995—Chapter No. 8.

Bill C-79, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995—Chapter No. 9.

Bill C-80, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1996—Chapter No. 10.

---

## GOVERNMENT ORDERS

*[English]***BUDGET IMPLEMENTATION ACT, 1995**

The House resumed consideration of the motion that Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the second time and referred to a committee; and of the amendment.

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, I have to say, being a critic of special interest groups, that I occasionally ruffle feathers. I have for a long time been expecting to hear knocks at my door. When royal assent happened it was a great pleasure to realize that it was not yet another special interest group but the Gentleman Usher of the Black Rod. I am deeply grateful for that.

I was talking about special interest groups. I should like to take the opportunity to explain to the House a distinction that needs to be made in the context of my remarks. There are two basic types of special interest groups. There are those that provide services to the public. The government is very interested in seeing that happen. Many of them are charities and non-profit organizations. There is another category, the special interest group that is basically an advocacy group or a lobby group which pushes its own agenda.

The development of guidelines for ministers to cut funding to special interest groups is a brave move on the part of the government. It will require considerable courage on the part of cabinet ministers. They will be reviewing organizations wherein it is sometimes difficult to discern the difference between a group that is providing an important service to society and group that advocates for a particular category of society. There will be reaction.

- (1620)

Many ministers who try to ensure that limited government funds go where they will be most effective will be subject to a lot of criticism. Politicians do not generally like criticism. This is one of the reasons preceding governments never tackled special interest groups. The government is prepared to take that criticism and do what is right. That is very important.

Sometimes it is very difficult to know where best to cut funding to groups that provide services which may no longer be effective. Cabinet ministers will be confronted with the situation where occasionally they will issue orders, funds will be cut back by bureaucratic decree and some groups that deliver very important services to the community may be injured.

This is where the individual member of Parliament comes in. We on all sides of the House should help the ministers to cut spending in interest group areas and ensure the spending is cut in such a way that the groups which are doing good work in society are preserved. Certainly MPs know better than the bureaucracy who is most deserving in their ridings. Basically that is the responsibility of an MP.

I wish I could report that each ministry has issued a report or a description of its plans for cutting funding. This is not the case because the ministers are approaching a problem that has been in existence for a very long time. It will take a while to bring it under control. In some ministries it will be more difficult than others.

For example, the industry minister has moved very swiftly. Within weeks of the budget coming down he produced a paper showing a great number of groups that had traditionally received Industry Canada money for community programs. They may be businesses but they are still community programs. He moved very swiftly and many of the programs are slated to be discontinued. I look down his list and empathize with the minister. It is very difficult to cut some programs. However it has to be done and we can see that the minister has done it wisely and well.

Health Canada is a ministry with an enormous infrastructure for funding special interest groups of every sort, lobby groups, care groups, service groups: anything we would care to think of. It will take about three or four months before we really see what the health minister is doing in that regard. However I have good news. The health minister has moved to cut the funding of the

anti-smoking promotional campaign from \$180 million to \$64 million.

This is a fine example of a minister moving in the spirit of the budget. We are all in agreement that smoking is bad for our health. However we are not in a position any more where we can afford to fund essential promotional campaigns that are nothing more than advertising and propaganda exercises which may be better done by our schools. This will release millions of dollars in Health Canada for programs that deal directly with the health of Canadians. The health minister has shown courage, has done what is right and would get the support of most Canadians.

Turning to foreign affairs, I cannot give details but I know that the minister is moving very responsibly on the program. We will see limited funds for foreign affairs, for helping the disadvantaged in other nations. We will see the funding being done with a great deal more care and a higher percentage of our taxpayers dollars going to people who can most benefit by them.

• (1625)

I will comment on human resources development, one of the hardest ministries in terms of implementing this program. The minister understands the absolute necessity of ensuring that limited dollars get to Canadians who need them most, Canadians who are suffering and will directly benefit. We should watch the minister very carefully. I am confident we will see changes in the ministry that will result in a far better use of the taxpayers dollar.

However, it will be difficult for the minister because he will come under a lot of criticism. We should get behind him and support him as best we can. It is a very difficult job. I do not envy what he has to do.

This exercise is very worthwhile. Canadians have long perceived a large problem with respect to government funding of interest groups, be they advocacy groups or service groups. I regret to say there has not been the accountability that is necessary, particularly in a time when we do not have the money. It was all right maybe 15 years ago. Maybe governments felt they had much more to spend then, but right now we have to make sure that we spend wisely and well. This is a situation in which there has been very poor accountability.

I could talk at great length about where special interest groups have used their money unwisely, but let me just deal with one particular area, the area of fundraising. I have done quite a bit of study on special interest groups. I have had to focus primarily on charities because non-profit organizations do not have to fill in a return that I can track and charities do. The charity information return will at least give some hard data on what particular

### *Government Orders*

special interest groups are doing with respect to accountability of public funds, be it money they received from government or money they raised from private donations.

It is very instructive. I will just take members through a few of them. For example, the Canadian Council for Multicultural and Intercultural Education is an organization that is basically trying to get the message out with respect to race relations and ethnic relations. It calls itself an educational service. I am sure it is a very worthy cause.

However, let us look at the council's charity information return which I have here. We would think the organization has the potential to attract funding from many groups in society, not just ethnic groups. We see that it received absolutely no private donations whatsoever in 1993. When we read its information form further we discover that it received \$191,915 from government.

This raises serious questions. Why cannot an organization like this one raise some of the money on its own? This is the type of thing the new guidelines are addressing and the type of question the guidelines raise. If it has a constituency why does it not get money from that constituency?

Let us try another one. The Canadian Foundation for Children, Youth and the Law is an organization that raised some private donations. It raised \$4,058, not a large sum. However from federal and provincial grants it received \$420,874. The organization is promoting knowledge and appropriate implementation of laws affecting children. We would think such an organization could do better than raising \$4,050 in private donations. Yet we see it is not there. I am not saying it is not a worthy organization but surely if it is that worthy, it ought to be able to get some funding from the public at large.

• (1630)

Moving right along, there is the well known charity Kids Help Phone. This charitable organization is designed for 24-hour phone counselling for teenagers, crisis lines. Backing it up is a foundation which is the fundraising arm of the charity. There are parallel charities, one an organizational charity and one a foundation. We have to combine the two.

The total in donations this organization received from the public was \$3,615,000. Then I look down and see in the forms which I have here that it spent \$1.55 million on its actual charitable activities. In other words, of the private donations it raised, only 43 per cent actually went to its charitable activities. In other words, 57 per cent, \$2,061,000 went to management, administration and fundraising. For every dollar people donated, 57 cents did not go to the actual charitable endeavour.

*Government Orders*

This is a very good organization in its purpose. I do not want to indicate that I do not approve of what it is doing. However, Canadians demand a better fundraising effort on the part of the charities they are supporting than what we see here.

When we start examining these things we can take quantum leaps. I will now take a quantum leap to look at another charity, Wildlife Habitat Canada. This charitable organization is dedicated to improving wildlife habitats anywhere in the country and even in Britain.

This organization has managed to raise \$9,601 in private donations. In provincial and federal government donations it received \$2,711,000. It is important to keep these figures in mind: \$9,000 in private donations and over \$2 million in federal grants. It did raise funds, the \$9,000, and in fundraising costs it spent \$85,211. There is this incredible situation of an organization principally funded by government which spends \$85,000 on fundraising and raises only \$9,000. That is \$8.75 spent for every \$1 raised.

Canadians have good reason to question that type of activity. The average, ordinary taxpayer donated over \$2 million to that charity which obviously has a fundraising problem of a very high order. And so it goes, unhappily.

There is another one, the Canadian Ethnocultural Foundation. It actually spent \$14.40 for every \$1 it raised. It is not a very effective fundraiser either.

I could go on at great length. I would not want to do so because it is late in the afternoon and I fear I would depress you, Mr. Speaker. There are many hundreds of organizations like these that have problems.

Let me conclude my remarks by reading from a letter. This campaign is something I have taken a specific interest in and there has been a little news coverage from time to time. I have received over 250 letters from Canadians who agree that Parliament should be carefully examining how we fund all interest groups.

• (1635)

The spirit of that was captured in this one letter from an organization which states: "We are a registered charity ourselves. However we do not accept funding from any level of government. This has meant that funding has been lean at times, particularly in 1991 to 1993. But if one is doing anything worthwhile there are always citizens and foundations willing to support your work. This is perhaps the truest test of the value of a non-profit body".

Nowhere along the line does this government, nor do I as an individual, propose cutting funding absolutely from all interest groups. Many interest groups have an important role to play. They can do things that government cannot do. They can reach

out to people in society because they are out there in society. However we have to make sure that those groups we do support are the ones which can most effectively represent the interests of Canadians.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, as always when the hon. member opposite is speaking the ears in this Chamber perk up. I say this quite sincerely because when my hon. colleague speaks, usually it is about something worthwhile and we can learn something if we listen. I would therefore most sincerely seek the counsel of the hon. member.

If we are looking at special interest groups and the financing of special interest groups via the public purse, certainly we in this House are no different from or worse than anybody else in that donations to political parties or campaigns receive a tax credit. We get beneficial treatment under the Income Tax Act as compared with another charity.

I would ask the member opposite to consider the following. If a private member's motion from the opposition were to come forward which would have the effect of ensuring that donations made to political parties would be subject to the same scrutiny and the same tax advantage as any other charitable donation, would the member opposite be supportive of such a move?

**Mr. Bryden:** I thank my colleague for the very good question. I never indicate how I will vote for legislation I have not seen beforehand.

I have great sympathy for what he is saying. The advantage in tax receipts political parties get versus charities is an area which needs to be reviewed. We have to philosophically ask ourselves whether it is really necessary that political parties enjoy that kind of advantage. There are some questions there as we would not want a situation to arise where politicians cannot support themselves.

One thing on this whole issue of special interest groups is at least the politicians, the Reform Party, the Bloc—and I particularly mention the Bloc because it has some very strong ideas about ceilings on political donations. This matter is something that needs to be reviewed and examined philosophically. We do not want to make it difficult for politicians to raise money. On the other hand, we ought not to have an untoward advantage. Certainly I would agree absolutely that the books should be wide open on any donations any politician receives.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I heard the hon. member for Wellington—Grey—Dufferin—Simcoe talk about possible cuts to the funds given to what he calls interest groups. However, his list of organizations contained a large number of what I would call community groups, which the hon. member urged to put greater reliance on fundraising. I feel that he is very sincere and that is why I will ask the following question. At the

very end of his speech, he addressed the issue of political party financing.

• (1640)

As you know, political parties in Quebec are currently financed only through individual donations, although in Canada, any corporation, union or group has the right to contribute to the financing of federal political parties. They make fairly large contributions. However, we in the Bloc Québécois have decided not to rely on donations from corporations, businesses and special interest groups, because of Quebec's Bill 2 respecting political party financing as it was then called.

To follow his reasoning, would the hon. member agree at some point to a review of the legislation regarding political party financing in Canada in order to restrict such financing to individuals?

You also know that, at the federal level for example, unlike the situation in Quebec—I am not as familiar with the situation elsewhere—even individuals are allowed to claim tax credits of 75 per cent, which means that the federal government gives \$3 for every dollar given by an individual to a political party. Does the hon. member think we could start with political party financing in order to set an example? We should at least restrict financing to individuals rather than to community interest groups which, hit by government funding cuts, also have to deal with reduced social services, leading to an increase in the number of clients.

I would like the hon. member to comment on the advisability of a law restricting political party financing to individuals in order to avoid the abuses that may exist at this time.

[*English*]

**Mr. Bryden:** Mr. Speaker, I appreciate that remark. I have examined the political donations from the last election campaign for the Liberals, the Reform Party and the Bloc Québécois. I am aware of who put what money where. The member would find that by and large, corporations are not heavy spenders, at least during election campaigns.

I did find what I thought was a major abuse that would interest my colleague opposite. The New Democratic Party during the 1993 election received \$1.5 million from the Canadian Labour Congress which in turn has been a major recipient of government funds for its labour education program.

The member opposite, and I think all members would agree with me, I would be happy to see a law, if we could phrase one, that would forbid special interest groups that receive government funding from passing that government funding on to any political party at any level.

### *Government Orders*

If the member is looking for that kind of review, I would heartily endorse it.

**Mr. Simon de Jong (Regina—Qu'Appelle, NDP):** Mr. Speaker, the comments of the government member surely cannot go unchallenged.

The member expressed great concern about government revenues supporting labour education with the CLC. The member seems to be totally blind to the government largesse to the banks and vested interest groups through what is called tax expenditures that run into the billions of dollars.

The member took great glee and satisfaction in denouncing Kids Help Phone which helps kids in emergency and suicide situations. Funds are being cut to this organization and that organization, many of which are staffed by volunteers who work hard at what the government should have been doing anyway. However government keeps cutting back and cutting back.

The member took great pride in going after kids organizations and organizations which help the needy and poor. He did not say one word about the tremendous assistance this government and previous Liberal and Tory governments have given to the very wealthy and the very rich. Governments have allowed the Royal Bank of Canada to have millions and millions of dollars in profit and to pay zero amount in taxes. The government allows a teller with the Royal Bank of Canada to pay more dollars and cents in taxes than the bank does. Do we hear one word of protest about this inequity and the unfairness? The member enjoys going after kids and kids' organizations that help the poor, the weak, the sick and the elderly. He certainly does not go after those who are the powerful, his friends, that helped to elect him.

• (1645)

**Mr. Bryden:** Mr. Speaker, this is well spoken by the member who represents the party—

**An hon. member:** Oh, oh.

**The Acting Speaker (Mr. Kilger):** I know the question which the hon. member for Regina—Qu'Appelle raises is important and serious. I am also cognizant of the fact that the hon. member for Hamilton—Wentworth has been interrupted more often than not since four o'clock for various reasons. However, with one minute remaining, I wish the House would give the hon. member for Hamilton—Wentworth the opportunity to respond.

**Mr. Bryden:** Mr. Speaker, Elections Canada keeps a record of political donations. It is a legal record. We can search as much as we want and we will not see enormous funding from the Royal Bank or any other large corporation to any political party other than the \$1.5 million the Canadian Labour Congress gave to the NDP, which is ten times the donation of any organization to any political party.

**The Acting Speaker (Mr. Kilger):** It is my duty, pursuant to Standing Order 38, to inform the House that the question to be

*Government Orders*

raised tonight at the time of adjournment is as follows: the hon. member for The Battlefords—Meadow Lake—Medicare.

**Mr. Dale Johnston (Wetaskiwin, Ref.):** Mr. Speaker, Canadians are a tough breed and it is a good thing. They will have to be tough to face what lies ahead.

Bill C-76 provides for the legal implementation of the measures contained in the February 1995 budget. Among the initiatives contained in the bill is the new block funding plan which will alter the transfer of payments to provinces for health and education. The passage of Bill C-76 will, as well, facilitate the termination of the Public Utilities Income Transfer Tax Act.

Let us get on with it. The House has wasted enough time and taxpayers' money debating measures which are secondary to the main problem in Canada. While the Liberal government directs its energies to useless mandatory gun registration, the national debt steadily rises.

Today the debt stands at \$547,758,477,000. That is approximately \$39,000 per taxpayer and over \$18,000 per capita. Canadians are worried about their future and they are depending on their elected representatives to straighten out this mess. We had evidence of that earlier in the year when the polls showed that Canadians were ready for a tough budget. They recognized that the debt was out of control and expected the Minister of Finance to bite the bullet. Instead, the finance minister's plans were torpedoed by his left leaning cabinet colleagues.

He is not the first to have his plans watered down. In fact, for the last 20 years successive ministers of finance have declared war on the debt and we have not seen any results. One after another they have succumbed to the whims of political fortune. One by one they have shown disregard for the Canadian taxpayer. Now we are so far in debt that our legacy to our children will not be something to cherish. Their debt riddled inheritance will bring them a future full of fiscal instability.

There was a short-lived budget back in 1979 that dared to be different. The new government of the day inherited the leftover Liberal debt and what was then the highest debt ratio among the major industrialized countries. Some things never change. Canadians saw what happened to that government. It started to put its fiscal house in order. The Liberals defeated that budget and the rest is history.

• (1650)

In 1980 the Liberals regained power and allowed the debt to escalate. When they finally were defeated in 1984 the Tories, who learned their lesson in 1979, took a vow never to be so fiscally responsible that it would jeopardize their power.

In the end, this philosophy helped to bring about not only their defeat but their unprecedented drop into oblivion. Today, even the Canadian economy is sinking faster than that 1979 budget. The Minister of Finance refuses to predict when his budget will

be balanced. He continues to talk about balancing the budget but he does not tell us when.

Interest costs on the debt continue to grow. Inevitably this will result in a loss of security for Canadians, robbing them of an independent future. The minister made sure he could meet his deficit target by using what most economists consider to be conservative assumptions.

He is instituting new rolling two-year targets, whatever that means. That way he can change the target as the interest rate fluctuates. He padded his budget with enough hidden taxes to ensure that there would be sufficient tax revenue growth over the next two decades to allow him room to meet his deficit targets.

The bill, as I mentioned earlier, will terminate payments made under the Public Utilities Income Tax Transfer Act. This is one of those hidden personal taxes found in the budget. It is a selective tax on the people of Alberta, Nova Scotia, Newfoundland and Yukon, but particularly Alberta.

It is estimated that the average Albertan could lose \$70 per year in disposable income as a result of this measure. The village of Warburg, which is in my constituency, estimates that the cost to the village will be \$4,000. One might say that this is a rather insignificant amount but it is not. It is a 10 per cent increase. When one factors in the impact of the current belt tightening by other levels of government, it adds to the increased costs facing small municipalities in Alberta that are still the backbone of the rural areas.

Why would the government single out these provinces for tax increases? How can one province be taxed and not another? Is this the Liberal version of fairness? Even though Alberta will bear the brunt of the tax, we can only assume that there was nothing untoward in the minister's decision. It is hard to convince residents of Alberta otherwise, especially after they have heard about the study conducted by the University of Calgary economist, which was reported by Canadian Press on Monday.

That study not only confirmed that Quebec was the biggest net winner from Confederation but it also confirmed that Alberta was the biggest net financial loser. Between 1961 and 1992, Quebec received some \$168 billion more from the federal treasury than it contributed in other revenues.

Over the same period, the taxpayers of Alberta paid \$139 billion more into the federal treasury than they received, thanks in part to the national energy policy. It makes you wonder why we in Alberta want to stay and why they want to go.

We would like to be treated equally but the government seems to have other ideas. It continues to seek out new ways to tax us. Even with the new creative method of deficit accounting and other moneys generated from the budget, the deficit target of 3 per cent of GDP is still far from adequate.

While 3 per cent of GDP would be the lowest deficit in 20 years, it is irrelevant when one considers that the net federal debt has risen to 73 per cent of GDP. Despite the federal reductions outlined in the budget, we cannot hide from the problem of increasing debt.

A year from now the debt will be in excess of \$600 billion and the interest on the debt is expected to go up by about \$8 billion to top the \$50 billion mark.

• (1655)

When the Prime Minister boasts about the 3 per cent deficit target, all he is really saying is that the growth of the debt will be slowed. The debt may grow at a slower rate than it did in the past. That is not really anything to boast about when one considers that the \$42 billion spent on interest payments is \$4 billion higher than a year ago.

What is the reason for that jump? It is the \$2.5 billion for interest on the new debt that has accumulated. Our past deficit now requires interest and it is the \$1.5 billion for which higher interest rates are responsible. Program spending will only be reduced by some \$12 billion over the next three years while the interest charges will grow by \$13 billion. We are not gaining. We are paying more and getting less.

The reality is that Canada has a debt problem, not just a deficit problem. The government was elected 16 months ago. How long do we have to wait before it gets on with tackling the problems of the 20th century? The debt clock is ticking and the Liberals are still fiddling. Someone should tell them that they do not have a lot of time left. Canadians know all too well that if a government does not address these sorts of problems in the first two years of its mandate, it is not likely to implement any difficult decisions in the face of an impending election or in the last half of its mandate.

Canadians are demanding action. They want government and politicians to be accountable. If the government shunned traditional Liberal practice and did the right thing for Canadians, it would find those very Canadians willing to support it.

The problem is that the Liberals do not have a plan to take Canadians to their ultimate goal of deficit elimination and tax reduction. They do not have a plan to solve the labour disputes over a long term. They do not have a long term plan to reform social programs. That is particularly obvious when one looks at the new Canada health and social transfer act. This is the much touted initiative that rolls established programs financing and the Canadian assistance plan into a new block funding arrangement.

The idea may have some merit but it presents more than one dilemma for the provinces. There are no financial projections,

### *Government Orders*

for one thing, beyond 1997–98. How can provincial finance ministers make their fiscal projections for the future with any degree of accuracy if they do not know how much they can expect from the federal government?

Canadians want to see some light at the end of the tunnel and they do not want it to be the headlight of an oncoming train. They want to know that the fiscal sacrifices that they have to make will not be done in vain.

That is why the Reform Party took the unprecedented action of presenting a budget that explained how the deficit could be eliminated in three years. It is too bad for Canadians that they elected a government that lacks vision. The only solution the government can come up with is to drop everything on the provinces. We do not think that is fair. By transferring additional tax points to the provinces, our plan offers them a dependable, growing revenue base to fund health and education over the long run.

As a farmer, I have come up with a way to explain the difference between the Reform Party and either the block funding proposal or the existing arrangement. This does not involve teaching a person to fish or giving him a fish. It involves a chicken and an egg.

Under the existing arrangement, the federal government keeps the chicken and gives the provinces a dozen eggs. All the eggs have strings attached. That means the federal government can unilaterally make the decision to give less eggs to the provinces.

The Canada social transfer involves giving the provinces a carton of eggs with one or two eggs missing and still with strings attached to the carton. The federal government continues to hold the chicken and can continue to remove the eggs from the carton it sends to the provinces.

Neither of those situations sound like perfect situations. The Reform Party proposes to give the provinces the chicken.

• (1700)

The government budget tells the provinces their transfers will be cut. We would work with provinces to develop national standards for health care and education. The Reform taxpayers budget showed with reasoned determination Canadians can emerge from the tunnel into the sunlight. The Reform budget offers Canadians hope for the future. Under our plan there will be enough money to support those who are unable to help themselves.

The real threat to social programs is the failure of the Liberal government to control the deficit and the debt. The government will do and say anything to prevent Canadians from realizing this fact.

*Government Orders*

Reform wants Canadians to know the real facts about the future. This is 1995 and the Liberals are still trying to come to grips with the 20th century while Reformers are planning for the 21st century.

For instance, social security has always been provided only through the delivery of costly bureaucratic centralized government programs and agencies. If the government does not come to grips with this program now social programs will not survive this century.

Reform's vision for the future of social programs contains ideas which will generate affordable, cost effective and people effective programs that will provide greater personal security and freedom from dependence on government for all Canadians.

At the heart of Reform's new social vision for Canada is the concept that we can get more social security for dollars spent by changing the division of responsibility between Canadians and their governments. The Reform budget proposes to balance the budget in three years. The Minister of Finance continues to duck the issue. He knows at the rate he is going he will never bring in a balanced budget. A balanced budget is not simply an end in itself, but a means to an end. It is the first step in building a strong, vibrant economy for future generations.

The Reform budget offers hope for the next generation and a chance to escape from the burden of debt. If quick and decisive action is taken sooner rather than later the impact on employment will be minimal and measures will lead to more permanent positive employment for Canadians than the red book plan of slow deficit reduction.

It is inconceivable how the government could ask Canadians, who have the fastest growing personal tax burden in the industrialized world, to shoulder the burden of deficit reduction without first putting its own house in order.

Last month the government announced an agreement had been reached among Liberal MPs to reform the gold plated MP pension plan. The only really good aspect about the plan was the opting out provision and that provision was intended to pit one Reformer against the other and split our caucus.

I cannot deny that was the strategy but it did not work. It did not work and this Reformer cannot wait for a chance to opt out of that plan.

The government made sure that senior Liberals and youthful cabinet ministers will be protected. At the end of their days here they will receive cash for life courtesy of the beleaguered Canadian taxpayer. The taxpayer can only dream of such financial security. The media charge of a double standard rings pretty true.

Where is the hope? At the rate we are going none of us will live long enough for this mortgage burning ceremony. Cana-

dians are beginning to realize this government is not any better than its predecessors. If the government had any heart, any real concern for Canadians, it would deal with this debt now.

In case there is any question, I will not be supporting the bill.

**Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.):** Mr. Speaker, I commend my colleague for a tremendous speech addressing the problems.

I would like to ask the member a question since he is the labour critic. Every time we see our economy picking up and we see a glimmer of hope that we can increase our revenues, management and labour seem to have a fight and we disrupt the economy with strikes or lockouts or whatever. I have a feeling with our being involved in transportation if we do not settle this issue very soon our transportation system will not be even able to deliver eggs to the provinces, never mind the chicken.

• (1705)

How would the member address this, because I think it has to be addressed?

**Mr. Johnston:** The Reform Party has introduced in the House a private member's bill dealing with final offer arbitration. It has come to the point, particularly about the sort of disputes my colleague is talking about, at which labour and management have come to rely on back to work legislation. It has therefore become an impediment to the collective bargaining process rather than something that would enhance it.

When the parties are this far apart for 25 months, as we have seen in this past dispute, it is a very good indication they are relying on back to work legislation. Labour knows it will not be out for eight months. It might be out for only eight or ten hours before Parliament starts to talk about back to work legislation. Management also has the same assurance.

There is really no incentive for them to get their positions closer together in real down to earth bargaining. The bill soundly defeated in the House I would appreciate seeing come back from the government side. I hope the Minister of Labour would come up with some similar legislation as a tool for both labour and management to get them to sharpen their pencils, get their positions as close together as possible. At any time one party or the other could ask an arbitrator to step in and select all of one position or all of the other position. That would encourage the two parties to get as close together as they could in their negotiations on their own.

[Translation]

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, it is with pleasure that I rise today to participate in this debate on Bill C-76, an act to implement certain provisions of the budget tabled on Parliament on February 27, 1995.



In fact, many of the proposals contained in the excellent budget tabled by the Minister of Finance are reflected in this bill. We can see how the budget will be implemented as tabled and approved not only by the vast majority of the hon. members of this House, but also by a large proportion of Canadians.

[*English*]

We are dealing with the bill today but we are also dealing with a motion brought before the House. The bill today is to put in place the budget which has received widespread support from the Canadian public. If members want to know how widespread that support is, I will tell them.

Gallup Canada says the budget is the most popular in all its years of budget polling. This is a record budget in terms of popularity. Roughly half of Canadians, 49 per cent, who are aware of the recent federal budget believe it will strengthen the economy according to a recent Gallup poll; 38 per cent believe it will not strengthen the economy. Almost 50 per cent more think the budget will create more jobs than those who think otherwise. This is the opinion of Canadians. This is a valid opinion.

Let us listen to what many experts say. I do not mean members of the Reform Party, I mean real experts. Jason Myers of the Canadian Manufacturers' Association said: "I am impressed. I applaud the Minister of Finance for what he has done".

• (1710)

[*Translation*]

"This is a good budget", said Ghislain Dufour, from the Conseil du patronat. My friend across the way will understand what I have just read.

**Mr. Duhamel:** Our two friends across the way will be delighted to hear that.

**Mr. Boudria:** All our friends across the way will. I will not say how many, because that would point out to the presence or absence of members. That is why I will just say "all our friends across the way", out of respect for the authority of the Chair and all parliamentarians.

Let me quote another distinguished Canadian: "This is a real budget built on real measures", said Michel Audet, the president of the Province of Quebec Chamber of Commerce.

[*English*]

Now let us hear more about what Canadians said about this budget. Sherry Cooper, economist at Nesbitt Burns, said it is a terrific budget, there is no smoke and mirrors. I am not quoting the Reform Party MPs here. I am quoting real, knowledgeable people. There is a difference.

### *Government Orders*

Lloyd Atkinson of MT Associates: "This is one of the few budgets I have seen in a very long time where the promise was matched by the reality".

Stephen Van Houten of the Canadian Manufacturers' Association: "This is really the first serious attempt at deficit reduction we have seen in this country in a long, long time". Even Reform members could agree with that.

John Bulloch of the Canadian Federation of Independent Business said the Minister of Finance has the biggest job ever and he came through. Jeff Gundy, an economist at Wood Gundy, said the minister has more than met if not exceeded market's expectation.

When does a budget get this kind of praise? Seldom if ever. This kind of praise has probably not been heard since the last time there was a Liberal government. It certainly was not heard when the Tories were in power.

Let me tell members what the budget does and what we are striving to do with the bill. We are talking about deficit reduction. We are talking about reducing our deficit to 3 per cent of GDP as we promised in the red book and to further reduce it to 1.7 per cent of GDP. We will continue in that line of progress because we as Liberals are committed to doing things right, and we will. We are committed to doing things fairly, and we will.

[*Translation*]

We are also talking about spending cuts in this budget. We made a promise and, once again, we delivered the goods. We had promised to reduce the budget through expenditure restraint and, for every dollar in new tax revenue, there will be seven in reductions in this budget. Bill C-76 seeks to implement these reductions and implement this budget the Minister of Finance has given us.

At the risk of displeasing certain hon. members opposite, I must say that this budget is very popular with the Canadian people.

[*English*]

Notwithstanding the immense popularity of the budget, Canadians want us to move ahead to cut the costs and save taxpayers dollars in the way we on this side of the House want to.

[*Translation*]

An amendment to the bill was just moved. It reads as follows: "That Bill C-76 not be read the second time now, but rather in six months time". According to the hon. member opposite, a budget enjoying that much popularity should not be read the second time. It makes no difference to him that Canadians want this budget passed, the Bloc member does not want it. And because he does not want this budget, he is saying: "Never mind that Canadians want this budget, they will not have it. Too bad".

*Government Orders*

• (1715)

This shows a lack of respect toward Canadian voters who want this budget to be implemented immediately, as the hon. member for the riding of Ontario said it so eloquently.

Canadians want this budget passed by the House.

[*English*]

Earlier today an official from the Department of Finance was telling me it would cost millions of dollars a week if we did not have the bill passed by the end of June. Millions of dollars a week would not be saved. Millions of dollars a week which we promised Canadians we would save would not be realized if the House does not adopt the motion today.

That is what the Bloc Québécois is asking us to do, not to read the bill now and to do so six months hence; not to save the millions of dollars we want to save, not to have the cutbacks in expenditures we want to make and not to reduce the deficit in the way we are trying to do. That is what it wants. It does not want us to succeed. It wants us to fail.

Why does it want us to fail? I do not understand. Why would any hon. member in the House not want the budget to go ahead? I cannot understand it at all.

[*Translation*]

As for Reform Party members, they want the budget to include more cuts. As you know, they also wanted to eliminate old age pensions. You cannot trust these people. We, Liberal members, want a budget which is realistic, fair and equitable. It was not easy to draft this budget and it will not be easy to implement it either.

However, Canadians realize that this budget is fair. They are saying: "We may have to tighten our belt, but so will everyone else, including the government, the private sector and others. Since this is a joint effort for the good of our country, we are prepared to do it". So, everyone is prepared to make a sacrifice, except Bloc Québécois members, who want to table a motion to put the Minister of Finance's budget on the back burner.

I say to the members of the Bloc: go to your ridings and ask your constituents if they oppose the budget tabled by the Minister of Finance in this House, on February 27. As I said earlier, the overwhelming majority of Canadians will tell you that this is a very good budget.

Let me give you a few statistics about the budget. Again, this is from Gallup Canada. Just listen, you will see how positive the reaction was to this budget. "In 1985—during the Mulroney years—28 per cent of Canadians felt that the budget would get the economy back on track, while 47 per cent did not think so". In other words, Canadians opposed that year's budget in a proportion of two-to-one.

Let us now go 1989, for example, when the Leader of the Opposition was a Conservative minister. In 1989, 26 per cent of Canadians felt that the budget of that year would get the economy back on track, while 53 per cent did not think so. Did the hon. member for Lac-Saint-Jean vote against that budget? Of course not. He supported it, even though more than half of all Canadians opposed it.

Today, 49 per cent of Canadians feel that this budget will get the economy back on track, while 38 per cent do not think so. There are a lot more Canadians everywhere who think that this budget is good. It was well-received, even in the riding of the member opposite. Yet, what does the Bloc Québécois propose today? It proposes a motion which, again, reads: "That Bill C-76, an Act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be not read a second time but that it be read a second time this day six months hence".

• (1720)

It seems that some members of the Bloc Québécois feel they should support a budget if the public is against it and condemn the budget if the public supports it. Does that make sense to you, Mr. Speaker?

This is Bloc logic. They do everything in reverse. Just Bloc logic. Well, I think the hon. member should listen to what Canadians are saying, and I see there are more and more of them who seem to be interested in what is being said this afternoon. More and more people are showing an interest, not necessarily in what I am saying, but in the provisions of Bill C-76. I am willing to bet that many parliamentarians are here to find out why the motion presented by the finance critic for the Bloc Québécois is wrong, and no doubt they are going to say why hon. member should vote with the government to obtain speedy passage of this bill.

Let the finance critic for the Bloc Québécois rise in his seat immediately to tell me if I am wrong. Mr. Speaker, as you can see, we have yet to hear from the hon. member, as I speak. Nothing. Complete silence on the other side of the House—

**Mr. Dubé:** Mr. Speaker, on a point of order. We know the Chief Whip for the government is quick on his feet but I think he knows perfectly well that we cannot refer in this House to the absence of another member, even in jest.

**The Acting Speaker (Mr. Kilger):** The hon. member for Lévis has certainly raised a very important point regarding the customs and practices of this House, and I am sure that considering his experience, the Chief Whip is very familiar with this rule. He may proceed.

**Mr. Boudria:** Mr. Speaker, I would never mention the absence of a member, and I would certainly not belabour the point. I will now continue my comments, and I would urge hon. members to listen carefully, because as they probably know, the

vast majority of Canadians support this budget and the passage of Bill C-76.

[English]

The last thing Canadians want right now is for us to say collectively that we have a great idea, let us wait six months before passing the budget. Mr. Speaker, could you sell that in your riding? I do not think my constituents would be convinced, after telling them a month ago that we have a budget, if I said now we have changed our minds and we will not implement it for six months. That is what the Bloc Québécois wants us to do.

I will wait to see how the Reform Party votes on Bill C-76. That will be interesting. Will its members vote to delay the cost cutting measures for six months, thereby further increasing the deficit? That will be an interesting. We will find out in a few days.

Assuming the amendment of the Bloc Québécois is defeated, will Reform members vote against cost cutting, saving taxpayers dollars and trying to put the economy back on track, as we have been doing and will continue to do through Bill C-76? That is the challenge right now. I will bet there are some Reform members caucusing as we speak, discussing this important issue. If they are not caucusing because they are all here in the House, perhaps after we adjourn tonight they will caucus. Perhaps the leader of the Reform Party and other Reform members will have a caucus to discuss how they will vote on Bill C-76.

I can give them advice. The so-called budget they presented to Canadians would have been a disaster. What they wanted to do was cancel pensions for virtually all seniors. That is not the way to go. The numbers which did not add up in their budget are not the way to go.

**Mr. Penson:** Where is your plan?

• (1725)

**Mr. Boudria:** Our plan was tabled in the House on February 27. Our bill is right now before the Canadian public, Bill C-76.

We know where the Liberals stand. We know the Liberals want to reduce the deficit, put the economy back on track, restore integrity in government, like we said we would do in the red book and like we are delivering.

We want to know which side the Reform Party is on. How will it vote on the amendment not to have these cost cutting measures? Will it vote for the amendment, thereby depriving Canadians of these cost cutting measures? Will it support the Bloc Québécois?

On the other hand, once the amendment is disposed of will it vote with the Liberals as an effort to join all Canadians or at least the vast majority in terms of putting in place these budgetary measures? Will it again vote not to cut the deficit the way we want to do, presumably meaning it does not want for the deficit to be cut?

### *Government Orders*

I am proud to be voting for Bill C-76, although not because it is the sweetest of medicine. Some of the measures are not the sweetest of medicine. Some of the measures are strong but will make the patient, the Canadian economy, better in the short run and in the long run.

If we can do that working together to make the economy better, we can provide jobs for a large number of Canadians. That is why we were sent here.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I will try to explain, as requested by the hon. member in his speech, why our motion asks for a six-month's postponement for this bill.

Quebecers and Canadians are starting to realize what this budget is about and to notice the very real impact of this budget and the severe cuts it contains. Let me give a few examples. I was told earlier that the people in my riding and other ridings in Quebec agreed with these cuts. So what are these people doing? They call us to ask questions about certain decisions. I intend to ask the hon. member about that.

First, they decided to cut funding, without prior notice, to all agencies engaged in international co-operation, across Quebec and across Canada. No more money will be given to international co-operation agencies. Why did they do that? Because they want to keep them from making a connection between poverty in the South and poverty in the North and from realizing that they will have to develop some kind of solidarity between the two, because this government has no truck with solidarity. All it does is increase the gap between rich and poor, and that is what the members of an agency in my riding called CREM are starting to realize, and there are plenty of agencies like that across Canada.

Another example. They decided to cut all experimental research on sheep. All ovine research in Canada, some of which was being done at the Experimental Farm in La Pocatière, for an industry that is developing rapidly, now that sheep growers are increasing market share in Canada. It is now 25 per cent. It has been going up for several years. They say that the funding freeze will save money in the short term. The result: no more research and development, which means that people in Quebec and Alberta who raise sheep will have to go it alone. It is no longer the government's business. And you call that useful cuts and the right thing to do? Maybe you should have taxed the banks first.

I have another example, and I would appreciate your comments. The latest news is the decision to make cuts at Canada Employment Centres: terminals instead of people. Do you think that is a wise decision? Would you not agree that a six-month postponement is a good idea after all?

**Mr. Boudria:** Mr. Speaker, the hon. member opposite ought to know that his colleague, the same one who a little earlier today, and I can see him, moved a motion not to proceed with this bill, said many weeks ago that he wanted to cut what he called fat in government, a kind of shapeless mass, according to

*Private Members' Business*

the hon. member, as if there were this huge mountain of fat we could cut into.

Government is not like that. I was a public servant for years, and that is not how things work. When cuts are made, it means something is taken out. There is no such thing as cuts that are not felt.

Of course, if we try to save money, we have to cut services. What we have to do now is do our very best to put the economy back on track. We have made a good start: 421,000 new jobs since this government came to power, and this is only the beginning. Things are going to get better all the time.

[English]

**The Acting Speaker (Mr. Kilger):** If I may be allowed a personal opinion, I wish we could go on.

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

---

## PRIVATE MEMBERS' BUSINESS

[English]

### CHILD CARE EXPENSE DEDUCTION

**Mr. Paul Szabo (Mississauga South, Lib.)** moved:

That, in the opinion of this House, the government should amend the Income Tax Act to extend, subject to a means test, the child care expense deduction to all families.

He said: Mr. Speaker, Motion 339 is a simple statement which involves matters which will have more influence on the future financial health and welfare of Canada than any other matter that the House will ever deal with. Motion 339 in the first instance has to do with an income tax matter. It has to do with the child care expense deduction.

I raise this issue for two reasons: first, with regard to the fairness and the equity of our income tax system, and second and most important, the implications to the family.

The child care expense deduction is available for an eligible child, the child of a common law spouse whose income did not exceed the basic personal exemption and who was under 14 years of age, unless they had an infirmity. That deduction is available to Canadians when both spouses work and earn income or they take an occupational training course where there is a training allowance paid or where they carry on research where there is a grant paid. The essence of the deduction is that if you earn income that benefit is available to you.

The deduction is claimed by the lower income earning spouse but there are special circumstances under which the higher income earning spouse can make that deduction. I will not get into that.

The gist is that the deduction is available to two spouses. If the child is under seven years of age, the deduction is \$150 per week. For those between the ages of seven and fourteen it is \$90 a week. The claim is made by a supporting person. The amount of the deduction for a full year for someone who has a child up to seven years of age is the actual amount paid for child care expenses or two-thirds of the earned income of that person claiming the deduction or \$5,000.

The maximum deduction available to Canadians is about \$5,000 per child under seven, \$3,000 for a child over seven and under fourteen years of age.

The issue from a tax perspective is related to the discussion about what is an income tax deduction and what is an income tax credit. The way the tax act is presently structured the child care expense deduction is deducted from one's other earned income to determine the net income and ultimately the taxable income. Because it is a deduction, it means that the higher the personal income and the higher the tax bracket the more valuable this deduction becomes.

• (1735 )

Let me give an example. If a taxpayer makes \$25,000 and sends a child to a child care institution at a cost of \$5,000 per year, the tax refund would be \$1,368. If another family where the lower income earning spouse is earning \$10,000 more or \$35,000, the tax refund for the same child care expense, at the same institution and at the same cost would be \$2,093. That is \$725 more because a person is in a higher tax bracket than another taxpayer. If that lower income earner were in the highest tax bracket of Canadians, the refund for that \$5,000 of child care expenses would be \$2,659.

To summarize, a taxpayer earning \$25,000, spending \$5,000 on child care expenses gets a 27 per cent refund of those expenses, while someone at the highest tax bracket gets a 53 per cent refund for the same amount of expenses. This is what I referred to as the inequity or the fairness issue with regard to motion 339.

My proposal would be that the deduction be converted to a tax credit. It is similar to the tax credit that all Canadians get for their basic personal amount and would be exactly the same for all Canadians. It is at 17 per cent or whatever the value. For instance, on charitable donations we have a graduated tax credit being 17 per cent and rising to 29 per cent.

The tax act has ample evidence of tax credits that would allow Canadians to share the same benefit regardless of the level of their income.

The second element of the motion refers to a means test. We have a number of social programs that are subject to a clawback or the so-called means test. The guaranteed income supplement is subject to a means test. Old aged security is subject to a means test. Once the income of the individual recipient exceeds \$53,215 there is a clawback at a rate of 15 per cent.

Unemployment insurance benefits paid by the Government of Canada are also subject to a means test which is 30 per cent of the social benefit paid or the lesser of that or 30 per cent of the excess over a threshold of income.

The child tax benefit is available to all Canadians at \$1,020 per child. There are some additional amounts for the third child and also some other amounts with regard to whether or not one has claimed a child care expense deduction. That also is clawed back depending on the level of family income. The means test is directed to ensure those benefits are available to those in most need.

The old age exemption under our present tax act, pursuant to the last budget, is now subject to a means test. For taxpayers who are eligible for that exemption and have income over \$25,921, there is also a gradual clawback. Canadians will have no objection to making deductions fair for all, particularly when they are focused primarily to those in legitimate need.

Having dealt with the tax issue, I want to spend the majority of my time dealing with the big issue, the family, and specifically the importance of early parental care.

I want to refer to the Ontario premier's council on health and well-being and social justice: "Critical development outcomes are rooted in early experience and influences. These outcomes include good physical health, the ability to learn, the ability to cope with stress, being able to relate with others and to have a positive self-esteem. A secure attachment to a nurturing adult is essential and who better than one of the parents to provide that care".

• (1740)

Recently Dr. Robert Evans published a book called *The Determinants of Health*. In it he related the results of a 19 year study in the U.S. The study looked at the implications of good child care in the first three to five years. Just to give an example, he showed that those that had good quality parental care in those early years had a 50 per cent lower incidence of mental problems; 40 per cent fewer went on welfare and 50 per cent fewer teen pregnancies in the group that had quality child care.

I also look to the United States and a book called *Children First* by Dr. Penelope Leach. She writes that children have become of secondary importance in our society and concludes that our priorities must shift. Her primary conclusion and recommendation are that parents must put the interests of their children ahead of their own.

### *Private Members' Business*

Looking to the Canadian position, Dr. Don Ogston, director general of social development and education of Human Resources Development Canada wrote in January 1995: "It is undeniable that the early years are critical for the social, emotional, physical and cognitive development of children. Clearly the quality of care children receive during these years is of paramount importance".

Looking further for more recent research, I turned to the University of Calgary and a study done in 1994 by Violato and Russell. I want the House to know that this research has been characterized by some as bogus. However, I welcome that kind of reaction because it means we are getting close to changing the view that Canadians may have with regard to direct parental care.

This study was called a meta analysis of published research of all studies conducted on this matter throughout the world on this subject since 1957. Non-parental care was analysed for any influence on child bonding to parents, social-emotional development, behavioural adjustment and cognitive development. The results in this study was that: "Non-parental care for more than 20 hours per week has an unmistakably negative effect on the social-emotional development, behavioural adjustment and childhood bonding. A minor negative influence was found in the cognitive realm".

They also found that the day care quality, the family structure, the age of entry into the child care and the socioeconomic status were found to be negligible influence factors.

Follow-up research on this was conducted by Dr. Mark Genuis, the executive director of the National Foundation of Family Research and Education. In 1994 at the University of Alberta in his doctoral dissertation called "Long term implications of insecure attachment in childhood" his study looked at the impact of non-parental care on the security of child bonding with parents.

The results of the study showed that insecure bonding to parents prior to age 10 is a direct cause of emotional and behavioural problems in adolescence as well as on youth crime. Regular non-parental care prior to age five was a significant predictor of insecure attachment. The place and the caregiver made no difference to the conclusions reached. The deciding factor influencing the security of bonding to parents was the regular separation from those parents, not the place or the type of care when separation occurred.

This kind of research flies in the face of some of the traditional thinking and the conventional wisdom we have been hearing all these years. It has struck a nerve. However it is an important observation that these studies have raised the debate to a new level to take into account the realities of our society.

*Private Members' Business*

I spoke in the House on a couple of occasions on the subject of the incidence of teen pregnancies in our country. Canadians will know, for instance, that President Clinton of the United States said during his state of the union address that there was an epidemic of teen pregnancies in the United States.

• (1745)

Canada is not insulated from these occurrences. As I reported to the House last year, over 20,000 women between the ages of 12 and 19 gave birth to children out of wedlock. They decided to raise their children. Most of them have not finished school and for the most part become dependent on subsidized housing and welfare. Their offspring are at higher risk of being premature or low birth weight. They are more likely to experience difficulty in school. Their children are more likely to become single parents. It certainly is an indication of some of the things that are happening in society.

Canadians should know that the rate of youth crime has increased 35 per cent since 1986 and 46 per cent of cases in court are repeat offenders. With these kinds of results Canadians should ask whether we are a contributing factor to that social behaviour.

I must ask a rhetorical question. What has become of the traditional family? Is it really up to governments to take responsibility for the future development of our children? Who would dare say that a stay at home parent caring for preschool children does not work?

Back in 1961, 65 per cent of families with preschool children had one parent in the home. Thirty years later in 1991 the number had reduced to 12 per cent. Some would say this is an attempt somehow to suggest that women should stay at home and have children. The old cliché may be that a woman's place is in the home, but the new reality is that the woman's place is where she wants to be. Seventy per cent of preschool children are now in non-parental care arrangements on a regular basis while their parents work.

We do have working poor. Many second income parents are earning in the range of \$20,000 to \$30,000. After child care expenses and the costs of employment their take home pay is so small many are asking why they are doing it, why they are doing it to their families.

In 1971 a Decima poll indicated that 70 per cent of working women would stay home or choose to provide direct parental care if they could. That was updated recently by the Angus Reid organization in June 1994. It reported that 68 per cent felt that the best way to raise children was with one parent at work and one at home.

Back in October I introduced private member's bill C-256, the purpose of which was to allow the splitting of income between parents, to allow them to free up jobs, to create child care spaces and to provide the choice to parents who were asking: "My net take home pay is so small why am I doing this?" The issue was not to compel behaviour but rather to allow

the behaviour to flow naturally based on strong social and family values.

Governments do not raise children; people do. The government must take notice that the family is very fragile and vulnerable. It needs the government's support to ensure that our children, who are our future, will be able to achieve their full potential in the best country in the world.

Good people do not have to do bad things to create a bad society. They just have to stop doing good things and the bad will quickly fill the void. An investment today in our children is the best investment that we can make for the future of all Canadians.

• (1750)

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, who could not agree with the motion introduced by the hon. member for Mississauga South? The only question we can ask ourselves is why did the government not include this proposal, which had already been introduced in the form of a bill, in its annual budget review? Why did the government leave this out of the budget, since the aim of the motion is to recognize the contribution of the stay-at-home spouse in families who choose to take care of their children at home instead of sending them to day care so that both parents can work?

I do not think that anyone could be against providing equal treatment in the tax system for parents who want to stay at home and take care of their children. I repeat that it is quite surprising that the government did not already include such a measure in this year's budget.

But, when we reflect on the issue, it becomes quite obvious that this is part of the government's logic. A government that reneges on its promises regarding the child care services and the day care spots it was to offer Quebecers and Canadians is not interested in offering this kind of equality to spouses.

Let us be clear, however. In supporting this kind of motion we are not saying necessarily that we wish to promote the traditional family model. A family in which children can be raised the traditional way and receive all the education and training and in which you can participate is great, of course. But other types of families can be just as great and we must ensure that they have an equal opportunity to give their children a good education, have access to adequate daycare and can make the choices that they consider the best under the circumstances.

I think that the motion before us gives us food for thought concerning a basic element of our society, children, as well as the way they are raised, the tools they need and how we will let them develop in our society. What the hon. member is trying to do is to encourage the government, first with a bill and now with this motion—and I can only commend him for his tenacity—to allow parents to make a choice, with respect to child care, based not strictly on financial considerations, but rather on educational considerations. It would also allow either parent to stay at home to raise the children and instill in them the values that they deem appropriate. Parents could make this choice without

being penalized by the tax system. As has been explained, this is the case at present and that puts us in the untenable position where parents are better off paying for child care outside their homes.

At the same time, they have to put up with many other drawbacks because of this, but they cannot afford to make other arrangements. I believe that the measure before us is interesting from that angle.

However, we have to wonder about the government's attitude vis-à-vis all the measures which would promote family life, children's development, formal education, job opportunities and, ultimately, a satisfying life. Is it normal that a government member, in particular, would unsuccessfully table several motions of this type to integrate such a measure into the government's policy? This makes us wonder about the true values of this government.

Given the costs involved, it is obvious that the government could have drawn the necessary money from the banks' profits, among other sources, to finance such a measure.

Does the government not realize that the short term costs of this measure would have major long term benefits, even from a financial point of view? Indeed, there would be many fewer problem cases and curative measures involving children who did not have a fair opportunity to get an education allowing them to thrive and to achieve?

I think that the motion put forward by the hon. member should make all Quebecers and Canadians think about fundamental family values. These values have taken a beating in the last 10 to 15 years. They did not necessarily change as a result of popular will but much more because of a lack of real government action.

When we think about the commitment by the former Tory government and the current Liberal government to put in place a national child care program, a commitment which was rejected and forgotten in both cases, it is a little insulting, especially to women since they are the ones who look after the children in most cases. This does not mean that it should remain that way, but the fact is that women continue to bear most of the responsibility for child care.

It is a little disappointing that other measures are considered to be more important, that we do not feel obliged to meet our commitment to human development, which is the real fundamental criterion for evaluating a society.

We are more sensitive to the lobbying efforts of those who finance our election campaigns than to the representations made

### *Private Members' Business*

by people who simply aspire to a decent life, a balanced family life and development opportunities for their children. When we question people in our ridings, we realize that such concrete measures would make a difference.

In conclusion, I think we can say that the hon. member's motion is interesting, that she shows tenacity. I invite her to ask her government why this matter was not included in the budget currently under discussion.

• (1755)

[English]

**Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.):** Mr. Speaker, it is with a great deal of pleasure that I rise in the House today to speak on Motion No. 339 sponsored by my friend and colleague, the member for Mississauga South.

The member has been in the forefront throughout the 35th Parliament attempting to convey the value of work in the home and the importance of building a strong relationship with our children during the formative years, a value I too strongly support.

Families are changing in the riding of Lambton—Middlesex as they are throughout Canada. We all recognize that. According to the figures supplied by the Vanier Institute of the Family, a national voluntary organization dedicated to promoting the well-being of Canadians families, no one type of family dominates the statistics today as did the single wage earner family of the 1950s. There is now a large majority of husband and wife families that rely on two incomes.

We tend to forget that the typical nuclear family composed of married parents with their children continues to be the norm in Canada. The figures might be decreasing but they still represent 52 per cent of all families, according to the Vanier Institute.

As the mass media concentrate on the trials and tribulations faced by families, the life of a two-parent nuclear family is often taken for granted.

Yet one easily forgets that today's family must cope with a host of external influences and the social, economic and psychological upheaval encountered in contemporary life.

• (1800)

The nuclear family has a relatively short history in our society. Its model was forged in Victorian England when the upper middle class women could afford to stay at home to raise their children while other families looked up in envy.

*Private Members' Business*

After World War II when women were no longer needed in the labour force, the lifestyle of the nuclear suburban family became idealized, especially in the industrialized society where the growing network of highways offered easy mobility. Extended families with a live-in grandma or auntie became the exception. Families have never been static throughout human history. They have stretched, expanded or contracted, depending on the culture, the economy and the times.

In recognition of certain shortcomings experienced by millions of families in Canada, Motion No. 339 solicits the opinions of members of this House to agree with the proposition that the government should amend the Income Tax Act to extend, subject to a means test, the child care expense deduction to all families, and I stress the word all.

Presently the child care expense deduction is enjoyed only by those families that can afford the thousands of dollars every year that are necessary to pay for private day care for their children. Most families do not have the disposable income to pay upfront money for private day care and as a result do not qualify for the child care expense deduction. Instead they have to find alternative means or put their names on long waiting lists in the hope they might be lucky enough to be granted a subsidized day care spot for their children.

That is unfair. Why should some parents continue to have the luxury of writing off child care expenses while the majority of Canadian families have to scramble to find some means of ensuring that their children are well looked after while the parents go off to work each day? I find it hard to understand that the child care of those who can afford private day care is subsidized by the country's taxpayers, while the low and middle income earners have to search for alternative means of child care for which they can claim no income tax deduction.

The motion put forward by the hon. member for Mississauga South would address this glaring inequity. By converting the child care expense deduction to a universal tax credit, its value would be the same for all taxpayers rather than favouring one group of wage earners. The benefit would also be subject to a means test based on family income, thereby directing it to those who are legitimately in need of assistance. The introduction of a family income means test would be consistent with the treatment of most other social benefits currently available in Canada.

The third component contained in this motion would result in the extension of the tax credit to families which have one parent providing child care in the home, thereby recognizing the importance and the huge expense of direct parental care.

I mentioned earlier that the hon. member for Mississauga South has been working tirelessly during the 35th Parliament to try to effect changes to the Income Tax Act which would result in an end to the ongoing tax discrimination against families with one parent at home caring for preschool children.

In June of last year the hon. member for Mississauga South tabled Bill C-256. This private member's bill called upon Parliament to amend the Income Tax Act to permit one spouse to either split or pay up to \$25,000 to the other spouse who was managing the family home and caring for at least one dependent child who had not yet commenced full time attendance at school.

Despite the substantial interest in the bill among members of Parliament, the media and thousands of Canadians across the country, the Standing Committee on Procedure and House Affairs chose not to designate Bill C-256 as a votable item. Unfortunately, it was talked out last October and did not pass the second reading stage. That is a real pity.

I have often wondered why the bill did not get the support it should have received from the procedure and House affairs committee. I certainly hope it was not because of the perception among some people that a spouse—and here I am speaking mainly of wives—who chooses to stay home to care for her child is somehow not reaching her potential, is not quite up to speed in the 1990s. If that is indeed the case, then I am truly saddened. It is a misguided perception that accompanies that way of thinking.

If we want to address regressive policies, then let us look at the current reality. Most Canadian parents are either unable to find decent child care for their children or simply cannot afford to pay for the expensive private day care that is only accessible to one group of parents. This is not progress; this is an inequity which must be addressed.

• (1805)

One of the benchmarks of a truly progressive public policy is whether or not it introduces an element of flexibility. I mentioned earlier there are various types of families in Canada today. In its conversion of the child care expense deduction to a tax credit that is the same value to all taxpayers, Motion No. 339 would put more disposable income in the pockets of most Canadian families. It would also give them the freedom to explore all sorts of avenues for the care of their children. This is progress.

I believe it is very instructive, and members should know this, that the Department of Finance simply does not have data or dollar figures on the financial hardships experienced by most Canadian households as they attempt to make ends meet and find suitable care for their preschool age children. However the finance department does have precise figures on the 645,000 families where both spouses are working and child care expenses are being claimed.

It is as if only a certain income counts in official stats, while the millions of Canadian parents who cannot afford private child care are simply invisible: you are on your own. This situation has to change. We the lawmakers of this great country have the opportunity to send a message to the Government of Canada that we do indeed recognize the crucial importance of managing a family home and caring for preschool children. Healthy families



become healthy communities and healthy communities build a stronger country.

I heartily endorse Motion No. 339 and I encourage my fellow members to do likewise. Let us take this opportunity to call upon government to pursue progressive policies for the betterment of all Canadian families.

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, I rise today to speak in favour of this motion sponsored by the member for Mississauga South. As chair of our party's family task force, I will outline my view on this motion and comment further on the broader issue of child care.

The subject being addressed today is families, the connection which exists through blood, marriage and adoption. It is universal and historically of great significance. It is humanity's most enduring and important institution. It demands the proper attention by legislators in all government policy directions that affect it.

Today we have the opportunity to look briefly at a proposal for changes in our child care policies. I look forward to supporting my hon. colleague in my comments. He has created an idea that seeks to strengthen families. It does so through the effective targeting of government assistance to needy families and the empowerment given to families in choosing for themselves the best caregivers for their children. This should and does include the option of overt government recognition and support for families that choose to care for their own children.

I could be excited about these new directions except as I stand here in the reality of a non-votable one hour debate. How typical of this government's attitude to the importance of family. How typical of this government's philosophy of intervention into even the smallest detail of Canadians' lives. It promotes and defends national day care policies while ignoring the real wishes and potential of Canadian families.

In contrast, the ideas of this brief discussion put forward in Motion No. 339 reflect, I believe, the wishes of the vast majority of Canadians. The motion states that, in the opinion of this House, the government should amend the Income Tax Act to extend, subject to a means test, the child care expense deduction to all families.

The child care expense deduction allows parents to deduct expenses incurred for child care from their taxable income, up to the maximum amounts which vary according to the age of the children involved. For children under the age of seven and for older children with severe disabilities, a maximum of \$5,000 may be deducted for each child. For children between the ages of seven and fourteen and for those with modest disabilities, a maximum of \$3,000 may be deducted for each child. As a result

### *Private Members' Business*

of the 1992 budget these maximum allowable deductions were increased from \$4,000 to \$5,000 and \$2,000 to \$3,000 respectively.

To qualify for this deduction the child care expenses must be incurred by the parents for work which enables them to be employed, operate a business, receive job training, or engage in research activities. If there are two supporting parents, the child care deduction must be claimed by the parent who has the lowest income irrespective of which parent incurred the child care expense.

● (1810)

To support its claim, these expenses must now be receipted in order to verify the expenses incurred and the service transaction between the parent or parents and the caregiver. Finally, the total deduction cannot exceed more than two-thirds of the total earnings.

In 1992 the child care expense deduction cost the federal government some \$310 million claimed by 710 individual taxpayers. In effect it is and has been a government subsidy for child care. This motion advocates the targeting of this deduction through a means test.

In the present system, the deduction benefits high income earners proportionately greater than the lower income families. This finding about child care expense deduction was confirmed lately by a human resources committee study of social security programs. For instance, it has been shown that 52,000 taxpayers earning more than \$50,000 claimed the deduction in 1991.

In addition, in Port Moody—Coquitlam, the clear choice and preference of parents in my community is to opt for informal arrangements. Those who choose informal child care by relatives, family members or even neighbours suffer against the government assistance given to the typically high income earners using licensed day care.

Reform does not believe that we should increase any expenditure on child care initiatives because of the dire fiscal situation the federal government now faces. To make any promises to do so would be politically irresponsible. To increase expenditures at this time would be fiscally irresponsible.

Our total debt will increase over \$100 billion in this parliamentary term. Interest charges now at \$42 billion are increasing faster than the savings put forward for instance in the recent Liberal budget, which of course we find completely unacceptable.

Before we spend any more money on child care we should look at measures that would economize our resources allocated to child care. This motion is one such measure because it advocates the targeting of this benefit to those most in need

*Private Members' Business*

through a means test. The Reform Party has long advocated the targeting of social program spending to need.

Reform also believes that the role of the federal government should be to offer parents the choice of day care that they believe is most suitable for their particular economic and personal circumstances.

Reform believes that government assistance for child care should subsidize financial need and not the method of child care chosen. Government subsidies should be directed to parents and children and not to institutions, professionals or bureaucrats.

My colleague from Mississauga South has carefully outlined the importance of early childhood care. Conventional wisdom is now being challenged by recent research. There are some very real and valuable reasons for parents to be in the home if possible.

Our responsibility in this place as law makers is awesome. The decisions made here not only create laws but those laws then go on to mould and direct society. We have already seen repercussions of well meaning but ill advised legislation on our welfare system, our unemployment insurance system and our immigration system. Well meaning universal day care is politically correct but is it right?

Recently a human resources committee report suggested that middle class parents should lose child care benefits to free up money to support poorer Canadians. To do so, it suggested phasing out the child care tax deduction in contrast to my colleague's suggestion and diverting that \$310 million into an equally universal national day care system.

Here is a clear example of government agenda. As in so many debates in this place, the question is not whether money should be spent but on who should spend it. In this case, do we leave money as in this motion in the hands of Canadians, or do we snatch it back to bureaucrats and commissions with only a fraction returned to the families and communities in the form of national day care? Do we encourage parents to care for their own children, or do we penalize them for making that choice?

The Liberals are saying: "Trust government with your money. Trust us with your children, their education, their assimilation of culture—we will define it for them—and values in our nanny state national day care program".

• (1815)

In this proposal and in our alternate budget Reformers are saying that we should trust Canadians with their own money, trust Canadians to choose wisely what is best for their own families and maximize the dollars available for our most important resource, our children.

The motion today is a small but important step in the direction of recognizing the importance of families and early childhood care in the home. My colleague has put forward a positive proposal that would strengthen families by allowing full choice of child care options. The dedicated mom or dad who chooses to stay home will finally be recognized as a valued and valid caregiver. In contrast, the intention of the government is to ignore such a notion. Its intention is to increase federal involvement in child care and deny families the trust they deserve.

I ask you, Mr. Speaker, as I ask all Canadians do you trust with your money, your children and your future? Should more of your hard earned money be sent to new bureaucracies in Ottawa, or should it be left in your hands and in your community? Should you or a civil servant instil the sense of place, history or identity in your children?

With my colleagues I call upon government to trust Canadians. I call upon government to rethink its role in society and in our families. I call upon government to empower families to be allowed and encouraged to choose their child care options and then to thrive as a nation with their choices.

**The Acting Speaker (Mr. Kilger):** Before resuming debate I want to thank the hon. member for Port Moody—Coquitlam in agreeing to the change in the order of speakers to facilitate another member's request. I am most grateful for the co-operation.

**Ms. Roseanne Skoke (Central Nova, Lib.):** Mr. Speaker, before the House is private member's Motion No. 339 which states that the government should amend the Income Tax Act to extend, subject to a means test, the child care expense deduction to all families.

It is my pleasure to rise in the House today to support the motion and to congratulate the hon. member for Mississauga South for advancing the motion.

The intent of the motion is clear. It is to convert the child care expense deduction to a tax credit so that the value is the same for all taxpayers rather than favouring high income earners. It is to make the benefit subject to a means test based on family income, thereby directing it to those who are legitimately in need of assistance. The change would be consistent with the treatment of most other social benefits.

It is also to extend the benefit to families with one parent providing child care in the home, thereby recognizing the social, economic and moral importance of direct parental care in the family home.

The conventional terms of debate in matters of political, economic and legal issues tend to focus on individual rights and the rights of the state, not the rights of the family. This is unfortunate and must change, for the family is the most important reality in our lives. The family unit is the basic institution of

life and the solid foundation upon which our fathers have built this great nation.

Families have inherent and unviable rights. Families have existed before the church and families have existed before the state. The protection of families, family life and family values must be a priority with the government.

The family is the fundamental social and economic building block of Canadian society. Parents are undoubtedly the number one choice when it comes to providing the best possible care for their children. This view is supported by the majority of Canadians. However, unfortunately the majority of Canadians cannot realize the desired ideal because of the limited choice in the areas of taxation given to those who stay at home to nurture and care for their children.

An important objective of the bill is that the government would reintroduce choice to the realm of child care so that parents can have the economic freedom to make the right decisions that are in the best interest of the child and the family.

Parents are the primary educators of their children and are solely and fundamentally responsible for the physical, social, psychological, spiritual and moral development of their children.

• (1820)

Currently provisions in the Income Tax Act make child care expense deductions only to families who pay institutions to look after their children or have receipted day care expenses. It does not encourage or promote the nurturing and development of a child within its own home and with the guidance and care of a stay at home parent. This is unfortunate. It is time the government gave serious consideration to funding the family and not the institution.

For the government to promote and encourage institutionalized child care by providing tax benefits is inequitable and unjust. It is undermining the fundamental principles of the institution of life and is eroding family life and family values in Canada today. It is removing the economic freedom and flexibilities of families to make a conscious choice of what is in the best interest of the child by imposing an economic hardship upon single income families.

The traditional two parent family is under relentless attack from special interest groups and others who regard the traditional family as an impediment to their goal. They prefer associations of convenience or need rather than those based on binding, permanent commitments to past, present and future generations.

### *Private Members' Business*

The stability of a nation is often determined by the stability of its marriages, a truism that warrants the deepest concern in Canada today. Our society must encourage and support permanency and commitment in marriage, which are essential values for the preservation of stable family life in Canada now and for future generations.

Furthermore, if we want to strengthen the family we must have tax policies that reward family formation. Our taxation system should encourage long term stable marriages without imposing severe financial burdens on them as is the present situation.

All children in Canada are of equal value and their care should be so treated in law. At present this is not the case for women raising children at home. This is based on the fact that the child care tax deduction program allows double income families personal deductions for child care costs of up to \$5,000 a year for each child under the age of seven and of up to \$3,000 for each child age seven to fourteen. The single income family is not allowed the same generous deductions. In addition, single income families pay considerably more in taxes than double income families with an equivalent income.

Public policy should assist parents if they choose to care for their children at home. It is a mistake to adopt taxes or social policies that require a woman to delegate the care of her children to others by forcing her to enter the paid workforce. Such a policy is against the best interest of the child, the family and society as a whole. Therefore the benefits of the child care tax deduction program must be equally available to parents who are at home as they are to parents who are in the paid workforce.

Special interest groups may argue that true equality for women cannot be achieved by a woman staying at home to raise her children and that a universal day care system is the liberation of the modern day woman. This approach is wrong. The feminist ideology that promotes the equality of women is more concerned with achieving formal equality and has forsaken substantive equality. By doing so the feminist movement has done a great disservice to women, to motherhood and to our children.

The continuous feminist quest to conquer the alleged male oppression of women has placed pressure on society to move the focus from family to individual rights and the rights of special interest groups. It is time to restore the rights of families, to give special recognition to motherhood, and to encourage economically and socially women who stay at home to nurture and love their children in a family home environment.

It is time for the government to fund the family, not special interest groups. It is time for the government to fund the family, not to fund institutions to care for children. It is time for women to restore substantive equality by being afforded the economic opportunity to make a conscious choice to stay at home and to be a mother and a homemaker.

*Adjournment Debate*

• (1825)

**The Acting Speaker (Mr. Kilger):** The hon. member for Mississauga South, who moved the motion, has sought under Standing Order 44 the right of reply and the opportunity to close the debate.

It has to be made perfectly clear to the members that no one else can speak after the member for Mississauga South if he closes the debate. Is that agreed?

**Some hon. members:** Agreed.

**Mr. Szabo:** Mr. Speaker, I would like to summarize what has been said here by members.

It is rare to find all of the speakers and all of the parties in agreement on some fundamental principle, certainly the issue of converting a tax deduction to a tax credit so that it is fair for all Canadian taxpayers. There seems to be agreement on the issue of a means test that is applicable to all of the social programs that Canada provides its citizens to ensure that the focus of the benefit is to those who are legitimately in need.

Interestingly enough, there was also some strong support for those benefits to be available for those who have chosen to provide direct parental care in the home and do not work outside the home.

We have talked about the research that has been done, some of which flies in the face of conventional and traditional wisdom. It has elevated the debate to another level, another dimension. It has accentuated the principles related to direct parental care, to the family. Direct parental care in those early years, particularly the first three to five years, has a direct correlation to the future health, social and justice issues.

We have agreed that if we invest in our children today and ensure they have the best care available, and I believe that is best done by the parents, we will in the long run save tremendously on the cost of future health care, social programs and criminal justice.

I would like to thank the hon. member for La Prairie for his generous words, the member for Lambton—Middlesex who is a very strong leader in her community and supporter of the family, the member for Port Moody—Coquitlam who spoke so very well on family matters on behalf of her party, and the member for Central Nova who has become a champion of family values in the House. I thank them all for their support of this motion and for participating in the debate.

I believe we have raised the debate to a higher level of awareness and that we in this Parliament will see legislative changes which will reward the family that chooses to put the best interest of their children ahead of their own.

**The Acting Speaker (Mr. Kilger):** The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the order is dropped from the Order Paper.

---

## ADJOURNMENT PROCEEDINGS

[English]

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

### MEDICARE

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, on March 15 in Regina several individuals who fought to implement the first comprehensive publicly financed medical care system in North America warned Canadians that the federal government is undermining the original principles of medicare.

In particular, Allan Blakeney, the former premier of Saskatchewan, said that eliminating specific funding to the provinces in favour of reduced block transfers with few strings attached would result in a patchwork medical insurance system with different standards in different provinces.

On March 16, in question period, I asked the Prime Minister how his government could continue to claim it is defending the principles of medicare when four of the designers of the first medical care system were telling us that his reforms were going to lead to a patchwork medical care system. In response the Prime Minister said medicare would remain as it is.

• (1830)

That answer contradicts the Prime Minister's recent statements on medicare. It also flies in the face of what health care experts are telling us.

In a recent radio interview on CBC's "Morningside" the Prime Minister said medicare was never intended to pay for such things as dental care, eye glasses or ambulance services, but was created to cover the high costs of catastrophic illnesses such as major surgery.

Dr. Frank Coburn, a medicare adviser to the Saskatchewan CCF government in 1962 said: "There was no suggestion that it was only to cover catastrophic illness. It was to cover all illness that people suffer from".

The Prime Minister also argued recently that Canada should aim to reduce its health care costs from just over 10 per cent of gross domestic product to 8 per cent or 9 per cent. He claimed this would not affect the quality of health care Canadians receive. We cannot take billions of dollars from the system and

*Adjournment Debate*

proclaim the national standards for medicare, established by the 1984 Canada Health Act, will not change.

On this point Léo-Paul Landry, the secretary general of the Canadian Medical Association, said: "That is a joke. Less means less, and less also means less for health care".

The Prime Minister has made contradictory statements on the effects of the proposed social transfers which will cut social program transfers by \$7 billion and give the provinces more say on how to spend the money. The Prime Minister said he is confident the provinces will not abuse the new powers by violating the principles of medicare. However, over a period of 10 to 15 years the federal government will gradually give more social program transfers to the provinces in the form of tax points and less in the form of cash.

It is the cash portion that the federal government has always used to ensure the provinces stick to the five principles of medicare: universality, portability, comprehensiveness, public funding and public administration.

The negative effect of funding medicare through tax points instead of cash has been explained by the Prime Minister. In the "Morningside" interview he said: "When you transfer tax points you lose all leverage after that because you do not collect the money, they collect the money". The Prime Minister continued to explain that in the past federal governments have used the threat of cutting cash transfers to the provinces to maintain the five conditions of medicare: "The day you do not have any more cash you cannot use the leverage you had before". I could not agree more with that statement.

Ken Battle, president of Ottawa's Caledon Institute, a social policy think tank, estimates that by about the year 2017 cash transfers to fund medicare will be completely eliminated, removing the only lever the federal government has to enforce the Canada Health Act.

We are facing the beginning of the end of medicare as we know it. The Prime Minister has virtually admitted that without the threat of withholding cash transfers to the provinces future prime ministers will not be able to enforce the five principles of the Canada Health Act.

How can the Prime Minister possibly tell the House medicare will not change?

**Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, we are not facing the end of medicare. The guiding principle of health care in Canada since our system began in the 1950s has been that our citizens' health

and access to quality care should not depend on their financial means.

In 1984 the Canada Health Act was unanimously passed by Parliament to reaffirm its commitment to the guiding principles of medicare and to provide a mechanism to promote provincial and territorial compliance with federal criteria.

Since 1972 every Canadian has had the assurance their need for necessary hospital and medical care would be met without risking financial disaster.

Liberal governments have given them this assurance. This Liberal government is not about to take that away. The Canada Health Act sets out, as the member rightfully said, the five guiding principles: public administration, comprehensiveness, universality, portability and accessibility.

The Prime Minister has said it, the finance minister has said it, the health minister has said it and I am saying it again, these principles are not negotiable. The Canadian people believe in those principles and so does the government.

There are challenges, technological advancement, an aging population and new diseases that directly affect our ability to continue to provide necessary health care services at a cost both the nation and individual Canadians can afford.

To ensure we can continue to provide quality care at a reasonable cost some adjustments must be made. This system is not underfunded but the time has come to reassess the way in which health care is organized and delivered. Reorganization and reallocation of health care resources is the order of the day as more affordable options are sought to meet the health needs of Canadians. Appropriateness of care, utilization management and quality assurance are the watchwords of government.

Health care professionals and all stakeholders attempt to verify the usefulness of the current ways of delivering care. The Canada Health Act allows these adjustments to be made. It does not pose a barrier to provincial and territorial government efforts to renew their health systems and to make them more effective and efficient.

The variations that already exist between clients in different parts of the country demonstrate the flexibility which is both desirable and necessary to respond to the needs of Canadians in different regions of the country.

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 38, the motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.37 p.m.)



# CONTENTS

Thursday, March 30, 1995

## ROUTINE PROCEEDINGS

### Government Response to Petitions

Mr. Milliken ..... 11255

### Canada Elections Act

Bill C-319. Motions for introduction and first  
reading deemed adopted ..... 11255  
Mr. McClelland ..... 11255

### Criminal Code

Bill C-303 ..... 11255  
Mr. McClelland ..... 11255  
(Order discharged and bill withdrawn.) ..... 11255

### Petitions

#### Dangerous Offenders

Mrs. Brown (Calgary Southeast) ..... 11255

#### Taxation

Mr. Breitreuz (Yorkton—Melville) ..... 11255

#### Voice Mail

Mr. St-Laurent ..... 11255

#### Taxation

Mr. Chatters ..... 11256

#### Human Rights

Mr. McTeague ..... 11256

#### Insurance Companies

Mr. McTeague ..... 11256

#### Firearms

Mr. McTeague ..... 11256

#### Guardianship

Mr. Duhamel ..... 11256

#### Human Rights

Mr. Taylor ..... 11256

#### Canadian Wheat Board

Mr. Taylor ..... 11256

### Questions on the Order Paper

Mr. Milliken ..... 11256

## GOVERNMENT ORDERS

### Budget Implementation Act, 1995

Bill C-76. Motion for second reading ..... 11257  
Mr. Marchi ..... 11257  
Mr. Walker ..... 11257  
Mr. Loubier ..... 11260  
Mr. Hermanson ..... 11266  
Mr. O'Brien ..... 11272  
    Mr. McClelland ..... 11273  
    Mr. Loubier ..... 11274  
Mr. Calder ..... 11274  
    Mr. Taylor ..... 11276  
    Mr. Loubier ..... 11276  
Mr. Guimond ..... 11276  
Mr. McGuire ..... 11279  
    Mr. Fillion ..... 11281  
Mr. St. Denis ..... 11281  
    Mr. Fillion ..... 11283  
Mr. Strahl ..... 11283  
Mrs. Brushett ..... 11286

Mr. Duhamel ..... 11287  
Mr. Paradis ..... 11288

## STATEMENTS BY MEMBERS

### Land Mines

Mr. Alcock ..... 11288

### Burundi

Mr. Deshaies ..... 11289

### National Gallery

Mr. Williams ..... 11289

### National Defence

Mrs. Wayne ..... 11289

### Charitable Donations

Mr. Iftody ..... 11289

### Human Rights

Mr. Malhi ..... 11289

### Heritage Vision '95

Mr. Mitchell ..... 11290

### Member for Halifax

Mr. Godin ..... 11290

### World Conference on Women

Mrs. Hayes ..... 11290

### Aboriginal Veterans

Mr. Taylor ..... 11290

### Human Rights

Ms. Beaumier ..... 11290

### Law of the Sea

Mr. McWhinney ..... 11291

### Quebec Sovereignty

Mr. Gagnon (Bonaventure—Îles-de-la-Madeleine) ..... 11291

### Taxation

Mr. Asselin ..... 11291

### Air Travel

Mr. Strahl ..... 11291

### Gun Control

Mr. Bhaduria ..... 11292

### World Conference on Women

Mrs. Terrana ..... 11292

### Human Rights

Mr. Campbell ..... 11292

## ORAL QUESTION PERIOD

### Maintaining Peacekeepers in the Former Yugoslavia

Mr. Bouchard ..... 11292  
Mr. Chrétien (Saint-Maurice) ..... 11293  
    Mr. Bouchard ..... 11293  
    Mr. Chrétien (Saint-Maurice) ..... 11293  
Mr. Bouchard ..... 11293  
Mr. Collenette ..... 11293

<b>Canadian Armed Forces</b>	
Mr. Jacob .....	11293
Mr. Collenette .....	11293
Mr. Jacob .....	11293
Mr. Collenette .....	11294
<b>Peacekeeping</b>	
Mr. Manning .....	11294
Mr. Collenette .....	11294
Mr. Manning .....	11294
Mr. Collenette .....	11294
Mr. Manning .....	11294
Mr. Collenette .....	11295
<b>Immigration</b>	
Mr. Nunez .....	11295
Mr. Marchi .....	11295
Mr. Nunez .....	11295
Mr. Marchi .....	11295
<b>Canadian Armed Forces</b>	
Mr. Ringma .....	11295
Mr. Collenette .....	11295
Mr. Ringma .....	11295
Mr. Collenette .....	11296
<b>Kanesatake Reserve</b>	
Mr. Bachand .....	11296
Mr. Chrétien (Saint-Maurice) .....	11296
Mr. Bachand .....	11296
Mr. Chrétien (Saint-Maurice) .....	11296
<b>National Defence</b>	
Mr. Mills (Red Deer) .....	11296
Mr. Collenette .....	11296
Mr. Mills (Red Deer) .....	11296
Mr. Collenette .....	11296
<b>The Environment</b>	
Mrs. Guay .....	11297
Ms. Copps .....	11297
Mrs. Guay .....	11297
Ms. Copps .....	11297
<b>Fisheries</b>	
Mr. Culbert .....	11297
Mr. Tobin .....	11297
<b>Forestry</b>	
Mr. Gilmour .....	11297
Mr. Chrétien (Saint-Maurice) .....	11298
Mr. Gilmour .....	11298
Ms. Copps .....	11298
<b>Unemployment Insurance</b>	
Mrs. Lalonde .....	11298
Mr. Axworthy (Winnipeg South Centre) .....	11298
Mrs. Lalonde .....	11298
Mr. Axworthy (Winnipeg South Centre) .....	11298
<b>CRTC</b>	
Mrs. Brown (Calgary Southeast) .....	11299
Mrs. Finestone .....	11299
Mrs. Brown (Calgary Southeast) .....	11299
Mrs. Finestone .....	11299

<b>The Environment</b>	
Mr. O'Brien .....	11299
Ms. Copps .....	11299
<b>Youth Strategy</b>	
Mr. Dubé .....	11299
Mr. Axworthy (Winnipeg South Centre) .....	11300
<b>Immigration</b>	
Mr. Hanger .....	11300
Mr. Marchi .....	11300
<b>Career Counselling Centres</b>	
Ms. McLaughlin .....	11300
Mr. Axworthy (Winnipeg South Centre) .....	11300
<b>Presence in the Gallery</b>	
The Speaker .....	11300
<b>Business of the House</b>	
Mr. Gauthier (Roberval) .....	11300
Mr. Gagliano .....	11300
Motion .....	11301
(Motion agreed to.) .....	11301

## GOVERNMENT ORDERS

<b>Budget Implementation Act, 1995</b>	
Bill C-76. Consideration resumed of motion .....	11301
Mr. Paradis .....	11301
Mr. Dubé .....	11301
Mr. Crête .....	11302
Mrs. Brushett .....	11302
Mr. Dubé .....	11304
Mr. Picard .....	11304
Mr. McTeague .....	11307
Mr. Dubé .....	11308
Mr. Bryden .....	11309

<b>Message from the Senate</b>	
The Acting Speaker (Mr. Kilger) .....	11309

## THE ROYAL ASSENT

The Acting Speaker (Mr. Kilger) .....	11309
---------------------------------------	-------

## GOVERNMENT ORDERS

<b>Budget Implementation Act, 1995</b>	
Bill C-76. Consideration resumed of motion for second reading .....	11309
Mr. Bryden .....	11309

## THE ROYAL ASSENT

The Acting Speaker (Mr. Kilger) .....	11310
---------------------------------------	-------

## GOVERNMENT ORDERS

<b>Budget Implementation Act, 1995</b>	
Bill C-76. Consideration resumed of motion for second reading .....	11310
Mr. Bryden .....	11310
Mr. McClelland .....	11312
Mr. Dubé .....	11312
Mr. de Jong .....	11313
Mr. Johnston .....	11314
Mr. Hoepfner .....	11316



Mr. Boudria .....	11316
Mr. Crête .....	11319

**PRIVATE MEMBERS' BUSINESS**

**Child Care Expense Deduction**

Mr. Szabo .....	11320
Mr. Crête .....	11322

Mrs. Ur .....	11323
Mrs. Hayes .....	11325
Ms. Skoke .....	11326

**ADJOURNMENT PROCEEDINGS**

**Medicare**

Mr. Taylor .....	11328
Ms. Augustine .....	11329

**MAIL  POSTE**

Canada Post Corporation/Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste – lettre**

**8801320  
Ottawa**

*If undelivered, return COVER ONLY to:*

Canada Communication Group — Publishing  
45 Sacré–Coeur Boulevard,  
Hull, Québec, Canada, K1A 0S9

*En cas de non – livraison,*

*retourner cette COUVERTURE SEULEMENT à:*  
Groupe Communication Canada — Édition  
45 boulevard Sacré–Coeur,  
Hull, Québec, Canada, K1A 0S9

**Published under the authority of the Speaker of the House of Commons by the Queen’s Printer for Canada.**

**Publié en conformité de l'autorité du Président de la Chambre des communes par l'Imprimeur de la Reine pour le Canada.**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Additional copies may be obtained from the Canada Communication Group — Publishing, Public Works and Government Services Canada, Ottawa, Canada K1A 0S9, at \$1.75 per copy or \$286 per year.**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**

**On peut obtenir la version française de cette publication en écrivant au Groupe Communication Canada — Édition, Travaux publics et Services gouvernementaux Canada, Ottawa, Canada K1A 0S9, à 1.75 \$ l'exemplaire ou 286 \$ par année.**