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Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Monday, April 3, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMES AGAINST HUMANITY

Mr. Sarkis Assadourian (Don Valley North, Lib.) moved:

That, in the opinion of this House, the government should designate the period from April 20 to 27 of each year as the week in which we commemorate the issue of man's inhumanity to his fellow man to remind Canadians that the use of genocide and violence as an instrument of national policy by any nation or group at any time is a crime against all mankind which must be condemned and not forgotten.

He said: Mr. Speaker, I welcome the opportunity to present my motion to the House. The motion calls for designating the week of April 20 to 27 to commemorate the issue of man's inhumanity to his fellow man.

I chose April 20 to 27 because April 19 and 20, 1939 was the beginning of the Holocaust committed by the Nazis against the Jewish population. April 27 was the end of the apartheid regime in South Africa which gave the South African population the right to vote; the one man, one vote concept.

I want to present to the House the definition of crimes against humanity. The first time this term was used was in the London Charter of 1945, the structure and basis for prosecution of major war crimes before the international tribunal at Nurnberg. Crime against humanity presents a distinct category of international crimes. Article 6(c) of the charter defines crimes against humanity as murder, extermination, enslavement, deportation and other inhumane acts committed against any civilian population before or during the war; or persecution on political, racial or religious grounds in execution of all in connection with any crime within the jurisdiction of the tribunal whether or not in violation of the domestic laws of the country where the crime was perpetrated.

I have personal experience with violence, genocide, deportation and the beginning of a new life. On many occasions, Mr.

Speaker, you have spoken on this crime. I invited you down when I was working for the Armenian community in my home town of Toronto.

I will tell the House about my experience this year in July when I went to the Middle East for the first time since 1967 when I left. It was my intention to visit Der-zor where documentation shows that hundreds of thousands of people were deported from their ancestral homelands and driven to Der-zor and left there to die or were killed by the Ottoman Turkish soldiers at the time.

Even today when one goes there and puts a hand in the sand one has to go down only six inches to pick up the bones and remains of human beings. The river running through Der-zor is a very historical scene to Canadians of Armenian origin and many other Armenians living throughout the world because in that river we saw bodies floating in the same way we saw bodies floating last year in Rwanda. I saw that river, I walked in that river and I remember the past, 1915.

My personal experience with the holocaust of Armenian origin was in 1965 when I was only 17. I knew the extent of the holocaust that my ancestors went through. Since then and before that many other people went through the same crimes against humanity.

I regret to say that so far humanity has never brought a single person to justice. Even with what we saw last year in Rwanda, today there is not one single person accused of crimes against humanity. When will we take charge and outlaw this crime and punish them so they will not be able to repeat the crime and then enjoy the fruits of their crimes against humanity?

As I mentioned, April 24 was the beginning of the Armenian genocide committed by the Ottoman empire in 1915. On that day 300,000 intellectuals were rounded up from their houses and taken into the desert. The leadership of the community was taken so there would not be resistance to this crime that was to be carried on for the next eight to twelve months.

As a result of the holocaust 1.5 million people were murdered and another 500,000 were deported from their homelands. As of now the crime remains unpunished.

My motion calls for this not to be forgotten, but it never says not to be forgiven. Forgiveness has to come when those who committed the crime ask for forgiveness. They also should be ready to be forgiven because forgiveness is the nature of human

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beings. We cannot forget because if we forget we are condemned to repeat it.

We all know very well what happened to the Jewish population in World War II beginning in 1939. Adolf Hitler had many excuses, but as far as I am concerned there is no good reason to commit violence or genocide in any shape or form. This cannot be comprehended by an ordinary person. There is no reason to commit, especially in this case, crimes against humanity.

(1110)

The world was silent. It stood silent while six million Jews were slaughtered. Nobody said a word until the war was over. Why did we have to wait until the number reached six million before we spoke up? Why did we have to wait until the numbers reached 1.5 million before we spoke up? Why can we not make our position known to everybody that this will not be tolerated?

In 1975 in Cambodia in a city of three million, two million were wiped out. We did not say a single word. The UN did not act in any way. Is this the way to treat criminals? We cannot tolerate this forever.

Today in Yugoslavia UNHCR estimates that more than 100,000 Bosnians were massacred and 300,000 were deported. Again, there is not a single international tribunal to punish those who commit these crimes so they will not be repeated.

I spoke earlier about Rwanda. We had discussions about whether to send our troops to Rwanda for peacekeeping. I stated in response to a member of the opposition that we should have discussed this issue further.

In two weeks half a million people were killed. Technology has advanced so much that half a million people can be killed in two weeks and yet we in this country and other countries sit back and ask what to do next. I propose we do something about it now. Let us declare the week of April 20–27 the week of man's inhumanity to his fellow man so we can educate the younger generation that crimes against humanity must be punished. There is no escape when a crime is committed, be it a small or a large crime.

Even today violence is taking place in the Middle East. Yesterday a three-year old child was killed for no reason. Who will stand up and condemn this violence against innocent people?

In 1939 when Adolf Hitler was giving his orders to SS units to slaughter the Jewish population, he said: "Who remembers the extermination of the Armenian people today?" That was on August 9, 1939. Today is April 3, 1995 and I hope and pray the House will remember the message of Adolf Hitler was wrong in 1939. A continuation of this cannot be tolerated.

Many ministers of the government and members of Parliament spoke against genocide in the past. I quote three of them.

The hon. member for York West on April 24, 1985 in the House said: "Today the Armenian militia commemoration serves to remind us all in a profound way of the importance of fulfilling our commitment to human and minority rights".

The Deputy Prime Minister said: "It is not simply a question of a problem over there in a far away country. It is a question of human rights, not only for the Armenian community but for all communities".

For the last 25 years on April 24, I have demonstrated in front of the Parliament buildings along with many thousands of people. I and many members of the House have spoken against genocide. We should continue to do that because it is very important to remember. We have to ask ourselves what has happened over the last 25 years of protest, of demonstration and condemnation. The House was silent.

I call on the House to recognize these crimes against humanity and to make sure we know Hitler was wrong, that the world remembers and the House remembers.

(1115)

Mr. Speaker, with the consent of the Chair and this House, I would like this motion to be a votable item if possible.

The Deputy Speaker: The hon. member could bring it up at the last minute or two and ask that by unanimous consent it be made a votable item or he could do it now if he wishes. Which is his preference?

Mr. Assadourian: I will wait because there is going to be an amendment made to the motion.

[*Translation*]

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, I want to thank the hon. member for Don Valley North for tabling this motion to designate a week to commemorate the victims of genocide. I also commend the hon. member for Saint-Denis.

The hon. member for Don Valley North is very involved in his community. In fact, he is the first member of the House of Commons of Armenian origin and, as such, like all the members of his community, is very concerned about the issue of genocide and the suffering of its victims.

Since I am in favour of recognition by the Government of Canada of the genocide of the Armenian people, I welcome the opportunity to speak to this motion today. Because I also feel very close to this community, on February 1st this year, I wrote to the Minister of Foreign Affairs to condemn a decision by the Armenian president to prohibit temporarily the FRA Dachnakt-soution Party, in December 1994.

The motion, therefore, proposes that, to ensure that this crime against humanity is condemned and we remember the genocides of the past, the Canadian government designate the period

between April 20 to 27 of each year as the week to commemorate the victims of genocide.

I must point out that the suggested date coincides with the sad anniversary of the first great genocide of the twentieth century, that of the Armenian people in April 1915, when more than one million people were killed. In fact, the purpose of the amendment I will move later on will be to express what is implicit in this motion.

I would like to quote what was said by a survivor of this genocide, Aram P. Aivazian, who wrote an important book entitled: *Armenia usurped by genocide and treachery*. This book describes the horror of this crime against humanity and subsequent government denials. Mr. Aivazian wrote:

[English]

“As a survivor in Canada, I am left with a daily echo of these memories, the brutally ignored and shamelessly denied tragedy of the Armenian holocaust. The rest of humankind have their own places in the sun, but not my fellow exiled Armenians who lived under foreign flags, deported by brute force and massacred with no option to return to their enslaved homeland”.

[Translation]

Mr. Speaker, these words could apply to all who have been exiled or deported from their homeland. The steadfast refusal to recognize the Armenian genocide, this first holocaust of the twentieth century, is an attitude we must condemn, because denying that it exists is the ultimate step in the process and constitutes a form of indirect support. Silence is a form of consent.

This Liberal government, when it was in the opposition, supported recognition. Now that it is in power, it should, with the opposition's support, specifically condemn the Armenian genocide. However, this government now subordinates human rights to political and economic interests, which goes against traditional Canadian values.

I want to remind my colleagues in this House that many political figures in Canada have come out in favour of recognizing the Armenian genocide. The hon. Marcel Prud'homme, now sitting as an independent in the Senate and former Liberal member for Saint-Denis, intervened twice in 1990 and 1993, to ask the Conservative government to recognize the Armenian genocide.

In March and April 1980, the Ontario Legislature and the Quebec National Assembly passed a resolution asking the Government of Canada to recognize and officially condemn this genocide and the atrocities committed by the Turkish government against the Armenian people.

On May 11, 1984, the Hon. Sinclair Stevens rose in the House to recognize the existence of this genocide and to say that action was necessary. On May 27 and 28 1984, the hon. members for

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Edmonton Southeast and Willowdale, members of the present government, spoke to this House on the subject of the Armenian genocide.

I shall, if I may, quote what was said by the hon. member for Edmonton Southeast:

[English]

“But the Armenian slaughter is an act of history and we cannot wipe clean for the Armenian descendants by pretending it never happened”.

(1120)

[Translation]

Finally, in May 1985, in the Quebec National Assembly, Gérald Godin, who is recently deceased and who was, at the time, the Minister of Cultural Communities, reiterated his condemnation of the genocide.

His motion was seconded by Claude Dauphin, the Liberal member for Marquette and by Thérèse Lavoie-Roux, who is now a Conservative senator. At the time, she said that, in international relations, because of economic and other ties Canada has with Turkey, the federal government was known to exercise extreme caution before taking any initiative. She added that the peoples' court, in Paris, had confirmed in a decision on April 16, 1984 that there had indeed been a genocide.

Until people take more positive action to stop it, there will continue to be a sort of conspiracy of silence surrounding the genocide of the Armenian people. It must be brought to light; it must be given international recognition.

Le Devoir of May 23, 1984 carried long extracts of a lecture given at McGill University by the former Minister of Justice of Quebec, Herbert Marx. It said, and I quote: “After giving the background to the tragic events of 1915–16, Mr. Marx expressed his outrage at the fact that the genocide of the Armenian people was never officially recognized because of interventions by the Turkish government at the United Nations”.

On April 20, 1994, I rose in this House, on behalf of the Bloc Québécois, to call upon this government yet again to recognize this genocide.

On April 22, 1994, two other members of this House made statements in this regard, including the hon. member for Don Valley North, who not only denounced the Armenian genocide but called on the Government of Canada to recognize it. He said, and I quote: “—I call upon the Government of Canada to recognize and condemn the Armenian genocide and formally request the Turkish government to assume responsibility for this atrocity once and for all, as Germany did for the six million Jews in World War II”.

Considering all these expressions of sympathy and declarations, how can we not recognize the existence of the genocide?

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On June 18, 1987, the European parliament recognized this genocide, as did the Russian parliament, more recently, on April 22, 1994.

For this reason, the hon. member's motion is so appropriate today. We should not forget such a crime against humanity. Canada should not side with countries which have chosen to forget and which are relying on time to wipe away the memories of it.

On April 23, 1994 I and several other MPs attended a commemorative evening in Montreal, which drew several big political names. The guest speaker, Mr. Hrayr Balian, the permanent representative to the UN in Geneva of an NGO which defends human rights, said that the challenge facing the international community is prevention. The best prevention is ensuring that the persons responsible for past and current genocides be punished for their heinous crimes.

He added that relations between Turkey and the Republic of Armenia cannot be based on ignorance and denial of the past. One of justice's basic goals is that the perpetrators of a crime be held responsible and that the rights of the victims be protected as much as possible. For there to be justice, the truth must be revealed, demonstrated and the guilty parties must admit their guilt.

In this sense, I can only deplore the fact that the motion is not a votable item, and our party will support the petition made by the hon. member for Don Valley North that it be votable. We would also like to reiterate our support for the request that the Government of Canada specifically recognize the Armenian genocide.

In closing, setting aside a week to commemorate victims of genocide is a step towards recognizing the Armenian genocide, and a real step towards preventing the reoccurrence of this kind of crime against humanity. To this end, I move, and the member for Frontenac seconds:

That the motion be amended by adding the phrase "particularly to mark the 80th anniversary of the Armenian genocide", after the word "government" and before the words "should designate".

(1125)

[English]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure today to speak on the motion of my esteemed colleague from Don Valley North. The motion is to recognize April 20 to 27 as a week to remember man's inhumanity to man and to recognize that genocide and violence must be condemned and not forgotten.

Since the close of the cold war, people have expected that the world, liberated from nuclear threat, would be more peaceful. In fact, we expected a peace dividend that could strengthen our

own economy and which could be used to bridge the huge chasm that exists between those of this world who have and those who have not. However, as the years have shown, the reality has been much different.

With the collapse of the U.S.S.R., ethnic tensions long suppressed have been unleashed. The rise of the nation states to fight over dwindling and finite resources, the exploding world population especially in developing countries and environmental degradation have all combined to unleash an orgy of violence and bloodshed which affects millions of people every year.

More recently, Rwanda has seen half a million people killed within two months. Burundi has seen 100,000 people killed in one month. In Angola 1,000 people are killed per day. The situation in the former Yugoslavia which blew up and killed so many thousands is yet a tinderbox and can explode at any time. These are the more obvious examples.

There are many more hidden, dirty little conflicts that occurred in the world to which the western world was oblivious, such as the Kurds in northern Iraq. In Sudan for years people have been killed. There was killing in East Timor and Sierra Leone. The list goes on and on. It is an embarrassment to the world community.

If there is one thing the world has demonstrated in the face of this carnage, it is its impotence to deal with these situations and in fact, the precursors of these situations, even when the writing has been on the wall for so many years. The response of the international community has been a succession of collective sighs, groans and handwriting. The world does not get involved and when it does, it is too late for the thousands upon thousands of civilians who were killed.

It is important to realize that it is not those who have arms who bear the brunt in these conflicts; it is the innocent men, women and children who are slaughtered indiscriminately and are defenceless. Once we do get involved, it is costly both in terms of our dollars and in terms of our people who we put in harm's way.

Furthermore, the groundwork for future carnage has been laid, for in these civil conflicts hatreds will be branded into the psyches of generations to come. Children are told by their parents to hate Muslims, to hate Jews, to hate Chechens, to hate Tutsis, to hate Hindus, Tamils, Croats, and the list goes on. They in turn tell their children who tell their children and the cycle repeats itself with deadly efficiency. Memories are long for these carnages and hatred dies a difficult death.

There were in fact over 120 conflicts in the world. In the future we can see the pots boiling over in Burundi, Nigeria, Sierra Leone and even in Kenya. Some only with extreme restraint have prevented this from occurring, such as in Tibet. The people there deserve a lot of credit.

If there is not a radical change in the way foreign policy occurs in this world, there will be an increasing number of these conflicts. In fact, peaceful nations will exist as a sea among a river of blood and turmoil.

Why should we get involved? Apart from the obvious humanitarian aspects, perhaps the easiest way to describe it to the people of our country and other countries is to preserve our basic self-interests. What occurs half a world away will wind up on our doorstep. Borders are porous and people migrate. They migrate from areas that have not to those that have, from areas in conflict to those which are peaceful, from areas which are resource depleted to areas which are rich in resources.

People will come here in droves and our current economic situation is ill equipped to deal with it. Furthermore, it will affect our societal and economic situations so that we will not be able to help our own people and we will not be able to help those in have-not areas.

We must have a plan. In short, what we must do is prevent the conflict before it happens. To prevent the problem we must understand it. I think it is wise for us to distil the problem down to its simplest form. We must simplify it down to its common denominator, which is the individual.

All individuals must have their basic needs met. These include food, shelter, water, medical care. I would also add safe, effective birth control, education, good governance and a fair judicial system. When a person has all of these it is very difficult to incite someone to commit violence against other people.

(1130)

Therefore the world community must recognize the precursors of conflict and have a system to address them. Set up a list of transgressions by offending groups such as genocide, gross transgressions of human rights, the abuse of a country's economy, overt military spending, subjugating a people and trampling on their democratic rights. All of these have to be considered. With this list there should be another list of the consequences that the international community can mete out to these individuals.

Despite all that has been said before, the United Nations is probably the best bet today. Diplomatic initiatives must be put forward: sanctions where necessary, along with decreasing non-humanitarian aid or eliminating it to those belligerents, using the IFI as an economic lever to force belligerents apart so that they have to solve their problems. Rather than solving them at the end of an assault rifle, solve them at the diplomatic table.

I would also add a word of caution. We make a fundamental mistake in diplomacy. We ordinarily assume that those we are dealing with across the table actually represent the best interests of the people. That is not always the case. History has borne that

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out. Not all people have the best interests of all of their civilians at heart; rather they often have the best interests of their specific tribe, and I use that in the broadest sense, at heart. It is important for us to realize that and to understand it when we go into these discussions.

The world is looking for a leader to do this. It is looking for a middle power, one with an impeccable reputation, one with no history of imperialism or materialism, one with a proven track record and one that is widely respected. I would submit that that country is Canada. We can organize the middle powers to set up a system to influence the world body to prevent these conflicts from occurring, to set up those systems that I have just described of transgressions and penalties that need to be elucidated in no uncertain terms to the international body.

The ultimate power to do this would be the United Nations. I have a few simple suggestions. Expand the security council to be the G-24; decisions on votes need a two-thirds majority; eliminate the power of veto; and, to help with the financial crisis, if you do not pay you do not vote, if you do not vote you do not have any power.

These are some suggestions I have that we can put to the international community to help the United Nations deal with these problems.

International aid must also be revamped to help people to help themselves in a sustainable fashion that is culturally sensitive. We must focus on the basic needs to enable people to provide for themselves if they are not going to go ahead and try to commit atrocities on other individuals and provoke the conflicts that have plagued us throughout our history for so long.

I would also decrease government to government aid and increase the influence of NGOs. This would be in keeping with today's restricted budgets and the necessary cuts that must come from all aspects of government, including ODA.

Having said all this I will close. Every year we commemorate the Holocaust and World War II and say never again. The reality is that never again occurs again and again and again. This is a tragedy from Angola to Burundi, to Cambodia, to Tibet, to the former Yugoslavia. These tragedies have occurred and frightened all of us.

Mankind has continually demonstrated efficiency in committing atrocities against his fellow man with impunity. The world has said nothing. We have learned nothing.

I hope as we approach the new millennium that Canada can take it into its heart to realize that part of its grand destiny is to take a leadership role on the world stage to link those parts of the international community and construct a forceful, powerful, peaceful bulwark against those individuals and groups that wish to stir up conflict and stir up animosity.

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(1135)

I hope we will support this motion on man's inhumanity to his fellow man. Also I hope we understand this is not a matter of choice but a matter of necessity.

[Translation]

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, it is a genuine honour for me to address the House today in support of this important motion. I commend my colleague, Mr. Assadourian, the member for Don Valley North, on his initiative.

The twentieth century has seen two world wars and numerous historic conflicts, but crimes against humanity are still not relegated to the past, atrocities are still committed daily in too many countries, where civilians are subject to torture, enslavement and mass deportation. Every day, we witness the persecution of minorities because of political beliefs, race or religion. Although the Geneva Convention condemns such actions, they continue to take place.

[English]

Motion No. 282, introduced by the hon. member for Don Valley North, will bring Canada, as a member of the international community, one step closer to helping to eradicate from our world these unacceptable acts.

It is essentially a moral question that we ask. Can we continue to be an active member of the international community and allow these atrocities to continue? I think not. We must first be able to internationally acknowledge that atrocities against humanity are unacceptable, then allow for the legislation to follow.

[Translation]

As representatives of a country renowned for its support of human rights, we know that Canadians condemn genocide and the use of violence as an instrument of power. By not recognizing such actions for what they are, we support them as national policy.

It is a sad commentary that the media too often still can look to the horrors of crimes against humanity for their headlines.

[English]

A brief historical overview of only a few of these acts will give everyone the proof they need to acknowledge that these acts are criminal and should be condemned.

The Armenian genocide which took place during the first world war is perhaps the most vivid example of genocide as an instrument of national policy by the Ottoman Turks. What makes the Armenian genocide such a particular example is that unlike the genocide of the Jewish people which took place during the second world war, the international community did not try the war criminals or even formally acknowledge the massacre took place.

While several countries such as Italy, France and Israel have passed parliamentary decrees formally recognizing the Armenian genocide, the international community as a whole has not taken the steps necessary to condemn these horrible acts of inhumanity. There are unfortunately many examples of such atrocities, some well known, others such as the Asia Minor catastrophe of 1922, not so well known.

By the end of the first world war there were close to two million Greeks inhabiting the region of Asia Minor on the west coast of present day Turkey. The Greek population has lived in this region for over 3,000 years. In 1922, these people, like the Armenians and other minorities of Turkey, were subjected to the first ethnic cleansing of the 20th century.

During the summer of the tragic year, 600,000 Greeks of Asia Minor were exterminated by the forces of Mustapha Kemal, the father of modern Turkey. Another 1.5 million people were forced to leave their ancestral homes and then dubbed as refugees in Greece. These acts were not sporadic or spontaneous but a cold, calculated policy of the new Turkish state to establish an ethnically pure population. In this orchestrated act of mass murder, the Turkish government also burnt and destroyed thousands of churches, schools, even cities and towns that were identified with the Ioanian Greeks.

These atrocities were witnessed by foreign diplomats, correspondents and thousands of individuals from every walk of life. The international community did nothing to condemn the atrocities taking place.

(1140)

Although the United States, Britain, France and Italy had ships and troops stationed on the coast of Asia Minor, they refused to intervene. The failure of these countries to condemn the actions of the Turkish government encouraged other states to practise genocide as government policy. The Holocaust of the second world war offers the most graphic example of inhumanity by a modern state.

In 1974, Turkey once again embarked on a course of action that led to the invasion and occupation of northern Cyprus. Once again the cycle of violence and destruction was an integral part of the Turkish policy. Thousands were killed during the invasion and approximately 200,000 Greek Cypriots were forced to abandon their homes and become refugees in their own country.

I had the occasion to visit Cyprus this past January with some of my colleagues. We witnessed firsthand what is the reality of the Cypriots living in Cyprus. Over 1,600 missing persons are still unaccounted for.

Turkey was condemned by the international community but except for peacekeeping, no action was taken to force the Turkish government to withdraw its occupation forces. Instead, the government in Ankara proceeded to establish a puppet

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Cypriot–Turkish state and transplant thousands of Anatolian Turks to increase artificially the Turkish population of Cyprus.

In northern Cyprus the Ankara government has made every effort to erase any traces of Cypriot cultural identity. This has not only destroyed the economy of northern Cyprus, it has practically eliminated the cultural heritage of the Greek–Cypriot community, a community that had developed a unique identity among the people of the Middle East and Asia. What was once a prosperous region and home to Greek and Turkish Cypriots, the northern part of the island has become an economic and cultural wasteland.

Unchecked aggression only leads to further acts of barbarism and genocide. That is why we must all lend our support to Motion No. 282. In the last four years, we have witnessed the cataclysm that has befallen the former Yugoslavia. All the warring factions are guilty of mass killings, ethnic cleansing and cultural genocide to varying degrees but the cycle of violence has not stopped. We only need to look at the mass murders that have taken place in Somalia and Rwanda to confirm the fact.

I add that as recently as two weeks ago, Turkey was bombing the Kurdish minorities in the northern part of Turkey. In all of these examples, the killing, destruction and forcible movement of populations have been acts of deliberate policy and not random excesses of rebel or uncontrolled government forces.

By acknowledging these historical examples as crimes against humanity, we are acknowledging that past and present crimes are unacceptable. We must do our part as parliamentarians to encourage the international community to make greater efforts and prevent future crimes against humanity.

By passing this motion, we are one step closer. In addition I ask the hon. members to adopt this motion with the amendment as a votable motion.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I rise to support Motion M–282 put forward by my colleague, the hon. member for Don Valley North, to designate the period from April 20 to 27 of each year as the week in which to commemorate and pay tribute to the victims of crimes against humanity and to strongly condemn such crimes, in particular the use of genocide and violence.

[*English*]

I congratulate my colleague from Don Valley North for this motion.

[*Translation*]

I also support the amendment moved by my Bloc colleague for Ahuntsic. As you know, I immigrated from Chile in 1974 following the September 11, 1973 coup d'état. More than 30,000 Chilean men and women were killed or reported missing under

General Pinochet's dictatorship. It was a very dark period in Chile's history. Opponents of the military regime fell victim to a kind of genocide. Other dictatorships and civil wars in Latin American countries, including Argentina, El Salvador, Brazil and Uruguay, caused the death or disappearance of thousands of people. International organizations and global public opinion were powerless to stop these gross and flagrant abuses of human rights.

(1145)

Fortunately, all this is in the past and a wind of democracy is now blowing across Latin America. However, the people have demanded that their new democratic governments enact laws providing for prosecution of those responsible for these terrible crimes and compensation for the families of victims. In Chile, for instance, President Patricio Aylwin apologized on behalf of the government after publicly recognizing that such crimes had indeed been committed.

It must be pointed out, however, that the efforts made to uncover the truth and punish those responsible for these actions have been rather limited so far. There must be no prescription for crimes against humanity. The UN must take more concrete initiatives in this area. Conventions have been signed but are not being enforced. A case in point is the current slaughter in the former Yugoslavia, which we are all powerless to stop or bring under control.

In 1985, following the atrocities committed in several countries of the hemisphere, the Organization of American States adopted the Inter-American Convention Against Torture.

Today, the OAS is more active in the area of human rights violations and tries to promote democracy as a means of preventing such violations in the future. But these efforts need to be stepped up and Canada, which joined the OAS in 1990, can do much more in that regard. The international community cannot and must not tolerate these violations of international law. We must learn from past mistakes and the inhumanity displayed by certain countries, governments and military or police forces.

I rose in this House on numerous occasions to denounce the genocide in Rwanda in 1993 and 1994. On the eve of the 21st century, it is unthinkable and intolerable that such situations continue to occur.

Canada must do its share, following the civil war in Rwanda, notably by taking in refugees. So far, according to my information, ICSI has not processed more than a hundred refugee claims. It is obvious that Canada is not rising to the occasion with respect to Rwanda.

And unless the international community, and the UN in particular, mobilizes, the same thing is bound to happen in Burundi, where thousands have died already and many more are fleeing, mostly women and children.

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We must ensure that the same atrocities that were observed in Rwanda are not repeated in Burundi.

Both before and after being elected to this place, I have repeatedly denounced the Armenian genocide of 1915–16, in which more than one million were killed.

I take this opportunity to, once again, show solidarity with the Armenian community in Quebec and Canada, a community of which the hon. member for Don Valley North is a member. I congratulate him on his excellent work on that issue.

Also, I rise in my place to denounce most vigorously the crimes committed by the Nazis against the Jews in the Second World War.

(1150)

All present or future generations must remember the holocaust in which six million Jews were exterminated. In a few weeks, we will be commemorating the anniversary of the Holocaust. I will take part in the ceremonies marking that day and, on behalf of all Bloc Québécois members, we will, once again, denounce the slaughter of European Jews during the Second World War.

I also take this opportunity to tell the Jewish community how much we appreciate their tremendous contribution to Canadian and Quebec society at every level, whether economic, political, cultural or social.

I hope that the international community will work relentlessly to ensure that no horrible crimes of the sort are ever committed again.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am pleased to take part in this debate today. I want to commence my remarks by complimenting my colleague, the hon. member for Don Valley North. His ideas and contributions since he became a member of Parliament, particularly in the area of international human rights, are truly appreciated.

All of the speakers this morning have talked of the horror of genocide. We all know that there is common international condemnation for violations of humanitarian law. Of these violations, genocide is the gravest of all crimes recognized at international law. Indeed, in light of the evidence of the acts of genocide committed by the Nazis in World War II, the Convention on the Prevention and Punishment of the Crime of Genocide was signed by Canada on November 2, 1948 and has been in force since December 2, 1950. Over 100 members of the United Nations are parties to the convention, which creates a binding,

legal obligation for contracting parties to punish persons responsible for genocide.

In the convention, genocide is defined as any of the following acts committed with intent to destroy in whole or in part a national, ethnic, racial or religious group as such: killing members of the group; causing serious bodily or mental harm to members of the group; deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part; imposing measures intended to prevent births within the group; and forcibly transferring children of the group to another group.

Canada has long been a leader internationally in the defence of human rights and promotion of humanitarian law. As a signatory to the genocide convention, Canada has undertaken to punish persons for genocidal acts committed in time of peace and in time of war.

Genocide is the worst of crimes. It commonly takes the form of murders, disappearances, torture, arbitrary imprisonment and exile, and often it is committed by governments or rebel groups against its opponents or ethnic and religious minorities. Recent events in the world have demonstrated that genocidal acts are still commonplace.

Most recently, compliance with the obligation to punish persons responsible for genocide has been facilitated by the creation of the International Criminal Tribunal for the former Yugoslavia, established by the UN Security Council. The international tribunal, though not established in the context of the genocide convention, is an international penal tribunal as contemplated by article VI of the convention. Article IV of the tribunal statute gives its jurisdiction over the crime of genocide committed in the former Yugoslavia.

We are strongly committed to the international tribunal and to ensuring that all those responsible for the atrocities of genocide are brought to justice. We were one of the first countries to call for an international war crimes tribunal and a Canadian is one of the 11 judges elected by the UN last fall. A former member of the National Defence Judge Advocate General's Office is working as the international law adviser to the prosecutor's office, and Canada has contributed over \$500,000 to the UN Commission of Experts and to the tribunal. In order to assist the tribunal in its investigations, Canada is in the process of attempting to locate victims and witnesses of war crimes who have resettled in this country.

The United Nations Security Council is also considering establishing a tribunal for Rwanda along the lines of the international tribunal for the former Yugoslavia. This tribunal would be responsible for investigating and prosecuting those persons responsible for the genocide and other atrocities that occurred in Rwanda earlier this year. Again, we support the establishment of this tribunal, which, for the reasons of consistency and administrative convenience, would have links to the Yugoslav tribunal.

(1155)

In the same spirit, Canada is committed to the creation of a permanent international criminal court that would have jurisdiction for the most serious crimes, including genocide.

The report on the draft statute for the court, submitted by the International Law Commission after receiving comments from many states, including Canada, is being debated at the United Nations sixth committee this fall. In its intervention at the debate, Canada called for the holding of a diplomatic conference next year to establish a treaty, which would create a permanent court with a series of preparatory committees leading up to the conference. Canada intends to fully participate in the conference and provide support for the court once it is established.

At the domestic level we have responded to international obligations by amending domestic laws to give Canadian courts the jurisdiction to try persons charged with committing genocidal acts. Genocidal acts can be prosecuted in Canada using the provisions of the Criminal Code. The definition of war crimes and crimes against humanity in the code make punishable in Canada many of the acts defined as constituting genocide in the Convention on the Prevention and Punishment of the Crime of Genocide. Whether the genocidal acts could be prosecuted as war crimes or crimes against humanity depends on the circumstances of each case.

The Criminal Code can apply to acts committed in the past as long as at the time and place of commission they were considered as international crimes. The criminal courts of Canada have jurisdiction if the accused is found in Canada and where international law would recognize universal jurisdiction by any state over the offence.

The Department of Justice crimes against humanity and war crimes section has the mandate with the RCMP to investigate and prosecute cases of genocide committed and prosecutable in such circumstances.

Therefore, Canada will not be a haven for the architects of genocide and will use all the legal remedies available to it to ensure that those who come to Canada are brought to justice. Not only does the Criminal Code provide for the prosecution of genocidal acts, but it also creates an indictable offence of advocating or promoting genocide, genocide being defined as killing members of any identifiable group or deliberately inflicting on it conditions of life calculated to bring about its physical destruction with intent to destroy in whole or in part that group.

I strongly believe that people of the world should be permitted to live in peace and security, free to speak their language,

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practise their customs and associate with one another. Those responsible for enormous crimes against groups deserve to be prosecuted and, if convicted, punished to the full extent of the law. In Canada, I am proud to say that we have both the legal framework and the moral and political conviction to do so.

My colleague for Don Valley North wants to designate a week for commemorating genocide. I believe genocide is so horrible that the memory of past genocides will always be with us. We should always be aware of genocides currently being committed and we should always be on the lookout for acts that could lead to more of this horrible crime. The commemoration of past genocides must not distract us from new ones.

For this reason, while I share the member's indignation at the most horrible crime against humankind, I must say that I would be concerned if we were to designate a particular period of time for commemorating genocide. Genocide should be a preoccupation in our daily lives. No particular week should be needed to remind us about the human tragedy of genocide.

In conclusion, I am proud that Canada does have the legal means necessary to deal with this crime both internationally and domestically. While I support the spirit of the hon. member's motion, I must in this case be against it.

The Deputy Speaker: There are still approximately three minutes left in the debate. Does anyone else wish to rise to speak on the matter?

Some hon. members: No.

The Deputy Speaker: The hon. member for Don Valley North will close the debate.

Mr. Assadourian: Mr. Speaker, I want to take a few minutes to thank those who supported my motion. I really feel that this motion was an important one for Canadians and for the people who suffered from crimes against humanity.

However, I especially want to express my sincere appreciation to members of the governing Liberal Party who supported it, the members of the opposition and also members of the Reform Party. He who runs away may live to fight another day.

The Deputy Speaker: Shall we call it twelve noon?

Some hon. members: Agreed.

[*Translation*]

The Deputy Speaker: The time provided for consideration of Private Members' Business has now expired.

[*English*]

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

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GOVERNMENT ORDERS

[Translation]

BUDGET IMPLEMENTATION ACT, 1995

The House resumed from March 31, 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. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, first I want to say that I agree with my two colleagues, the hon. member for Ahuntsic and the hon. member for Bourassa. Indeed, we all know Armenians who directly or indirectly experienced the hardship suffered by that nation.

Let us now turn our attention to Bill C-76, which was carefully reviewed by our critic, the hon. member for Saint-Hyacinthe—Bagot, who knows a great deal about public finances, particularly at the federal level. Bill C-76 seeks to implement certain provisions of the budget tabled by the Minister of Finance. I want to discuss the impact of that budget on the agricultural industry, which is one of the most seriously affected.

The proposed cuts are far from having an equal impact on the various regions of the country. The Liberal government has abdicated its responsibility toward the agricultural sector. It is abandoning one of the most dynamic industries in Canada and in Quebec. The agri-food sector accounts for close to 10 per cent of our GDP, 15 per cent of the total employment, and almost 25 per cent of the surplus of goods. Between 1987-88 and 1994-95, the Department of Agriculture and Agri-Food's estimates was reduced by a whopping 33 per cent, and that includes the subsidies provided under the WGTA. We are talking about a 33 per cent reduction in financial resources; this is one third of the total budget over a five-year period.

If you look a little farther down the road, it is estimated that, by 1997-98, the agriculture and agri-food budget will have diminished by 58 per cent. This is ridiculous. This morning, I was looking at a publication called *Farm and Country*, which is sent to Ontario farmers. The cartoon on the front page showed a beautiful Holstein cow with a farmer sitting on his little stool and trying to milk the cow. But nothing was coming out.

If this government continues to slash in that sector, this could well be the fate of Canada's agriculture and agri-food industry.

(1205)

As a percentage of total government spending, amounts allocated for agriculture have dropped dramatically. In 1987-88, the total budget for agricultural and agri-food, as a percentage of the budget for all government envelopes, was 3.5 per cent under the Conservative government. In 1994-95, the

fiscal year that ended yesterday, it was 1.6 per cent. In 1997-98, it is expected to be only 1.2 per cent.

This government seems to have cut itself off completely from the agricultural sector. We have said so before and we will say it again: it is outrageous to treat the agricultural industry this way.

If we look at the kind of cuts that will be made, it is clear the government does not have its priorities straight. Furthermore, it is not prepared to deal with the problems and consider the long term impact. Bill C-76 repeals the Western Grain Transportation Act, the WGTA. The legislation will be replaced by a series of measures that will continue to regulate grain transportation, despite elimination of the Crow Rate.

Included in this budget is compensation for western producers who are affected by this cut. The government intends to offer \$1.6 billion to owners of farm land, to partially offset the drop in land values that will result.

Interestingly, even if a producer did not grow wheat during the past year, he will be entitled to compensation. I see the hon. member for Brome—Missisquoi across the way. I am anxious to see whether he will react to this injustice, in a country where we now have two classes of farmers: those who are compensated to the tune of \$1.6 billion, not taxable, while dairy producers in his own riding will suffer cuts averaging \$4,485 and get absolutely nothing.

Yesterday, he was in Cowansville, the riding of Brome—Missisquoi, to sing the praises of his government's policies. I assume he did not say a word about the unfair treatment of our Quebec farmers as opposed to western farmers.

Mr. Marchand: For shame.

Mr. Chrétien (Frontenac): Yes, for shame, Mr. Speaker.

During his election campaign, he said he would speak out, loud and clear, for Quebec and for the riding of Brome—Missisquoi. However, he has kept a very low profile, not bothering to speak out even once to defend the interests of the farmers in the riding of Brome—Missisquoi, a riding that has so many outstanding farms.

As I said before, not a penny of tax will be collected on those \$1.6 billion. And in addition to the \$1.6 billion, there is another \$300 million, but the government does not even know how it will spend it. Nevertheless, an additional \$300 million has been provided, to be included in the budget over the next five years.

(1210)

Every time we see an example of inequity or injustice, we intend to rise in this House and vigorously condemn the government. And I urge my colleagues from Quebec to avoid a recurrence of what happened last week, when Quebec's entitlement to its fair share of seats in Parliament was attacked and to rise in the House and say no, we will not go below 25 per cent. The hon. member for Brome—Missisquoi rose in the House and

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was applauded by his anglophone colleagues when he joined in the attack on his own Quebec.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am pleased to take part in the debate today. As I commence my remarks, may I add a special word of congratulations to one of our newest colleagues, the hon. member for Brome—Missisquoi. We are particularly delighted to have him here in the House of Commons to speak so clearly for the people of his riding and for les gens du Québec.

The Liberal government has introduced a budget that reflects what Canadians want. We are aware of the current economic realities and we have made choices. They were tough choices. However, the choices not only get government right, they get the economy right.

We stated our promises in the red book and we have acted on them. The economy is growing. New full time jobs are being created and we continue to move forward without compromising our integrity or our history. We simply will not tear apart the social fabric that keeps us together. That being said, it does not mean that the social fabric does not have to fit a bit tighter and a bit smaller than it used to.

Canadians have said they want less government, fewer personal taxes and more fiscal responsibility. This is a check-list. It is a list that we not only read but implemented in our budget.

The budget takes fundamental action across government programs and operations. It implements a comprehensive examination of departmental spending. Our focus will be on what is essential. What government does best it will continue to do. What government does not do best it will see that there is a way in which the private sector can take over. We will continue to utilize our resources in the most effective and efficient manner.

We are not living in the surplus 1960s. For some of us who had our political beliefs and, to some degree, our characters formed in those surplus 1960s, it has been a difficult adjustment, but it is one we have made. We must operate our programs with accountability and with conscience. We simply cannot afford to have overlap and redundancy within government programs.

However, spending cuts will be made with compassion. They will be made protecting the most vulnerable. Fairness will be the hallmark and it will ensure that all regions of Canada, all Canadians, everyone who lives in this, the greatest country on earth, will share the burden.

Canadians said they were over-burdened by taxes and could not afford another increase. The Liberal government listened. There has been no increase in personal income tax. We can understand the financial burden that Canadians are facing because each one of us in this House faces it as well, and we refuse to increase their load.

The budget incorporates some tough choices, but it does not forgo compassion, nor does it lack vision. The Canadian vision will continue to glow with strength, opportunity and prosperity.

Over the past year and a half we have seen the creation of 433,000 full time jobs. We have seen a decrease in the unemployment rate of 1.7 per cent. We have observed the strongest growth rate in six years, at 4.5 per cent.

(1215)

This is only the beginning. It can be seen that the Liberal government has listened to Canadians. We have implemented a budget which reflects the economic realities of our time and also offers hope for a prosperous future. I will mention just some of the things this budget has done.

It has cut business subsidies by 60 per cent. It promised a smaller public service with 45,000 fewer positions. That is something of great concern in my own riding of Halifax which is the third largest public service town in Canada.

There have been major reforms of programs such as agriculture and transport. Programs have been merged, consolidated and commercialized. There is increased cost recovery. Again, this is an area about which I am very concerned, that is, in the department of immigration with the new right of landing fee of \$975 per adult immigrant.

There is the new Canada social transfer to the provinces in 1996-97. Unemployment insurance reform will be in place by July 1, 1996. There is a course charted for public pension system reform to make it fairer and more sustainable in the long term.

Tax fairness as I mentioned before will be improved. There will be tighter rules for tax deferrals, foreign and family trusts and R and D incentives. New measures to ensure the collection of taxes owed is a measure the hon. Minister of National Revenue has already spoken about quite eloquently.

RRSP contribution limits will be reduced. Retiring allowance rollovers are phased out. Overcontribution allowances are cut. There will be higher taxes for corporations and large banks. There will be dramatic cuts in departmental budgets. Some will be halved in a three year period.

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There are \$7 in expenditure reductions for every \$1 in new tax revenues. There will be a three year savings of \$29 billion, \$25.3 billion of these from these expenditure cuts.

It is quite clear the government has followed its promises both in the red book and in the speech from the throne. It is quite clear the Minister of Finance listened, as did his cabinet colleagues. They listened to Canadians and they acted upon the consultations.

It is quite clear the Prime Minister and the Government of Canada stand together in supporting a smaller and more efficient government but also a government that will remain fair, true to its roots and true to its history.

I am delighted that I can stand and say without reservation that I think the majority of Canadians support Bill C-73, an act to provide borrowing authority for the fiscal year beginning April 1, 1995. They know their government is working for Canadians and will continue to do so.

These times are not easy. They are not easy for civil servants. They are not easy for workers across this country. They are not easy even perhaps for members of Parliament. But Canada is a country with a huge and tremendous and glowing future provided that we have good stewardship. It is my belief that this government, this Prime Minister, this Minister of Finance and this cabinet provide this kind of stewardship.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, today I will deal with three aspects of the 1995 Liberal budget and Bill C-76, an act to implement certain provisions of the budget.

First, I will outline the cuts in agriculture spending and make some general comments on the cuts. Second, I will ask some questions on behalf of Canadian farmers about what will follow the WGTA. These questions and many others have been asked over the months since this budget was tabled in the House. Third, I will discuss how the shortcomings in the overall budget might affect farmers and the agri-food industry.

First, how do the cuts in agriculture spending compare to the cuts in other sectors of federal government spending? How do the cuts on payments to farmers compare to cuts in operating costs of the department itself?

(1220)

Farmers have obviously been asked to shoulder an unfair portion of the spending cuts in this budget. I am not saying the cuts should have been the same percentage in all areas of government spending, but by any measure, agriculture was hit disproportionately hard. Had cuts been made in other sectors in a fair way, this would have produced a balanced budget and all the positives that go along with a balanced budget. To illustrate this point, I will give a brief summary of the cuts in agriculture spending.

In the agriculture department overall spending was cut by about 20 per cent. Total funds available for 1994-95 are \$2.1 billion. There was a \$445 million cut in spending in this budget to the agriculture department. These cuts came in safety net funding, subsidies to dairy farmers, research, and user pay fees for inspections and those types of things. As well, there were some cuts in the department itself.

There are also cuts in agriculture from the transport department. The Crow rate, \$560 million a year, was the largest single cut to farmers and is effective July 31, 1995. The Atlantic Feed Freight Assistance Act and the Maritime Freight Rates Act will be eliminated by July 31, 1995. The cost for this subsidy was \$99 million a year.

To summarize, the total cuts in agriculture spending from the transport department are approximately \$660 million a year by the end of the third year. Total cuts to agriculture spending from the agriculture department itself are \$445 million per year. Total cuts to agriculture spending in this year's budget are approximately \$1.1 billion. By any measure, this is disproportionately weighted toward agriculture.

When the cuts in agriculture spending from transport and the agriculture department are combined, the reduced spending to farmers is 40 per cent in this budget. There is almost 50 per cent in cuts in payments when payments to the railways and direct payments to farmers are included.

How do the cuts to farmers outlined in this budget compare to the cuts in the operations of the agriculture department? The cuts in the agriculture department were 20 per cent compared to almost 50 per cent in cuts in the direct payments to farmers and the railways on the farmers' behalf. There is no balance when comparing those cuts.

I am not saying these cuts should not have been made. Rather, there should have been more balance across all sectors of government spending when compared to spending on the operations of the department itself. Later I will talk about the negative effects of the government not going far enough in this budget.

Farmers also needed a transition time to adjust to these cuts. For example, Reform proposed a trade distortion adjustment program nearly five years ago. This would have provided a gradual phase out of the WGTA benefit, putting the payment immediately to farmers so they could provide for the loss in the WGTA payment as was needed. It would have also provided for a fund to compensate farmers against unfair trade practices in other countries.

This transition time was desperately needed by farmers so farmers would have time to make the necessary changes in order to recoup the losses suffered as a result of this budget. Not only is there no transition time, but there are not enough substantial changes to allow farmers and agribusiness to become more efficient.

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Some changes were made but they did not go far enough. For example, in branch line abandonment, the reductions that will be allowed are limited and uncertain. In car allocation, the method used will be based on historic allocation. That does not provide well for the changes which are needed to make this system more efficient. The Canadian Wheat Board will still be a government controlled body instead of a farmer controlled body which is what it should be and what farmers want it to be.

(1225)

Payouts will be made to farmers under this budget. First, in regard to the WGTA there will be a \$1.6 billion compensation package. The stated intent is to compensate farmers for a loss in land value which will result from the loss of this \$560 million a year subsidy. When we examine this it allows for about a one and a half to a two year transition time for grain farmers. It is too short a transition time. There would also be a \$300 million transition fund but we do not know where it will be spent and how it will be used. There is too much uncertainty.

In feed freight assistance the payment is eliminated entirely but there will be a \$326 million transportation adjustment program. Again, it will be paid out over five years. The detail beyond that does not exist. The uncertainty is unacceptable.

Governments have talked a lot about trying to help stabilize the agriculture industry. It seems to me that they have caused a lot of uncertainty and instability. That is certainly the case with this budget. More questions have been left unanswered than have been answered.

I want to ask some of the questions which have been asked of me by western Canadian farmers over the past month. They concern the loss of the Crow benefit payment and how the payment will be made. Other questions concern the compensation and transition packages.

The stated purpose of the \$1.6 billion WGTA payout is to compensate farmers for a loss in land value resulting from a loss of this benefit. If this is the intent, then why would the payment not be made on all farmland? If grain land loses its value, then would not other land lose its value as well?

Why did the minister call on owners and lenders to pass the payment on to renters and lessees? This seems inconsistent with the government's stated intent which was to compensate for the reduced land value. If the real intent on the other hand is to provide transition funding to grain farmers, then why is this not acknowledged and why is the payment not structured accordingly?

There is a second area of questions I will ask on behalf of farmers. Does the minister have any advice for renters or those leasing land and who are part way through a lease or rental

agreement right now? These farmers will be caught paying up to \$35 an acre more in freight costs for crops they will be seeding over the next two months. Because of crop rotations and herbicide planning, it will be difficult to make the appropriate adjustments in crop seeding to help reduce the added costs by changing to higher value, lower volume crops or indeed moving more into livestock and growing feed or providing pasture for livestock.

Does the minister feel it is reasonable to make a policy change which will have the magnitude of impact with virtually no transition time and no transition funding? That is the case for lessees and land renters. I am sure there are thousands of farmers renting land, and many in the minister's own riding I would suggest, who are looking for advice on how to deal with this unanticipated extra cost. I doubt very much they will be looking to the minister for this advice.

The third area of questions farmers have asked over the past month since the budget and indeed before it also has to do with the WGTA and the loss of that benefit. I have several questions to ask on behalf of western grain farmers regarding how the payment will be calculated and when the payment or payments will be made.

The budget implementation bill does state that payment will be based on 1994 acres seeded to grains and an adjustment will reflect historic productivity. This leaves many questions unanswered.

(1230)

For example, how will historic productivity be determined? If the payment is based on 1994 grain acres, those who have been moving acres from forage to grain land in a rotation may be completely missed in terms of a payout. People who read the market signals and who made the appropriate moves could be completely missed by this payment through no fault of their own. The last question is when will farmers receive their payment or payments?

Another area is what measures will be taken to allow the system to become more efficient and to give farmers more flexibility in marketing. I have seen very little evidence this exists.

The Liberal government by not going far enough in the budget will make life for Canadian farmers very difficult. Cuts in agriculture are not matched in any way by cuts in other areas of federal spending. As well, changes which would allow farmers to make up for some of the losses in payments from government, or which would allow farmers to cut costs, are inadequate. Changes that would allow farmers more direct access to markets are non-existent.

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The inadequacies in the budget will make the next few years very difficult for farmers. However, there is another overriding factor which if not dealt with quickly will make the future most difficult for farmers, other business people and all Canadians. This overriding factor is the continual increase in interest payments on the debt. Interest payments on the debt have increased from \$39 billion a year, when the government took office, to \$51 billion with the finance minister's own figures, an unacceptable increase in levels.

What this will mean to farmers is more cutbacks next year and beyond, higher than necessary interest rates, little hope of reducing input costs to help compensate for increased freight costs, losses in government payments and more uncertainty regarding the future of social programs. Farmers will face these extra costs and difficulties because the budget does not set a definite date for eliminating the deficit.

I have provided a summary of the cuts in agriculture. I have asked some of the yet unanswered questions regarding the WGTA payout. I have outlined the major, overriding factor, interest payments on the debt, which threatens farmers in so many ways.

Farmers need some answers in order to provide certainty in their lives. I am asking the government to give some answers which will allow certainty to replace the instability and uncertainty farmers will feel and have felt as a result of the budget.

[*Translation*]

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, this budget was tough, but fair.

[*English*]

Most commentators have indicated that is what the last budget was all about, tough but fair. That is quite a feat when one looks at the country, the extent of the various groups represented. Provinces and the territories believe it has been fair to them overall. The regions are reacting positively in the sense that no region seems to have suffered more than others. Men and women are feeling as if neither one of the two groups has been disadvantaged over the other. There is some sensitivity to those who are both younger and older. There is as well a response in terms of reductions to Canadians at various levels of remuneration.

I am proud that the Liberal Party has never claimed perfection. It wanted a good budget, if possible a very good budget. That is exactly what was accomplished.

(1235)

To be fair, opposition parties have done what they do best, criticize the budget. That is their role and I respect that role as I believe we all do. However, it would have been quite novel if

they had not only criticized but made specific suggestions as to how it could have been improved. There is one exception, which I will speak to in some detail, where the Reform Party put forward a budget. I will share with my colleagues and with Canadians what kind of response it was.

One of the unfortunate realities about budgets and reductions is one cannot reduce or change without affecting people, unfortunately sometimes negatively. We have in the budget attempted to minimize the discomfort, the hurt and the negative impact. I will give a couple of examples with respect to the civil service. There are going to be massive reductions as a result of an analysis of those things the government feels it ought to continue to do to remove the duplication. There will be programs eliminated, some reduced, and some jobs will be lost.

However, if one looks at the early retirement incentive, the early departure incentive, and the other initiatives undertaken by government to attempt to cushion the departures of those particular civil servants, one gets a good sense of how concerned we are to be fair and responsible.

In spite of any number of programs, it is quite clear it does not remove the hurt or the disappointment. That is unfortunate but it is reality. To think one can come forward with a budget that somehow would undertake some significant changes and yet not have any impact whatsoever less than positive would be dreaming in technicolour.

In a recent poll 73 per cent of Reform Party supporters thought the Liberal budget was a move in the right direction. This is really astonishing.

[*Translation*]

Can you imagine, Mr. Speaker, that 73 per cent of supporters of the Reform Party, which had wanted to go much, much farther than the government, nevertheless felt that the budget was a move in the right direction?

[*English*]

The budget is a result in large part of an analysis of the programs government was involved in and decisions made to either remove those programs or reduce them substantially because we recognize there was significant duplication.

[*Translation*]

My colleagues in the Bloc Québécois make frequent reference to overlap and duplication. This budget represents an extraordinary effort to eliminate much of it.

[*English*]

Hundreds of appointments have been reduced as a result of this. We have talked about the reduction to the civil service which is important and extremely difficult. There have been many other reductions and cuts.

Rather than applaud the budget—as a member of the government I would be expected to be supportive—I want to share some of the things said by third parties, people who are not part of the government.

Jayson Myers of the Canadian Manufacturers' Association said he was impressed and applauds the minister for what he has done. Ghislain Dufour, Conseil du patronat, said it is a good budget. Peter Wolford, Retail Council of Canada, said it is a good budget on several fronts. Sherry Cooper, economist with Burns Fry, said it is a terrific budget, there is no smoke and mirrors.

Stephen Von Houten, Canadian Manufacturers' Association, said it is really the first serious attempt at deficit reduction we have seen in this country in a long time. "He has more than met, if not exceeded, the market's expectations", said another observer, a person not part of the government.

[Translation]

I could go on quoting. I will, however, add only two or three more so that the people listening will get an idea of the breadth of the budget's acceptance.

(1240)

For example, "Serious action was necessary and, remarkably, the government took it. After years of tinkering, making minor adjustments, and across-the-board cuts, the federal government finally had the political courage to tackle the problem in a direct way", Peter Boswell, columnist and political science professor at Memorial University.

"In attacking the deficit by reducing spending, one must take care to take aim only at waste and not at productive government expenditures. Well-targeted cuts, like those in the budget, will not put a brake on growth", editorial comment, *La Presse*.

I conclude with this quote: "While the opposition parties twist and turn in the wind, Mr. Chrétien quietly and effectively stays the course—the most popular prime minister in many a year, at a time when public mistrust of politicians is epidemic".

So many people have expressed their support for the budget. So many people have said that, for the first time, the budget was heading in the right direction. As I said earlier, this is not a perfect budget. There is no perfection in this world. This is, however, a budget that is moving in the right direction and one that has been accepted by the vast majority of Canadians in the provinces, the territories and the regions.

[English]

This is the first time since there have been these kinds of statistics that there are more people in favour of the budget, who see it as a positive measure, than there are against. That is quite an accomplishment.

Government Orders

Subsequent to the budget the Liberals increased their popularity with Canadians to 60 per cent from 55 per cent, while all other political parties decreased in popularity, with the exception of one which increased by 1 per cent.

The Reform Party put out a budget. If one looks at media quotations on that budget, they show quite a contrast. I will not have time to read them all, which disappoints me because some of them are very good.

Shane McCune of the Vancouver *Province* wrote on February 22, 1995: "A 57-page document from the Grumpy and Dopey school of finance—comic in its stupidity and tragic in its meanness". "The proposals are very simplistic and little more than playing with arithmetic," said John Bulloch, president of the Canadian Federation of Independent Business. He criticized Reform's detailed plans, particularly its proposal to cut \$3.4 billion from UI.

Professor John Loxley said: "The Reform Party's economic analysis is horrendous and completely ignores basic principles of budgeting". An editorial in the Vancouver *Province* reads: "It's also vague on details and big on assumptions where it suits Reform. Unfortunately that's the whole problem with the document. It suits Reform, but how about Canada?"

"It would be nice if we could cite just one way in which Reform is helping the country or itself by producing such an incomplete and controversial alternate budget at this time. Alas, we draw blanks", wrote Stewart MacLeod of the *Guardian*. An editorial in the Vancouver *Sun* reads: "Reform's vision represents return to the law of the jungle where it's everyone for himself or herself and the devil take the hindmost".

The Montreal *Gazette*: "In his zeal to drive a stake through the deficit's heart, leader Preston Manning just may take the country with it. He's taking the easy way out, the lion's share of the cuts as aimed at those who can't fight back". A further quote reads: "Empowerment seems to be a word for whatever a Reform government wants to impose on a group of citizens. Seniors, for example, are to be empowered by reducing pensions".

[Translation]

Mr. Speaker, I conclude my remarks by further stressing that, while the budget is clearly not perfect, it is moving in the right direction.

[English]

We are already starting to build next year's budget and I invite all of my colleagues to pitch in and make it an even better budget.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, if the budget is really heading in the right direction as my colleague

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across the way claims, ordinary people have every reason to be very worried, because in reality this budget is two-faced. And when I use this expression, I mean it in the usual sense.

This budget says two different things, depending on the people or groups involved: Quebecers or the rest of Canada.

(1245)

The government said that the budget promotes flexibility and would satisfy Quebec's desire for decentralization.

However, in some cases, why were the people who had believed the promises of flexibility and decentralization so surprised by Bill C-76, which was supposed to make it possible to implement the promises made in the budget? I will read to you clause 48, which amends what is referred to in my version, the first version of the bill, as the *Canada Health and Social Transfer*. I will allow myself to dwell on this *Canada* transfer for a long time.

So, clause 48 says the following:

13. (1) Subject to this Part, a Canada Health and Social Transfer may be provided to a province for a fiscal year for the purposes of (a) establishing interim arrangements to finance social programs in a manner that will increase provincial flexibility;

This pertains mostly to Quebec.

(b) maintaining the national criteria and conditions in the Canada Health Act—

At this point, the five conditions contained in the Canada Health Act are listed. But, surprisingly, they added extra-billing and user charges, which are mentioned almost as principles.

Then, they add the following, which is the most important and the most surprising to those who were naive enough to believe the ministers who promised that this was going to be a flexible budget:

—maintaining national standards, where appropriate, in the operation of other social programs.

This sentence can be taken in no other way than as an announcement of the federal government's intention not to give greater flexibility or more room to manoeuvre to the provinces regarding the organization of their social programs. The only way to read this sentence is that the federal government intends to become more involved in the development of national standards.

Therefore, on the one hand, they talk about flexibility, but, on the other, we see the truth. The truth is that this is the beginning of a push to centralize more. But, of course, a subclause does stipulate that the Minister of Human Resources Development must meet with his provincial counterparts to seek and secure mutual consent. Nowhere does this subclause state that mutual consent will become par for the course, and what is more, there is nothing guaranteeing, on the contrary, that if no agreement is

reached—and the agreement is contingent on the central government in the first place—the government will not impose its own vision for social programs.

This is very serious because, contrary to what the party opposite would have us believe, the budget is not balanced. It contains some less-than-straightforward cuts. Where it hits hard, where they say it will hit hard is among ordinary people. It does this in two ways, by the savings that the federal government will make until 1997-98.

(1250)

As for the cuts to the central government's cash payments to the provinces, which are calculated according to formulas I will not get into but which are supposed to take each province's respective wealth into consideration, they should save the central government \$12.3 billion over three years.

Although lower figures of \$2.5 billion and \$4.5 billion have been quoted, all transfers should be taken into account. These transfers would have taken place but the cuts, the provinces' shortfall and the central government's savings are all new. The new policy calls for slashing social programs like health care, education and social assistance in order to save \$12.3 billion over three years by asking the provinces to decide where to cut.

The central government claims that it is flexible. Nothing could be further from the truth. Nothing better illustrates the meaning of the expression "two-faced". In fact, the central government imposes standards for social assistance. It is removing a number of them but still leaving some. It is toughening health standards and reserves the right to impose additional standards, while forcing savage cuts on the provinces and the most disadvantaged, who are more likely to need these services.

This is a two-faced budget because it does not seem to tackle anything this year whereas next year and especially the year after, there will be, there will have to be drastic cuts to health care, education and social assistance. In two of these three areas, the government is reserving the right to cut transfers if it feels that the provinces are not abiding by national standards. Far from improving access, far from decentralizing, the government is centralizing powers.

What is worse is that, on the one hand, the government is forcing the provinces to cut while, on the other hand, it is using unemployment insurance as a cash cow in order to cushion itself against the next recession, while the provinces will have to bear the brunt of welfare cost increases that will continue to occur as they did during the recent recessions. The government is cushioning itself by transferring more and more costs to the provinces, thus bleeding them dry and putting itself in a position to make them a generous offer to intervene directly in areas of provincial jurisdiction. It is already making such an-

nouncements with respect to the long-term unemployed and child poverty.

Who can be against helping the long-term unemployed and poor children? You understand what is happening. Yes, it is a reform of federalism, which had been supporting provincial programs since 1960. They are reducing funds to the provinces, starving them. Instead, with the cushion provided by UI premiums, they will offer the services directly from Ottawa.

The Minister of Human Resources Development and the Prime Minister had both promised us that reforms would be carried out. Reforms are indeed under way but they are unconstitutional, they are grave and they will become even radical in the years to come.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it gives me pleasure to speak on Bill C-76, an act to implement certain provisions of the budget tabled on February 27, 1995, and specifically the Bloc amendment thereto.

The 1995 budget was one of the most important in the history of Canada. It was a budget of fundamental reform and national renewal.

(1255)

On October 18, 1994 the Minister of Finance addressed the finance committee and indeed all Canadians. I would like to quote the finance minister. At that meeting he stated: "We came into government to help build a better Canada, a Canada of jobs and growth. That is our only goal and it is because of that that we must act decisively on the debt challenge today. We must not waste this recovery."

That commitment continues to be met by this budget and it is reflected in the confidence level of the financial markets, of the business community, and indeed of the Canadian people.

The budget incorporated numerous provisions for all sectors. The deficit targets have been met using prudent economic assumptions. The total savings from the budget actions of \$29 billion over three years are the largest set of actions since the demobilization of the second world war. The deficit was planned to be cut to 3 per cent of GDP or about \$24.3 billion in the 1996-97 year. If the private sector economic forecasts are right, the deficit will likely be lower.

New borrowing from financial markets is down to \$13.7 billion in the 1996-97 year or 1.7 per cent of GDP, less than projected for the national government of any other G-7 country. Debt to GDP begins to decline in 1996-97 as the debt grows more slowly than the economy.

The deficit reduction was largely due to expenditure cuts. The budget delivers \$25.3 billion of cumulative spending cuts over three years, with \$16.9 billion from the top to bottom program

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review. Almost \$7 in expenditure reductions were made for every \$1 of new tax revenue over the next three years. As all Canadians know, there is no increase in personal income taxes.

Program spending will decline from \$120 billion in 1993-94 to \$107.9 billion in 1996-97. This is the lowest program spending in relation to the size of the economy since 1951.

There has also been a dramatic reduction in departmental budgets. Several have been halved over the three years. As all Canadians know, 45,000 public service positions were cut as part of the budget.

In addition, there were structural changes to ensure that we have continued savings. There is a fundamental change in the structure of program spending, which will keep the deficit on a downward track. Major cuts in business subsidies were made. They are down by 60 per cent from \$3.8 billion in 1994-95 to \$1.5 billion in the 1997-98 year. Many programs have been consolidated, merged or commercialized.

The new Canada social transfer to the provinces in 1996-97 has been created to provide more flexible, sustainable block funding. Unemployment insurance reform is intended to be in place by July 1, 1996. A course has been charted for the reform of our public pension system to make it fairer and more sustainable in the long term.

The burden of the restraint must be shared equitably among all Canadians. Impact of budget actions have been equitably distributed across Canada. For instance, the transfers to the provinces declined 4.4 per cent from 1994-95 to the 1996-97 year compared with a 7.3 per cent cut in other federal programs. It demonstrates that the provinces have been asked to contribute far less than the federal government.

The increased cost recovery in other fees, such as the \$975 immigration fee per adult immigrant, also recognizes that social programs must seek to provide self-funding to the greatest extent possible. There have also been new measures to ensure the collection of taxes owed. Tax fairness has been improved with tighter rules for tax deferrals on foreign and family trusts, R and D incentives, and RRSPs. There are also higher taxes for corporations and large banks and, as we know, a small excise tax increase of 1.5 cents per litre to help reduce the deficit.

One of the specific provisions within the budget that is of particular interest to me is the provision that deals with the tax deferral of unincorporated businesses and self-employed businesses. Businesses that are self-employed or unincorporated have the opportunity under the tax act to choose a year end that suits their needs. It does not necessarily have to coincide with the calendar year. That was brought in initially to provide businesses with the opportunity to have the cash flow they would need in those start-up periods so they could continue to establish the business.

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(1300)

The tax deferral of those deferred months is a permanent deferral. Take for example a business that has a year end of January 31. It means that the income from the past 12 months ending January 31, 1995 would not be reported until his or her personal income tax return was filed in 1996, which would not be until April of that year at the latest. Theoretically businesses would have a permanent deferral of up to 11 months. The budget changed the law so that after 1994 all businesses will have to declare income on a calendar year basis.

We understand the treatment involves a catch up of the deferral of reporting that income. To provide the transition period available, the budget proposes that the recouping of those taxes will take place over 10 years, 5 per cent in year one, 10 per cent in years two to nine and the balance of 15 per cent in the 10th year.

In addition, the government has extended the filing date for the tax returns of these taxpayers until June 15, although the taxes otherwise owing have to still be paid by April 30.

Most parliamentarians have made very clear their views on the budget. The most important aspect of the budget reaction is how Canadians feel about it. I would like to very briefly read some of the figures from the latest Angus Reid poll on the budget. First, more than two-thirds or 69 per cent of Canadians surveyed said they believed that the federal government is on the right track with the overall approach they have taken in the budget.

A majority of respondents from all major socio-demographic segments of the population endorse the overall direction of the budget. A clear majority of Canadians in every region support it.

A majority of Canadians, some 57 per cent, say that the budget is better than most federal budgets in the past decade or so. Fifty-six per cent of Canadians also say that they are more confident in the federal government's ability to manage the economy as a result of the budget.

I could go on but I think it is clear to say at this point that Canadians are happy with the work we have done. The biggest debate that has been going on has to do with the size of the debt. There is no question the government is committed to eliminating the deficit and to start paying down our debt. At \$550 billion, it represents a substantial expenditure to service that debt.

Canadians, I know, are aware that the government is committed not only to hitting a target of 3 per cent of GDP for the deficit by the end of the third year but to getting it as low as possible as quickly as possible, but in a fair and compassionate manner.

The renewal of Canada's fiscal health must include compassion. That is a very important issue. Canadians must be consulted on the kind of Canada we want. Those who rely continually on government must be weaned off their dependency for social handouts.

The government can no longer afford to subsidize the payrolls of businesses through UI. The system must be restructured to a bona fide system of insurance. Also the government can no longer afford to sustain the same level of social spending. Seventy-five per cent of the people on welfare are employable. We must pursue every opportunity to promote job creation and training for Canadians so they can have meaningful employment.

The Canadian people spoke up very clearly on how they felt about increased taxes and the minister responded in the budget. The job of restoring the fiscal and social well-being of Canada has begun. We have work to do on behalf of all Canadians. It must be done in a fair and compassionate manner.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is a pleasure to speak to Bill C-76 and the budget.

A saying that comes to mind is that great parties must be ready not only to take advantage of opportunities but to make them. In the case of the Liberal government, we have in dealing with the budget a party that is taking advantage of an opportunity where it can. The advantage it is taking is that for so long, taxpayers have been crying out for governments to balance their books. They knew full well that had to be done. This is not some kind of brilliant idea the Liberals have to balance the budget or to cut costs. It is actually something that has been forced on them.

(1305)

How did they take advantage of the opportunities that have been presented to them? How did they make opportunity? For instance, I did not see some form of taxpayer protection act, as the Reform Party put forward. I did not see an indication in the budget for legislation that would guarantee balanced budgets. Those are what one makes out of a budget exercise. Those are the opportunities one makes. All they did was react to some extent to public opinion. That is unfortunate because they did not act far enough.

Some of the comments made here today were: "We did what is best. We reflect what Canadians want. We clearly have the majority of support from Canadians". I often wonder where those general sweeping statements come from because in my riding that is just not the case. By and large, the people I talk to—I try to talk to as many as I can—are basically saying the Liberals wimped out in the end.

They went for 3 per cent of gross domestic product. In three years they will overspend by approximately \$25 billion a year. Over the life of this Parliament they will accumulate debt in the

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amount of one hundred thousand million dollars or better. I hardly think that is anything about which to be standing up in the House claiming to have come up with some wonderful ideas.

Nowhere have I heard of the impact on the young people that are depending on us to balance the books. We keep getting this rhetoric: "Look what we have done. Look how tough we have been". That is not the case.

I work very closely with what we call an advisory group in my community. The 11 people in that group are geographically selected. I sit with them on Saturdays once a month. They provide input from their selective geographic area as well from people they deal with on a business basis. We went through the budget. Not surprisingly, it came out quite similar to many things being said about some things that should be cut.

I want to give the House an idea of what the people in the advisory group had been talking about. They said there should be selective cuts to old age security. Some of these people are seniors themselves. They suggested there should be selective cuts to unemployment insurance, no cuts to veterans' allowances and pensions. There should be selective cuts to universities and colleges, major cuts to CAP—the transfers for welfare payments—major cuts to health and reductions in transfers to have-not provinces.

This is not a group of Reformers but people trying to balance the budget as best they can. Recognizing that the social system has to stay in place, what better way than by balancing the budget first? After all, the larger the debt gets, the more interest payments we have to make and the less operating funds we have to pay toward programs. That makes so much common sense.

Every time we make a speech we should not have to repeat and repeat it. The government knows what it has to do. What it is trying to do is put enough rhetoric forward with the hope the Canadian people are going to buy what it is saying. Just wait until Moody's has a really good look at what is going on and our bond rating starts going downward. It will be asking about the taxpayers' budget the Reform Party put forward. It is only a matter of time.

(1310)

When I talked to the advisory group in my community its members gave me some suggestions to bring to the House. I want to express them today. These are some of the comments from these folks. "It hurts less to cut with a sharp knife than a dull one". These comments are unsolicited. They are telling the government to get it over with. Balance the budget and get on with the economic and social life that we have planned for our young people and our seniors. We cannot keep going ahead with this umbrella of debt sitting over us in deficits and unbalanced budgets.

They also suggest that we should run government like a business and not a charity. Can anyone imagine talking to the Liberal government about running government like a business and not a charity? That is a strange kind of terminology in 1995, for the Liberals that is.

It was suggested that we run Canada like a household. They have to live within their means. They just cannot go to the bank and borrow and borrow past the ability to pay out of the incomes that are brought into that household. They do not understand how the government can say: "We are doing such a good job because in three years we are only going to overspend by \$25 billion". They do not understand that.

To stand here today and say the budget reflects what Canadians want is hogwash. Because the government was elected as a majority government, Liberals should not misunderstand the fact that Canadians wanted to throw out the Conservatives, not necessarily elect the Liberals. Everything the government does here should not be construed by government members as being politically and morally right on behalf of the majority of Canadians. If the government makes that assumption, it will be joining the other party from Jurassic Park.

Canadians have been making more comments. "Continued deficits do not resolve the problem. There is \$150 million going to countries heavily in debt. What is Canada?" They do not understand why that is being done. If we seriously look at all the cuts and reductions in expenditures, how come that is still there? They do not understand that if a budget is so tough and strong, why was an increase given to the department of Indian affairs? Why is there such a pot of dollars that nobody is sure where the money is going? All they are asking for is a little accountability. Rather than accounting for the money in that department's budget, more is added to it. One only has to look at the Auditor General's report to see that there is something desperately wrong in that department.

I remember the first several months we sat in the House the Minister of Indian Affairs and Northern Development said: "We are going to do away with the department". What happens in 1995? Money is added to it. Someone can stand in the House and say: "We are only reflecting what Canadians want". Go across the country and ask Canadians if they want more money put into the Department of Indian Affairs and Northern Development. You will get an answer.

Some other comments were made by these folks: "Let people look after themselves and not government". We only have to look as far as the regional development programs to see what they are talking about. It does not take much to see what is wrong with the Atlantic Canada Opportunities Agency. It has been giving grants, both by Liberals and Conservatives, to virtually everybody to buy votes.

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We convinced the minister in charge of ACOA to drop the granting process within ACOA. What does he do? He said: "We are going to give loans and ask that they be paid back". Last year alone the government wrote off \$50 million in loans. What is the difference between \$50 million on loans that are written off and a grant?

(1315)

Ms. Meredith: It looks better in the books.

Mr. Randy White (Fraser Valley West, Ref.): Yes. My colleague says it looks better in the books, and that is exactly what it is. That is a snow job just like a whole bunch of other things in this budget. However, it is going to come back to haunt you.

I have one minute, Mr. Speaker? It is funny how time flies when you are having fun.

Let me give some other suggestions. They say we have to look after our young people, keep them in mind, because there will be no assets left for them. They talk about 3 per cent of GDP. It is like shooting at the outside rings of a dart board. These are comments from average, everyday, law-abiding, good Canadian citizens. Yet we have the audacity to stand in this House and say this is what the majority of Canadians want.

Finally, there are two other comments they made. Lobby groups do not want cuts. Some social programs are the right of the privileged. We should look at that. Another comment is that potential is being squashed in the country.

If we cannot listen to each other in the House and we are going to listen to all this rhetoric, maybe all members should end up with an advisory group and take their advice. It seems a heck of a lot more sound than what I have been listening to here.

[*Translation*]

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I am very happy to be able to take part in the debate on my government's budget. I will start, perhaps, by giving an overview and talking about the budget's objectives and highlights.

This budget does what is necessary to bring the deficit under control. These are the strongest fiscal measures adopted by the federal government in 50 years. This budget guarantees that we will bring the deficit down to 3 per cent of the gross national product by 1996–1997. It enables us to meet our deficit reduction objective, without increasing personal income taxes. For the second year in a row, the government has refused to lower the deficit on the backs of taxpayers.

The program review introduced in this budget redefines the role of government, with the result that the departments will concentrate their efforts on the priorities of Canadians.

[*English*]

After the broadest prebudget consultation process in this country, both the financial markets and Canadians alike have told us that they want first and foremost for us to cut the deficit and to put our financial house in order.

As the finance minister said himself: "Come hell or high water, we will meet our 3 per cent of deficit reduction by 1996–97". However, there are ways to do that. We could have used the Gingrich–Manning approach, the slash and burn approach, and cut everything by 15 per cent to 20 per cent. However, this is the wrong way. We have to do it in a fair manner, taking care of the poor, the handicapped and the senior citizens in our society. I do not think it is appropriate to cut 20 per cent of something that is good and keep 100 per cent of something that is bad.

The new philosophy of this party is that if the government does not have to do it, we will not do it; we will give it to private enterprise.

Most Canadians approve of this budget. There are very few people who complain about this budget. Of course, there are those who want to destroy this country; they will not approve something as good as this budget.

Unfortunately, the premier of Ontario, Bob Rae, along with his strategists, had to go back to the drawing board. He was counting on us to bring in a bad budget. He was counting on this to start his provincial campaign. I have news for Mr. Rae. He can call an election and campaign against the federal budget. He will meet Brian Mulroney and his party, because in Ontario we can take a lesson. I think the Ontario NDP government can take a lesson from what we have done here at the federal level in terms of deficit control.

(1320)

This budget is necessary medicine for difficult economic times. It is the strongest fiscal action by any federal government in 50 years. It will result in a total savings of \$29 billion over three years; \$25.3 billion will be saved by expenditure cuts. The Minister of Finance is sending a strong message to international markets that Canada is serious about deficit reduction. Cuts to government departments account for half of the fiscal saving in this budget. Departmental spending will be cut by \$3.9 billion in 1995–96, \$5.9 billion in 1996–97, and \$7.2 billion in 1997–98. For every dollar in increased revenue there will be \$7 in expenditure reductions. That is what Canadians told us they wanted and that is what we did.

[*Translation*]

I would also like to speak about the impact of the budget in my northern Ontario riding.

[*English*]

There can be no mistake that this budget was tough on northern Ontario, as there were no incentives for natural resources and about 80 per cent of the economy of northern Ontario depends on natural resources. We knew this was to be a

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tough budget, but we in northern Ontario were prepared to accept that. We know that we have to share the burden of taxes and deficit reduction.

Let us look, for instance, at the natural resources department. It suffered one of the largest cuts of all departments, close to 50 per cent. The new role of the department will be to focus on the sustainable development of natural resources, the revitalization of the natural resources sector, national and international leadership, knowledge of the land mass and natural resources, and health, safety and resource related environmental concerns. It will maintain a presence in areas of federal responsibility such as international trade and science and technology.

Due to the current financial situation, the government did not renew both the mineral development agreements, the so-called MDAs, and the forestry development agreements, the FRDAs, which were cancelled by the last Tory budget in 1993. We said in the red book that we would review those programs and we did. We would have liked to have kept those programs for northern Ontario and other parts of rural Canada, but we had to cancel them because of the fiscal reality in the country.

However, the government responded in other ways. It responded by taking action in eliminating unnecessary regulatory barriers to mineral development. This was a key priority identified by the mining industry.

The finance minister also told northern Ontario Liberal MPs that after the budget was presented he would be willing to look at alternative measures and incentives for the mining industry.

There is a campaign called "Keep Mining in Canada". It is a broad based organization of industries from across the country. That organization gave the budget an A-plus on the deficit reduction side. However, it would have liked to have seen tax based incentives for the mining industry. I have been pushing for that for the last year. I am a little disappointed they were not in the budget; however, I understand that the main thrust of the budget was deficit reduction. I also understand that the finance minister could not on the one hand, cut one sector, like agriculture, and on the other hand, give more incentives to another sector.

On the agricultural side, there are quite a few dairy producers in my riding. Only a few years ago Canadian farmers were caught in an international trade war that drove down crop prices and farmers' incomes. With many disputes settled, agricultural producers now receive more than a third of their income from the market. Our government will introduce a national whole farm stabilization program, along with crop insurance, instead of basing programs on individual agricultural commodities.

In 1997-98 \$600 million a year from the federal government, in addition to \$400 million a year from the provinces, will go

into this program. This is after a reduction of 30 per cent, with a total savings of \$250 million.

(1325)

The greatest impact on farmers in Timiskaming—French River is the reduction of the dairy subsidy, which is 30 per cent over a two-year period. It is believed that this reduction may be made up in part by the cost of producing a pricing formula that ensures a fair payment to producers.

The elimination of the western grain transportation subsidies will save the government about \$5 million annually. This will open the western economy to diversification and innovation and meet GATT requirements.

Since I only have two minutes, Mr. Speaker, I will address the regional development programs. There was a reduction of over \$560 million by Industry Canada to ACOA, FORD-Q and western diversification. That is a reduction of about 49 per cent across the board. Fortunately for northern Ontario we have a program called FEDNOR. We were getting approximately a 1 per cent share per capita compared to other programs in Canada. True, with strong lobbying by northern Ontario MPs this program was not reduced but increased by \$18 million. For that I have to thank the finance minister, who finally recognized that northern Ontario was not getting its fair share of regional development moneys.

It demonstrates that the Minister of Industry has listened to the concerns of the northern Ontario caucus and has recognized that northern Ontario was not getting its fair share of regional development funding and has acted decisively to correct this inequity.

Increases to FEDNOR will total \$63.7 million over the next three years. The breakdown in funding is as follows: in 1995-96, \$6.2 million to \$23.3 million; for 1996-97 it will be up to \$20.4 million; and in 1997-98 it will be up to \$20 million again.

In closing I approve of my government's initiative to make this regional development money available on a repayable loan basis. I can say that the business people who are going to profit from these programs in my riding are also in agreement.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I am pleased to participate in this debate on the budget before us on behalf of my party. There are many ways of looking at a budget. One can theorize and get into a macroeconomic analysis of the budget.

Personally, since the closure of the military college in Saint-Jean was announced in last year's budget, I tend to look for direct impacts on my riding. First, I look at the budget as a whole and what impact it will have on Quebec, and then I look at its

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real and potential impact on my riding. Today, my remarks will focus on agricultural considerations affecting my riding.

While Saint-Jean is a semi-rural riding situated very close to Montreal, it has many farms and dairy farms in particular. From what I can see, these farmers will be hard hit by this budget which has been before us for some time now. I will try to show you how it will affect the farmers in my riding.

Overall, the budget for agriculture will be reduced from \$2.1 billion to \$1.7 billion, a 19 per cent cut, and 18 per cent of this cut is in personnel, which means the salaries often already allocated to researchers, because there are several agricultural research stations, including one in Saint-Jean, that I will talk about later. If we look at the budget as a whole, I think it is important to know just what percentage is involved. Overall, there is a 19 per cent cut to the Department of Agriculture, 18 per cent in personnel.

Now, let us look at the impact of this budget on Quebec. In this area as in every federal area of activity, Quebec foots about 24 per cent of the bill, while farming in Quebec accounts for about 17 per cent of all farming in Canada, but we get back only 13 per cent.

So, for the sake of equity, it would have been great to say: if there are cuts to be made in agriculture this year, perhaps we should make an effort to spare Quebec. Perhaps some cuts could be made in Quebec but not as much as everywhere else. The actual percentage was higher than the 19 per cent figure mentioned earlier.

(1330)

I will tell you about the cuts affecting the Saint-Jean research station, and you will see that these are significantly higher than the 19 per cent figure for the rest of Canada. I mentioned the percentages for Quebec as a whole.

The budget also proposes to close the L'Assomption research station, which specializes in ornamental plants. It may be that the private sector can take over this activity. That research station was financed out of the budget of the Saint-Jean station. Indeed, although the two facilities were in different ridings, their budgets were centralized.

Quebec will also lose the La Pocatière centre. The consequences of that closure were explained by the hon. member for Kamouraska—Rivière-du-Loup. I will get back to this particular case later on. A number of documents which I have here list the various research stations, and the reasons for closing them. In the case of the La Pocatière station, the reasons mentioned are highly questionable.

Let us now take a look at the impact of these measures in my riding. The budget for the Saint-Jean centre is reduced by 32 per

cent, going from \$5.6 million down to \$3.8 million. As I mentioned earlier, the overall cut is 19 per cent. So, after the military college, the residents of Saint-Jean are once again paying more than their share, this time in the agricultural sector.

The closures in L'Assomption in Saint-Jean will result in the loss of 17 and 10 jobs respectively. If you exclude L'Assomption and only take Saint-Jean into consideration, you end up with a 21 per cent cut. Once again, Saint-Jean residents are paying for the cuts affecting the agricultural sector.

I seriously wonder about the meaning of this flexible federalism which we hear about these days. Based on what we have seen so far, this flexible federalism means that Quebec must always do more than the rest of Canada. I showed that to be the case with an example relating to agriculture. I also showed it on numerous occasions last year with the military college. This year, however, it is in the agricultural sector that this budget will really have a negative impact in my riding.

I also have a document prepared by the Research Branch. This is not the first such document which I come across. Last year, I saw one from the National Defence Department. These documents are simply a series of questions and answers distributed to senior public servants in the various departments. Research Branch officials received this particular one, which merely repeats the answers to various questions. I think it is important to touch on some of these issues.

We are told about the impact of the budget on federal agri-food research in Quebec. This is what transpires: "As far as the food research and development centre at Saint-Hyacinthe and the dairy and pork research centre in Lennoxville are concerned, the impact will be minimal. The work being done in these centres reflects the main priorities of the food industry—There will be cut backs in the grain research program at the centre for soil and crop research and development in Sainte-Foy". No further details.

The next item is research on small fruits which was being done in Saint-Jean, a major production centre for strawberries and raspberries. The paper simply says that research activities at Saint-Jean will be terminated and transferred to the research centre in Kemptonville, Nova Scotia.

Imagine, under-funding is already a problem in Quebec and Saint-Jean. Now they cut this program to transfer it to Nova Scotia. The same paper provides a list of centres of excellence where research is to be concentrated, apparently to be closer to production centres and the industry. This makes no sense at all. I condemn the fact that ten experts on small fruits research are removed at Saint-Jean, in order to transfer the centre to Nova Scotia. I cannot accept that.

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(1335)

Next question. Why did the government close down two facilities in Quebec? The answer? There will still be a federal research laboratory that will work on every aspect of the food industry. Saint-Hyacinthe and Lennoxville are mentioned again. So the policy seems to be that when we condemn these cutbacks, they are supposed to answer: We are still maintaining facilities at Lennoxville and Saint-Hyacinthe. Yes they are, but part of the operation at Saint-Jean has been removed and operations have been eliminated altogether at l'Assomption and La Pocatière.

Why are they closing La Pocatière? There will be a significant impact on ovine research in Canada and ovine, for the benefit of our viewers, means sheep. However, we are told that the sheep growing industry is relatively small. Just when they are starting to develop some expertise at La Pocatière, the government says they are going to stop because this sector is not significant. Once again, a market niche that should be expanding because in Quebec, we have the right kind of pasture for sheep, has once again been sacrificed at our expense.

Taking the experimental farm at l'Assomption as an example, they say that as a general rule, since this is research on ornamental plants, the private sector will take over. They always say to Quebec that, yes, we will be making cuts, but the private sector will pick up the slack and the only changes, if any, that need to be made regarding research centres and centres of excellence, will be to move them closer to areas of production.

I have a list of all the centres of excellence in Canada and only 4 out of 19 are located in Quebec. Once again, we are not getting a share proportionate to our population and to our contribution of 24 per cent of the federal government's agriculture budget.

Voters in Saint-Jean are very disappointed. My colleague talked about the 15 per cent cut a year for the next two years in dairy farm, dairy production subsidies. In this case again, Saint-Jean has huge dairy farms. These people are already dealing with a war that is brewing between us and the Americans; the Americans want NAFTA to prevail and we want the GATT to prevail. We are already on the road to a war and the only help the government is offering is to cut subsidies, while it will compensate western producers for decreases in land values, by means of loan guarantees and additional compensation of \$300 million during the transitional period.

I call that out and out injustice. Through this budget, the electorate in Saint-Jean will lose 10 experts who were building up a renowned expertise and to whom all farmers in my riding constantly referred for their input. Now they are saying to the strawberry and raspberry producers of Saint-Jean that they will have to call Nova Scotia for advice, and I very much doubt that production anywhere in that province surpasses that in my riding. Lastly, Quebec's dairy producers are left out. Once

again, this budget, on the agricultural front alone, hits Quebec and the electorate of Saint-Jean, and it is my duty to denounce it in this House.

[English]

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, it is a pleasure today to join in the debate on the budget.

In response to some of the comments about the group of Liberals here today, they are different from some Liberals from the past. It is the nature of the times. They have come with a different perspective and it has shown up directly in the budget.

The overriding goal of the government since it came to power has been jobs and growth. We believe good economics and good social policies are one and the same thing. The most fundamental way good social policy begins is with a job. We must respond to the challenges of our times. We must adapt to the new economy and the new infrastructure based on ideas and innovation. The very nature of government must change. We must develop a new notion of responsibility. The time has long past when governments can or should do everything.

Several major things have happened. The world economy has become truly integrated. We must think globally. Trade barriers have been brought down. Communications are instant and transportation is swift. Markets never sleep. There are no longer any islands. Like it or not, there is no place to hide.

(1340)

Since 1984 our debt has risen by three times. Compound interest is gobbling us up and the government now has a two track approach to sustained and sustainable economic growth. Growing economies produce jobs; economies that are not producing do not produce jobs.

The key to growth is productivity, which is how well ideas, workers, resources and investments are brought together in the country's economy. It is about ingenuity, better management and paying attention to the common sense of our workers.

How do we get high productivity growth increases, the only way we can increase real incomes? We must first improve our skills. We must have better innovation. We must provide a welcoming climate for investment, and let no one forget it. We must remove any disincentives we have created for people and business. Those were disincentives created by government. We must get our fiscal house in order.

The budget's plan introduces far reaching action to restore fiscal health which is essential for a strong, growing economy. The budget will fundamentally reform what government does and how it will do it. It will bring permanent change in the way government does business. The object is to get government right so it can fill its social and economic mandates and be more effective and sustainable. This will include deep cuts in the

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federal program spending, not simply lower spending growth but substantial reduction in actual dollars.

That is fundamentally the philosophy of the majority of the governing side of the House. In a party of the Liberal Party's size there will be some who want to go further right and some who want to go further left. However, they do realize the government cannot be in every aspect of society.

I will comment on two or three things, overview of budget details and the program review undertaken, the underpinning for all of the cuts and directions of the government.

The budget is about getting government right so it can do a better job of helping to get the economy right by sustaining growth and confidence in creating new jobs while preserving our ability to help those in need. To meet this goal the budget delivers our commitment to cut the deficit to 3 per cent of the economy in two years. Some say that is not enough. Believe me, unless there is a target one can see on a daily basis, one will not hit the target.

Despite the impact of higher than expected interest rates, if economic performance is stronger than our prudent forecast, the deficit could fall at a steeper rate than was forecast. Our fiscal actions will total \$29 billion in reductions over the next three years, more than any budget since the post war demobilization. In two years, program spending will be \$10.4 billion less than today. It is a cumulative cut and will go on forever.

Just as important, the budget also changes the very nature of how government operates. This will ensure spending will be restrained beyond our two-year target period. The deficit will continue to fall, reflecting our commitment to eliminating it completely.

To achieve these results the budget takes fundamental action across government programs and operations. It implements the results of the program review, which I will speak to in a few moments, a comprehensive examination of departmental spending. We will focus on what is essential and do it better. The budget of some of the departments will be cut by one-half.

The budget also acts on a new vision of the federal government's role in the economy, one that includes substantial reduction in business subsidies. These will drop by \$3.8 billion this year to \$1.5 billion in the year 1997-98. The budget reforms major transfers to provinces, modernizing the federal-provincial fiscal regime, making it more effective, flexible and affordable.

(1345)

These wide-ranging reforms mean a smaller public service. Some 45,000 positions will be eliminated, but we will manage

this difficult process as fairly as possible, including the use of early departure and early retirement incentives.

This is also fair to the taxpayer. That is why the budget does not increase personal income tax. However, there are measures to improve tax system fairness. We eliminated the deferral taxes on investment income earned by private holding companies and we eliminated the ability of people to earn business or professional income by the ability to pick their own fiscal year end, an option that helps defer taxes, albeit only for the one year.

We are also eliminating all tax advantages of family trusts. We are temporarily reducing our upper limit on the RRSP contributions to \$13,500 so benefits do not flow to people who earn more than two and a half times the average wage.

It is clearly a budget that places absolute priority on the expenditure reduction. It delivers nearly \$7 in spending cuts to \$1 in new tax revenue.

Let me speak of the program review. The budget agenda is not a plan for smaller government; it is a plan for smarter government and for the reform of the very structure of government and how it spends. The budget reflects the results of the program review we launched a year ago, and the actions taken to date secure structural reform irrevocably and deliver significant savings beyond the two fiscal years for which we have set firm deficit targets.

Achieving this goal demands wide-ranging bottom line action, and that is what the budget delivers. The size of government will be reduced substantially over the next three years. Departmental spending will be reduced by 19 per cent from the 1994-95 levels. For some departments, spending will be halved.

I mentioned that in my previous statement, but I cannot overestimate the realness of these kinds of cuts. In total, these actions will deliver a three-year saving of almost \$17 billion. Let me be clear. These are real cuts in absolute dollars. They are not measures that try to pretend that a drop in the rate of spending growth is somewhat of a spending reduction.

Government programs are being redesigned by this review to make them more efficient and cost effective. Regional development agencies, for example, will play newer roles and will focus on small and medium sized business, and assistance will emphasize repayable loans, not grants.

A basic philosophy of the program review was that the federal government should not be doing what someone else can do better. As a result, we are devolving some programs to other levels of government and we are privatizing other activities. For example, fisheries and oceans will devolve fresh water responsibilities to the provinces. Forest and mineral development agreements with the provinces will be discontinued. Airports and recreational harbours will be transferred to local authorities,

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and the Minister of Transport will move this year to privatize CN.

There was a lot of work done on all aspects of government. The government we will see two years from now will be far different from the government we saw at the beginning of our tenure.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, for the benefit of Canadians watching today, I would like to repeat that this is a debate on the budget implementation act. That does not sound like a very gripping topic, but it is very important. Really what it means is that we are talking today about how our government spends our money.

It is important to emphasize to Canadians that governments have no money of their own. They simply use our money and they use lots of our money. In many cases, Canadians feel that we are supporting government instead of government supporting us.

Be that as it may, it is very important that we examine carefully and very logically how governments spend our money. Because I am a human resources development critic for Reform, I would like to spend the minutes I have to discuss the budget implementation act and talk about how social program spending is handled in this budget.

(1350)

First, this budget is rather shockingly vague about how social programs, particularly very important social programs, are going to be handled by this government. For example, the budget says that unemployment insurance will be cut a minimum of 10 per cent. How much would be the maximum? We do not know. The budget is silent. Who is going to be cut? How are the cuts going to be made? When are they going to be made? We do not know. The budget is silent on that and so is the budget implementation act. We have big questions about that big program that are not answered in this budget.

The second thing the budget says is that the two pillars of the pension plan are going to be re-examined in order to make them more sustainable. When are they going to be re-examined? We are not sure. We were supposed to have a paper, promised by this government, months ago. Now the government says it thinks it will be in the fall. Canadians hope so, but experience has shown that the time lines of this government are a little flexible, to say the least.

Here we have the pillars of the pension plan, the Canada pension plan and the old age security; they are going to be re-examined. There are going to have to be some changes. Those are code words for cuts, because we know there is no extra money. But we do not know when. We do not know who. We do not know how. There is a lot of vagueness in how important programs are going to be handled.

The budget implementation act in part IV does talk about how this new transfer to support health care, post-secondary education and welfare is going to be handled. The transfers from the federal government to the provinces for these three programs have now been rolled into one big transfer of block funding. Now this block has been given a nice name by Liberal spin doctors. It is being called the Canada health and social transfer.

Really the bottom line is that the moneys that used to go to the provinces for these three programs are being cut substantially. That in itself probably would not concern Canadians because they know that we cannot keep funding these programs on borrowed money. We cannot keep mortgaging our children's future to pay for these programs. The real concern is that there seems to be no coherent plan at all about the future of these programs.

We can live with cuts; we accept that cuts are necessary. But we need to know where that leaves us. Where is this going to take us? Where it takes us is a big question mark. There are absolutely no long-range plans, no game plan, on what is going to happen, for example, to the funding for the Canada Health Act, the medicare plan, our health care.

The provisions that are being put in place, the cuts that are being made, are simply for the next two or three years and then there is a commitment to talk to the provinces, to have some kind of consultation. Then we will see what comes out of that.

I would suggest that health care is one of the most important things to Canadians. All of us know our vulnerability to health care problems. Yet here we have a very important program for Canadians being cut, but there is no long term plan. One has to wonder why this government could not have had a consultation with the provinces, put together a long term plan in consultation with other major players, and then come out with changes to the game. But no. This government simply sat on the sidelines and made changes to the rules of the game in mid-game, with absolutely no idea of where this is all going to take us on a very critical plan.

I do not think that is good management on behalf of Canadians. Canadians deserve a lot better than that.

(1355)

We have had several promises to come up with papers to deal with pensions and the changes that are going to be needed in our social programs. However, there is nothing for Canadians to give us any idea of where we are headed on these matters. We know we are losing our programs. We know they are being cut back, and cut back without consultation with the provinces. For example, about one-third of all provincial spending is on health care alone. Yet changes are being made without any consultation with the major players.

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The second thing that concerns me in this budget implementation act is the punitive approach that is being escalated in the matter of transfers from the federal government to the provinces.

In the past, if the provisions of the federal government were changed or not adhered to by the provinces, then transfers for those programs could be cut. Now, under this budget implementation act, any transfer to the provinces from the federal government can be cut, even if it is not referable to the social programs that the provinces are trying to change.

The federal government has promised certain transfers to the provinces. Now it can hold them hostage if it does not like what the provinces are doing in any area.

These powers are very arbitrary. It gives arbitrary power to the health minister to become the sole guardian of the Canada Health Act. If the minister is "satisfied" that a province is not in line with her own interpretation of the Canada Health Act, then she has the authority to effectively become the judge and jury of the provincial health system and can then ask cabinet to cut any federal transfer to the provinces.

This is just unacceptable when we are dealing with such critical programs. We need some certainty for our provinces.

When the health minister is asked how she is going to enforce these new arbitrary powers that she has been given, she says she will enforce them flexibly. However, when one examines the legislation there is absolutely no reference to any flexible interpretation of the Canada Health Act. In fact, we have members of the government and the Prime Minister standing up and saying: "The provisions of the Canada Health Act will be very firmly enforced by this government".

So we are hearing again two different interpretations of what is going to happen. If we are going to get our House in order and if we are going to ensure personal social security for Canadians, we need to have a great deal more certainty than we find in this bill.

It is incumbent upon the government, when it is bringing forward this kind of spending legislation, to tell Canadians how it is going to work, to give them a plan that they can count on, and to work with the provinces to make sure that the programs we have can be counted on and have some type of long term management rather than this cut and paste approach to what have become very important programs for Canadians.

The Speaker: It being two o'clock, we will now proceed to statements by members.

STATEMENTS BY MEMBERS

[English]

CREDIT UNION

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, yesterday, Sunday, April 2, the members of St. Stanislaus—St. Casimir's Polish Parishes Credit Union held their 50th annual meeting in the constituency of Parkdale—High Park.

Founded in 1945 by Father S. Puchniak, pastor of the St. Stanislaus parish in Toronto, the Polish Parishes Credit Union takes pride in being today the largest parish based credit union in the world, with over 37,000 members and total assets of \$223 million.

This unique credit union provides a full range of financial services, including personal, mortgage and business loans, RRSPs, RRFs, OHOSPs, and automated teller services worldwide.

The success of this progressive credit union, with branches in Toronto, Etobicoke, Mississauga, Hamilton, Kitchener, Guelph, Oakville and Windsor, reflects the growth and prosperity of Canada.

It is creating together opportunity not only for its members and families but for Canadians generally.

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[Translation]

MOUVEMENT DESJARDINS

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, this weekend's annual meetings of the Mouvement Desjardins are proof once again of the huge success of the co-operative movement founded in 1900 by Alphonse Desjardins. The total assets of the Mouvement Desjardins have increased by 33 per cent and are now worth \$73.8 billion. Furthermore, this institution has declared surplus earnings of over \$314 million.

The Mouvement Desjardins has mirrored Quebecers' dynamism, since its inception. In encouraging Quebecers to invest their savings in Quebec, Claude Béland, the president of the Mouvement Desjardins, said, and I quote: "We have no hope of winning the development war if we hand over our arms to others".

The success of the Desjardins movement is the result of an economic development model based on co-operation. Quebec's economic prosperity requires all participants in the Quebec socio-economic scene to work together in the fight against chronic unemployment.

[English]

GUN REGISTRY

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, less than three weeks ago I asked the Minister of Justice how he could guarantee responsible gun owners that his gun registration system would be safe from computer hackers. He accused me of fear mongering and conjuring up images that frighten Canadians. Then he went on to state that without his gun controls we would end up with a gun culture and would go the way of other countries. We have not had his gun control laws for the last few centuries and we do not have a gun culture yet. I have to ask: Who is doing the fear mongering?

On Friday the *Globe and Mail* reported the arrest of yet another computer hacker. He has broken into several databases throughout the federal government and at IBM. If IBM cannot defend itself from computer hackers, how secure will the new national gun registry be?

I repeat: How can the justice minister assure law-abiding firearm owners who comply with his new law that they will not simply be providing gun thieves with a computerized shop at home catalogue?

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HON. MEMBER FOR BEAVER RIVER

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, on behalf of the government team in the House of Commons and the Senate and as chair of the Liberal women's caucus, it is my honour to welcome back to this place the hon. member for Beaver River.

Most here would agree that her presence has been missed. Her contribution to the third party is significant and important. Government members look forward to the hon. member getting the Reform Party to focus on the real issues and making some valuable contributions in improving the lives of Canadians.

There are only 54 women in this House. When one from our ranks is missing, Canadians notice.

Once again, bon retour. We wish the hon. member continued good health.

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THE ECONOMY

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, as economic growth continues to accelerate, this government is making great strides toward steering Canadians back on the road to competitiveness. Strengthening Canadian industry will continue by building a healthier marketplace, promoting workplace innovation, expanding trade, improving our infrastructure and harnessing leading edge technology.

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Etobicoke—Lakeshore business leaders who previously impressed upon me the need to make Canada more competitive are now telling me that we are on the right track. They support the government's effort to assist the private sector in innovation and job creation. Competitive wages, low manufacturing costs, available tax incentives, encouraging research and development, a suitable workforce and an excellent quality of life all add up to an ideal community in which to do business.

I look forward to the Etobicoke—Lakeshore business community and the government working together in a greater partnership to build a more innovative economy.

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SIKH NEW YEAR

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, Sikhs throughout the world are celebrating the 296th anniversary of the birth of the Sikh nation and the Sikh faith. I am sure all members will join me in congratulating the Sikh community on this auspicious occasion.

Sikh heritage includes a pledge to fight against tyranny and uphold the principles of justice, equality, brotherhood, honesty, the right of free and truthful expression and human dignity among all the people of the world, regardless of colour, creed, race, sex, religion or country of origin.

Mr. Speaker, I was very pleased to share a traditional lunch with you earlier today and would like to once again invite you to attend a reception to celebrate the anniversary of Vaisakhi with us in the Commonwealth room following question period.

Only through increased knowledge of diverse cultures can Canada continue to be a country of tolerance and compassion.

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(1405)

[Translation]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, the Minister of Immigration is insensitive to the plight of refugees who will now have to pay \$975 in addition to the basic \$500 for permanent resident status in Canada.

Last Thursday, the minister stated that \$975 was the price of a colour television in Canada, intimating that the cost was within everyone's reach.

In 1990, the average personal income in Haiti was \$320; in 1992, the average income in India was \$370 and, in El Salvador, it was \$870. These examples clearly illustrate the difficulties faced by refugees accepted into Canada.

S. O. 31

The minister's remark demonstrates his profound indifference to the financial and political realities of many immigrants and refugees.

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[English]

CANADIAN HERITAGE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the Department of Canadian Heritage has taken on the appearance of a dying turbot flip-flopping on the slippery decks of a trawler under siege. There is no focus, no direction and no guidance from the minister who continues to be AWOL, awfully weak and out of the loop.

What a string of broken election promises. There is the broken promise of new copyright legislation due last spring; the broken promise to Sports Canada for secured funding for amateur sport; the broken promise to assist the Canada Council as it refocuses its activities; the broken promise for a cultural policy review; and the broken promise to give future direction to the CBC.

Canadian cultural organizations need guidance to shepherd them into greater reliance on themselves and the private sector, but the government is failing to provide that leadership.

What has changed since the Tories? Nothing. The minister is having so many problems in his department that he has appointed a former Tory cabinet minister to give him a hand. And will he become the next fall guy in a government that no longer seems to know the difference between a Liberal and a Tory?

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FOREIGN OVERFISHING

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, many of my constituents have asked me to express their total and enthusiastic support for the efforts of our government to stop overfishing of turbot on the Grand Bank.

Although my riding of London—Middlesex is in southwestern Ontario many miles from the Grand Bank, our hearts are with the valiant people of Newfoundland and all Atlantic Canadians as they struggle to save fishing as a way of life.

Our hats are off to the Minister of Fisheries and Oceans as he leads this important crusade. From coast to coast to coast, Canadians applaud his efforts and the leadership of the government. We stand shoulder to shoulder beside our fellow Canadians in Atlantic Canada. Together we must and we will save the fishery.

ALTERNATIVE FUELS

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, today I would like to congratulate a member of the other place.

The hon. Senator Colin Kenny has introduced Bill S-7, an act to accelerate the use of alternative fuels for internal combustion engines. This bill would see at least three-quarters of the 38,000 federal government vehicles switched to alternative fuels. Bill S-7 would generate estimated savings of \$7 million per year and would serve as an important step in cleaning up our environment.

Bill S-7 is a positive addition to the recent announcements made by the government regarding federal support for the ethanol industry and the removal of MMT from gasoline. It is clear that positive environmental policy is being developed in both houses of Parliament.

My congratulations go out to the hon. senator and all those who are working to improve the environment in which we live. I will be happy to support Bill S-7 when it arrives in the House of Commons.

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[Translation]

BEAUCE—FRANCO—MANITOBBAN MEETINGS

Mr. Gilles Bernier (Beauce, Ind.): Mr. Speaker, Franco-Manitobans and the citizens of Beauce want to build a better Canada where everyone is accepted and feels he belongs. This is why they have decided to set up a partnership between the stakeholders in the political institutions and business communities of both regions.

Last week, Franco-Manitobans hosted a delegation from Beauce interested in exploring possible exchanges in the economic and cultural sectors that would promote better mutual understanding.

I would like to commend this initiative, which corresponds with the wish of French Canadians to draw closer to one another, to live in harmony and to work together to create instruments of growth and development. Such an association can only help to create strong bonds of friendship among all Canadians.

* * *

(1410)

BEAUCE—FRANCO—MANITOBBAN MEETINGS

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, last week, representatives of the Beauce region in Quebec and the French community in Manitoba met in St. Boniface to discuss the possibility of a pact of friendship between these two regions.

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This visit is part of a process that began last year to look at possible exchanges between Beauce and the French community in Manitoba in the economic, cultural, educational and communications fields.

Our friends from Beauce had a busy schedule in Manitoba. They met with the Société franco-manitobaine, the Association of Bilingual Municipalities, the Chamber of Commerce, CKXL community radio, the Collège universitaire de Saint-Boniface, the Société historique de Saint-Boniface, and I could go on.

This pact of friendship between the French-speaking citizens of Beauce and Manitoba is a fine example of the manner in which the two communities can work together to create jobs and get to know one another better.

I congratulate the participants in this pact of friendship, who are trying to build a Canada that is stronger and more united within the Canadian federation.

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CRIMINAL CODE

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, the recent events in Montreal, where bikers are fighting over control of drug trafficking, point to an urgent need to enact antigang legislation.

Yet, the Minister of Justice is still reluctant to act on the requests made in this regard by the Bloc Québécois and members of the public.

According to a SOM poll published in *La Presse* last week, 80 per cent of Quebecers want an antigang law to be passed as quickly as possible in order to solve a growing problem which is threatening the lives and safety of peaceful citizens.

The Minister of Justice must consider the suggestions made by the Bloc Québécois if he wants to bring such criminal activities under control. If the minister decides to turn a deaf ear, he will miss an opportunity to protect citizens whose fears are legitimate.

* * *

[English]

CANADA PENSION PLAN

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise today on behalf of the constituents of Okanagan—Similkameen—Merritt to remind all members of this House of a birthday. The Canada pension plan is 30 years old today.

Normally a birthday is cause for great celebration with balloons, candles and of course my favourite, a great big birthday cake. At 30 years of age you would think we could celebrate a long vibrant time, but CPP is tired and sick with iron poor Liberal blood.

Thanks to the Liberals, the Canada pension plan is another victim of mismanagement. The CPP fund is not self-sufficient and not actuarially sound. In order to be solvent, contributions will have to triple over the next 20 years. The Canada pension plan, introduced by a Liberal government 30 years ago, has been so mismanaged that future Canadians cannot look forward to collecting.

The recent budget does nothing to safeguard our social programs and social safety net.

The Liberals have burst the balloons for today's celebration. They have blown out the candles and have allowed our birthday cake to go stale and mouldy.

* * *

WEST COAST FISHERY

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, the minister of fisheries has taken a very strong stand on behalf of the east coast turbot fishery. For that he is to be applauded. While he goes to the wall to save the turbot, I urge him not to forget the other coast of Canada.

The recent Fraser report and the Suzuki Foundation report point out that the five species of British Columbia salmon are at high risk due to overfishing and habitat loss. The report reveals that many more serious issues face the west coast salmon fishery and identifies specific initiatives requiring immediate action.

Our west coast salmon fishery is still a viable fishery. To ensure that it remains viable, it requires immediate attention.

It was a lack of proper management that placed the west coast salmon fishery at risk. I urge the minister of fisheries to give the time, energy and support to the west coast that he has so generously given to the east coast.

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CARLETON COUNTY STEER SHOW AND SALE

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, on April 3 and 4 the 43rd annual Carleton County Spring Show and Sale of Steers will be held in Florenceville, New Brunswick.

Nearly half the entries are from 4-H club members. These youth are eager, responsible, committed to detail and capable of competing under pressure.

All exhibitors will be judged based on demanding criteria. Following the competition the annual auction will be held.

This year, all the exhibitors have joined together to donate a steer which will be auctioned off with proceeds going to the Volunteer Family Services Organization which serves the whole region.

I congratulate the organizers of the 43rd annual Carleton county show and sale. I wish them success again this year.

*Oral Questions***REFORM PARTY**

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I see from the papers that members of the Reform Party are considering combining with the federal Tories. The papers say that the Reformers are disgruntled with their leader and they want a new party led by the member for Calgary West.

(1415)

It shocks me that members of the third party want to change parties after less than two years in Ottawa. Surely they made commitments in the election campaign to their constituents as members of the Reform Party, not as Tories.

Have they forgotten their campaign promises? Have they consulted with their constituents on this change of party? And what about the so-called Reform budget that was presented recently? What can it be worth if Reformers are going to jump ship so soon after it was released?

We on this side of the House are proud of our party. We are proud of our leader. We know we have great responsibilities as the elected Government of Canada, but we are not daunted by the challenges. We Liberals are going to stay the course to help make Canada an even better place.

* * *

PRESENCE IN GALLERY

The Speaker: Colleagues, I would like to bring to your attention the presence in the gallery of Mr. Boguslaw Liberadzki, Minister of Transport and Maritime Economy of Poland.

Some hon. members: Hear, hear.

The Speaker: At the same time colleagues, I would like to draw your attention to the presence in the gallery of Madam Haizhen Zhou, Chairman of the Committee on Foreign Affairs, Jiangsu Provincial People's Congress, Nanjing China, and her accompanying delegation.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD*[Translation]***CANADA SOCIAL TRANSFER**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, with its Canada social transfer, the federal government claimed it was giving the provinces greater autonomy and flexibility with respect to social programs. But in implementing this Canada

social transfer, Ottawa is set to impose national standards for social assistance and post-secondary education, totally disregarding provincial jurisdiction over these areas.

How can the Prime Minister talk about flexible federalism when his government is not only withdrawing from social programs but also threatening to further penalize those provinces that do not comply with the new national standards, which amounts to imposing its views while at the same time denying provincial jurisdiction over social programs?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what we plan to do is to ensure that adequate services are provided to all Canadians. The hon. member should have noticed that there are ongoing consultations among the provinces and between the federal government and the provinces to ensure harmonization from coast to coast. This will give Canadians access to acceptable and adaptable services wherever they go in the country.

There is already a high level of co-operation among the provinces. The role of the federal government is to ensure that the agreements reached are as uniform as possible so that people can move freely across the country.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, how can the Prime Minister have the gall to ask the provinces to make up the shortfall resulting from the federal government's withdrawal, while at the same time relegating them to a mere advisory role in developing new and much more restrictive national standards, particularly with respect to health?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, health is covered by legislation. The five major conditions governing health care in Canada—universality, portability and the rest—are in the act. There is a clear commitment by this Parliament with respect to maintaining these five principles.

As for their implementation, discussions are under way between the Minister of Health and her counterparts. We are looking for the best solutions. If services are to be accessible to all Canadians, when Canadians travel across the country, whether on vacation or business, they must be able to rely on the same services in other provinces as in their own. Everyone agrees that Canada's health system is one of the best in the world. We must ensure that it remains that way as much as possible.

(1420)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, are we to understand from the Prime Minister's answers that, for him, flexible federalism means that Ottawa is responsible for social programs and the conditions under which these programs are provided to Canadians, while the provinces are concerned only with their administration, when they are facing enormous financial difficulties following his government's withdrawal?

*Oral Questions**[English]*

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I repeat that all these things are done all the time in consultation and collaboration with the provinces.

We have many meetings with them trying to co-ordinate the actions of all the governments so the people of Canada can have very good services in health, education and in the welfare system.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Prime Minister. The Minister of Human Resources Development continues to claim, and I quote: "That is the whole point of consolidating the existing transfer system, to give the provinces the freedom of choice to look at programming which suits the individual needs of their own areas. At the same time, it is a national program. There are basic conditions and those conditions must be met".

Does the Prime Minister realize that this federalism, based on the imposition of national standards, is radically opposed to Quebec's wish to have control over the intervention tools, particularly in the manpower training sector?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, not at all. Under the proposed consolidated transfer the provinces will have a great deal of flexibility in choosing priorities as to which issues they wish to handle and how they wish to handle them.

Moreover, as we have put in the omnibus bill, there are some basic fundamental principles such as those contained presently in the Canada Health Act or those presently in the Canada assistance plan which protect residency requirements that provide the bare minimum requirements we expect the provinces to adhere to.

When it comes to choosing programs or priorities it is up to the provinces. We are giving them the flexibility to make those as opposed to many of the restrictions that held back provinces from doing the kind of innovative work they wanted to do which was clearly and explicitly put forward as one of the assessments and recommendations from the House of Commons committee which assessed this problem as part of the social review.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the government's position includes two components. The first one talks about flexibility, while the second one provides that, if necessary, national standards will be applied to other social programs.

Is the Prime Minister prepared to convene a federal-provincial conference to inform the provinces that, from now on, his government will impose its views, not through its spending power, but by making deeper cuts in the transfers, if the national standards are not complied with?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Human Resources Development will consult the provinces on his reforms. We are currently reviewing the committee report on this issue. In the coming weeks and months, the minister will hold bilateral meetings with his provincial counterparts.

If necessary, and if he feels that it is everyone's wish to have a meeting of federal and provincial ministers, I am sure that the Minister of Human Resources Development will have no objection. Consultations will take place. We do not intend to act unilaterally. On the other hand, it is our responsibility to make sure that adequate services are provided to all Canadians.

* * *

*[English]***MEMBERS OF PARLIAMENT PENSIONS**

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, baseball is back and so am I. We will play some hardball.

On March 13, while I was away, I became a reluctant member of the Liberal's pork pension for life club, a club that will give the Deputy Prime Minister over \$2 million, my immigration minister friend over \$3 million and the new president of the CBC, Perrin Beatty, over \$5 million.

I want to opt out of this ludicrous plan. Yet under government guidelines I am trapped at the trough.

Will the government extend the opting out clause to include MPs with six or more years service, not just new MPs as it says?

(1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are very happy to see the hon. member back and in good health. She is sometimes better than her leader, so we are happy to have her here.

For the last six years that she has been here she has not minded being trapped. Now that she knows she is trapped she wants to get out. It is kind of a coincidence because we never heard about that when she was to be trapped.

This is a subject I find terribly disappointing. As of tomorrow I will have been a member of Parliament for 32 years. I have contributed to the pension plan 15 years too many. What I do not like about that kind of question is the implication that when one is a member of Parliament one does not earn every cent for the service one renders to one's constituents and the people of Canada.

Oral Questions

When I see good members of Parliament like her downgrading her own value by telling people she is overpaid, I must tell her she is not overpaid. None of us is overpaid. Concerning those who are overpaid, the people of Canada will do the right thing and kick them out in the next election.

I find it ridiculous for the Reform Party to think that members of Parliament, who make half the salary of the lowest paid hockey players in the NHL, are overpaid.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, we are talking about pensions here, not pay. It is hardly any surprise to the Prime Minister that I have been talking about MP pensions. I have spoken about this for six years.

The ratio is that for every dollar I and other members in the House contribute the government is putting in six to seven dollars. That is the problem people have. We are locked into this pension plan.

I want to opt out, the voters in Beaver River want me to opt out and the Canadian taxpayers probably want all of us to opt out or at least make it fair. It is up to the government to find a way. Like the songwriter, I am saying please release me, let me go.

Why will the government not go beyond what the President of the Treasury Board said and make more than cosmetic changes, real changes to the MP pension plan?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the member does not want a pension, she wants a pay increase. The commission said that at this time perhaps the ideal situation would be to give a better salary to MPs and reduce their pensions. However, at this time the salaries of bureaucrats and all other government employees in Canada have been frozen.

Members of Parliament and the public service have had no increase for the last three and a half years. Perhaps in the package they were overpaid in terms of pension but they are certainly underpaid in terms of salary. The balance is pretty good for those who are very good members of Parliament. In my judgment there are very few members on my side who are not earning every cent they are paid.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the government has said it cannot let all MPs opt out because it needs to protect the stability of the pension plan.

The only things the government is trying to protect are the lavish payouts to the Liberal frontbenchers, of whom there are many. Perhaps their noses are firmly planted in the trough. Pay and pension are different things. Let us bring them into line.

Will the government let the Deputy Prime Minister, the immigration minister, the fisheries minister, the finance minister and even the Prime Minister opt out of this lavish pension plan when they have six or more years of service, yes or no?

(1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have served here for many years. The pension that will be paid to me is something I have earned serving the people of Canada.

In many ridings I see directors of hospitals and chiefs of police and dozens of other people being paid out of public money making more than members of Parliament. I am not ashamed to face the people in my riding and tell them what I earn and what members of the House earn.

Some people want to score cheap political points because they cannot get the support of the people on the real problems of the nation.

* * *

*[Translation]***FISHERIES**

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The minister claims that negotiations between Canada and the European Union are progressing at a rate that leads us to conclude that an agreement is imminent. However, we are witnessing a hardening of the position of spokespersons for the European Union, especially Mrs. Bonino, European commissioner for fisheries.

Could the Minister of Fisheries and Oceans report on the progress of negotiations under way in Brussels, and does he still maintain that Canada and the European Union are on the verge of reaching an agreement?

[English]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the hon. member for his question.

There are ongoing negotiations at this moment in Brussels between the Canadian and EU delegation. The negotiations have made very good progress over the weekend. Only a few matters remain to be resolved in principle.

The member will realize that at the end of the negotiating process the report of the negotiators will be sent to the authorities in Brussels at the EU government and to the Prime Minister and members of the cabinet for consideration. We hope that occurs shortly. We hope that at the end of the day, as we have always preferred, a negotiated and effective enforcement and conservation regime is possible.

[Translation]

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, considering the items still outstanding, how does the minister

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explain the presence of ten Spanish trawlers in the contested area, as negotiations continue in Brussels?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, there are a number of vessels in the contested area. It is clear to anybody who looks at it objectively that if there is one interest, if there are some people who have an interest in not having an effective conservation regime and an effective enforcement regime, as the Prime Minister has set out as the priority of the Government of Canada, it is perhaps some of the skippers, some of the captains and some of the owners of those vessels.

Any agreement approved by the Government of Canada subject to the mandate set out by the Prime Minister personally is an agreement that would see the future of the turbot species and all other groundfish species and straddling stocks maintained not only for Canada, because this is not just about Canada, but for all mankind.

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GOVERNMENT SPENDING

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

The Canadian advisory council on the status of women has been disbanded. As of April 1 its president, Glenda Simms, is out of a job. Despite this, the Secretary of State for the Status of Women keeps Simms on the government payroll until the end of October.

Both the Prime Minister and the President of the Treasury Board have stated in the House that if you do not have a job, you do not get paid.

How can the government justify this extravagant waste of taxpayers' dollars?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there is sometimes a need to keep people who have been working for us on the payroll to help us finish a job and put everything in order.

There is another element to that. When you make an arbitrary decision to terminate an employment you give some time to a person to adjust to the new reality. It is on these two points that we have decided to keep that very competent woman on the payroll for a few months. We need her and it will give her some time to adjust to the new reality.

(1435)

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, as Mrs. Simms adjusts to the new reality, we hear now she is on a taxpayer funded nine-day junket to the Philippines. While her

colleagues in her department are packing their bags, Mrs. Simms and her assistant are packing theirs to go on this wonderful trip to the Philippines.

Given that her job is finished and given that this trip is redundant and frivolous, will the government commit here and now to cancelling this junket?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I do not know why but every time a member of Parliament or someone representing Canada goes to another country somehow members in the opposition feel it is a junket. This commitment was made in November of 1994. When we as a country make a commitment to another country we must honour and respect it.

To call this a junket is an offence to Canadians representing Canada abroad.

* * *

[*Translation*]

KANESATAKE RESERVE

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development.

Last week at a press conference, a Mohawk resident of Kanesatake condemned as unfair the system for allocating property unlawfully occupied in Kanesatake.

Does the minister still maintain that a process for allocating homes that ignores the expectations of law-abiding citizens while rewarding those who have no respect for the law is working well, as he said the other day in this House?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am well aware of the individual who has lodged the complaint. My friend should spend more time checking out that person's background. That is my primary observation of what is happening.

We have gone through an extensive list primarily through the Mohawk housing authority. Those people in need have been allocated the houses. The houses have been allocated to various people by letter. What fairer system is there than that?

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I can inform the minister that I know what I am talking about. Right now, houses are allocated in Kanesatake as follows: whoever has the biggest gun has the biggest house.

Does the minister realize that his department's tolerant attitude merely encourages unlawful occupancy by residents and constitutes a disavowal of the current procedure of putting people on a waiting list?

*Oral Questions**[English]*

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, to my friend, because he is consumed with the Mohawks on this reserve, if he wants to talk about tolerance he should talk about the broader aspects of aboriginal people in Quebec.

I refer him to none other than Pierre Vallières, well known to separatists, who said yesterday that Mr. Parizeau recognizes aboriginal sovereignty but he does not give aboriginal people the means to achieve it. He also accused the Parti Québécois government yesterday of discriminating against aboriginal people by denying them the means to self-government.

We are providing the means, they are using them fairly and we will work with them.

* * *

GOVERNMENT APPOINTMENTS

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, my question is for the Prime Minister.

Page 88 of the Liberal red book states the Conservative regime has deliberately undermined our national cultural institutions. Given this fact, how can he justify putting a former Conservative cabinet minister behind the wheel of the CBC, unless it is to score cheap political points for patronage?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I had the opportunity to observe Mr. Beatty in the House of Commons when he was a member of the government. He has a lot of experience on the Hill. He was elected some 20 years ago and he has learned a lot.

He was available to do the job and I know he will do his best to ensure the CBC becomes an organization which will adjust to the new realities. His experience in Parliament will help him a lot in communicating that goal to employees of the CBC and to the Canadian public.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, it is amazing how things change. A year ago the former cabinet minister was undermining national cultural institutions.

(1440)

Given that the general public is fed up with making millions of defeated politicians and then watching them being appointed to federal boards and agencies, and given the government's hypocritical stance on patronage appointments to date, will the Prime Minister undertake to restore integrity, as he promised in the red book, to the appointment process by removing his exclusive franchise on the selection process and

creating a non-partisan board to make these appointments, of course with his final approval?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the government is responsible. When we make bad appointments, the people know who is responsible. We cannot pass the blame to anybody else.

They are independent and when we give them an independent rule, we respect that. Just because somebody has been a member of Parliament does not mean they are disqualified. They had the honour of representing the Canadian public.

I see some members of the Reform Party. They are not all alike. I might be happy to appoint some of them some day.

Some hon. members: Oh, oh.

* * *

[Translation]

KANESATAKE RESERVE

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, my question is for the Minister of Indian Affairs.

On Friday, the Solicitor General declared that the provinces have jurisdiction over casinos and that the Kanesatake Mohawks must obtain Quebec's authorization before building their casino. Quebec's Minister of Public Security has already stated that Quebec would refuse to approve the project for security reasons.

Will the minister indicate what kind of negotiations are going on between the federal government and the Kanesatake band council regarding the construction of a casino?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the preface and the observation of the hon. member are correct.

The former government delegated jurisdiction for casinos to the provinces. The province of Quebec, at least from press reports, is not prepared to grant a casino in this case. No specific negotiations are going on with the Mohawk communities on casinos.

I have had general discussions with perhaps 100 First Nations across the country from time to time as to what is the state of casinos, what we can do to help them and this type of general discussion. There are no specific negotiations on this matter.

[Translation]

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, does the minister intend to clearly explain to the band council that it is up to Quebec to decide whether a casino will be built on Kanesatake?

*Oral Questions**[English]*

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, what is clear is that this does not fall under the jurisdiction of Quebec.

We have allowed Quebec through an agreement to do this job. Some provinces are doing it well. For instance in Saskatchewan they have an agreement where there will be two classes of casinos, one in Regina, four on aboriginal reserves with a split of profits. Some are in chaos but some are doing well.

We intend to work with the provinces and work with the aboriginal people to see if we can bring order to the chaos.

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HATE LITERATURE

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, my question is for the Solicitor General.

Whether it be paper mail or electronic mail, hate mail is still hate mail. The availability of hate propaganda on the Internet is a matter of grave concern for many Canadians.

Can the Solicitor General inform the House on what is being done by the government to address the issue of the increasing availability of hate literature on the Internet?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the government believes that the use of the Internet as a vehicle for hate propaganda or the facilitation of hate crimes is a serious concern that deserves to be dealt with.

At the same time, because of the structure of the Internet not coming within the clear jurisdiction of any country or countries creates a serious problem when it comes to dealing with the matter.

(1445)

However, officials in my department, the Department of Justice and the department of heritage are working on possible solutions. Whether it involves the Criminal Code, telecommunications legislation or an international agreement, we are working to deal with this problem because we believe Canadians do not want to see the Internet misused for the purposes of hate propaganda.

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*[Translation]***ALLIANCE QUEBEC**

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, the newspaper *La Presse* revealed some very interesting financial information about Alliance Quebec this weekend. According to a report, this group, devoted to protecting the rights of anglophones, has spent more than 75 per cent of its budget on salaries and rent. Its budget of \$1.2 million comes from taxpayers. Membership in the organization continues to

dwindle, while other groups are doing an excellent job while arranging for private funding.

Would the Minister of Finance explain how this type of special interest funding fits in with his budget commitment to change our approach to interest group funding?

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the government supports minority language groups across Canada, whose leaders have been democratically elected. These associations actively defend the interests of their communities, and the Government of Canada believes a dynamic anglophone community is important for Quebecers as a whole.

We believe it is possible to promote the French fact in Quebec, while recognizing and promoting the contribution of the anglophone minority.

[English]

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, even Alliance Quebec's past president was quoted as saying that former employees and activists of Alliance Quebec end up becoming political attachés, bureaucrats and Liberal candidates.

The Canadian taxpayer deserves better. When is the government going to get rid of this Liberal lap dog that is masquerading as a special interest group?

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the last government lasted nine years. It supported the same organization. It is important that the Canadian government supports minority language groups outside and inside Quebec. That is what we are doing. That is what we will to continue to do.

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*[Translation]***HEPATITIS C**

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health. After nearly a year of hesitation and pussy-footing, the Red Cross is finally starting to contact individuals who were infected with hepatitis C between June 1990 and February 1995.

Can the minister tell us why the Red Cross has decided to contact only those who contracted hepatitis C between 1990 and 1995, when many were contaminated before 1990, as the Krever inquiry has shown?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I can tell you that the hon. member recognizes that there are many jurisdictions involved in this issue. I must also say that a screening test was developed only in 1990. Of course, the Red Cross is just beginning its search. We are eagerly awaiting

Oral Questions

Justice Krever's recommendations on contacting individuals infected with hepatitis C.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I would like to remind the hon. minister that this decision was made by the Red Cross. Does she not realize that the Red Cross's decision not to contact individuals infected through blood transfusion before 1990 is unfair and puts the members of their families at great risk of being contaminated?

[English]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I will repeat it in the other official language of the country. No test was in use or available in Canada prior to 1990 to detect hepatitis C.

(1450)

The whole question of hepatitis C and traceback is one that is being seriously considered by all of the players in the country. That includes hospitals, provincial governments as well as the Red Cross and the federal government.

* * *

ST. JOHN'S WEST

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I would like to ask the Prime Minister about the list of concerns that keeps growing and growing in what is surely to be a major headache in St. John's West, Newfoundland.

RCMP reports present cause for searching the member's company which may lead to as many as 10 charges of fraud involving federally granted dollars.

My question for the Prime Minister is this. Will the Prime Minister give the ethics commissioner the mandate by making him accountable to Parliament so that he can investigate this case that is giving headaches to the people in St. John's, Newfoundland?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, you know our system of law. No one is guilty until there is a conviction in court. A person has the right to defend his or her point of view. I do not think the House of Commons is the place to debate that.

At some time any member of Parliament can be subject to accusations but in our criminal law system justice means that nobody is guilty until found guilty.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I am talking about ethics here, not criminal charges at this point. The people of St. John's West, Newfoundland deserve a better answer than that.

A recall petition has already been circulated in St. John's West. I would like to ask the Prime Minister if he would not agree that recall legislation would deal with this. As presented by my colleague for Beaver River—

Mr. Speaker: The question as it is posed is out of order, as it is hypothetical. I will permit the hon. member to try to rephrase his question.

Mr. White (Fraser Valley West): Mr. Speaker, I would like to ask the Prime Minister if he supports the concept of recall when it comes to the matter of ethics within the House of Commons and members of Parliament.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think this member of Parliament has never faced any accusation from any court and she is representing her constituents very well as a member of Parliament.

In terms of recall I have to tell you, Mr. Speaker, that if we had a system of recall in Canada we would have a lot of byelections from that corner from western Canada.

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CANADIAN COAST GUARD

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The 1995 federal budget announced that the government will merge the Canadian Coast Guard with the Department of Fisheries and Oceans effective April 1995.

Can the minister inform the House how much this amalgamation will save the Canadian taxpayer? What assurances can he give that combining the two services will not reduce services to the marine industry?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the member for his question.

This proposal, which originated with the quick thinking of the Minister of Transport who is looking for ways to consolidate, to build efficiencies and to save the taxpayers money, has been today officially approved by the Prime Minister. The merger of the Department of Fisheries and Oceans and the Canadian Coast Guard will result in some 168 vessels, including 42 offshore vessels, working together, hand in hand.

We saw an example last week of how putting coast guard vessels, officers and personnel, and DFO personnel together working efficiently for Canada contributed greatly to sustaining, to building and to protecting our offshore resources. I thank the member for his question.

Oral Questions

(1455)

[Translation]

CANADIAN HUMAN RIGHTS COMMISSION

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, my question is for the Minister of Justice. The budget cuts made in previous years have already forced the Human Rights Commission to reduce the number of its information officers. As a result, the number of public inquiries fell by 25 per cent, while the number of complaints filed with the commission continues to increase.

Can the Minister of Justice confirm that the Canadian Human Rights Commission intends to reduce services to the public once again by closing its six regional offices across the country because of the Liberal budget cuts?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, my information is that the Canadian Human Rights Commission is reducing the number of regional offices and centralizing the services it offers to the Ottawa location.

The commission is a body that operates at arm's length from government. Its resources have been reduced in recent years because of fiscal realities. The way it chooses to respond to that reality is a matter of policy for the commission. If it has concluded that it can provide the services in the way that has been decided on, then that is the way it will proceed.

[Translation]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, given that Commissioner Max Yalden has expressed concern over the rise of intolerance in Canada, does the minister not agree that closing these regional offices will undermine the protection of rights in federal jurisdictions?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I would have thought, based on the speeches and comments made by the chief commissioner, that his primary concern about the lack of tolerance in Canada has not had so much to do with the number of regional offices the commission has, but rather the attitudes in some quarters about human rights themselves.

The commission, which does its work so ably in serving the Canadian public, has had to decide, as we all must, how to meet its needs with diminished resources. It is apparently confident that it can meet those needs with centralized services from Ottawa.

WESTERN GRAIN TRANSPORTATION ACT

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, in an article in the *Western Producer* the minister of agriculture is quoted as saying that farmers who have sold to the Canadian Wheat Board may have to pay the full freight rate for crops delivered before July 31.

The minister is telling farmers that the WGTA benefit is actually ending before the end of the crop year and not next year as promised in the budget. This is unfair.

Can the minister at least tell western Canadian farmers by what date they must deliver their grain to receive the Crow benefit?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, when it comes to the termination of subsidy programs, obviously it is necessary to pick a date on which the subsidy terminates and after which payments will no longer be made.

In the grains industry in Canada, the key date in terms of the crop year is August 1, 1995. It is on August 1, 1995 that the subsidy will come to an end.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, farmers get hit with the loss of the Crow benefit. Then they suffer more losses because of the rail strike and the other strikes. Now they cannot even be certain about which grains shipped in this crop year will be covered by the Crow benefit.

I wonder if there is anything the minister can tell farmers for sure. Is the minister telling me that he cannot give them a certain, definite date by which they must deliver grain in order to receive the Crow benefit?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, obviously the hon. gentleman does not understand how the crop year works.

Many events flow through the normal production season. It has always been August 1 of any given year on which the crop year ends and the next crop year begins while deliveries go on both before and after that date. One date must be chosen to make a determination when certain events will occur. We have picked August 1, 1995 as the only logical date that makes sense.

In the hon. gentleman's reference with respect to the labour dispute that was settled a week ago by legislation, it might have been a little more helpful had the hon. gentleman been here to vote.

Some hon. members: Oh, oh.

(1500)

The Speaker: That last statement was clearly out of order. I ask the hon. minister to please withdraw it.

Mr. Goodale: Mr. Speaker, I would be happy to withdraw the remark if it offends the Reform Party.

*Routine Proceedings***THE ENVIRONMENT**

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the federal government has representatives in Berlin today to engage in more talk about the need to improve the way that we as nations respond to the world's growing environmental crisis. At the same time here in Canada the media is speculating about the possible dismantling of Environment Canada because the department has become ineffective in dealing with our own domestic environmental problems.

Can the government confirm today that it will stand with the same political will to strengthen the federal role on domestic environmental issues as it has shown in the defence of turbot conservation and in support of the country's well-meaning but nonetheless meaningless position at the Berlin conference?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the hon. Minister of the Environment, the Deputy Prime Minister, is attending the conference in Berlin. Members can rest assured that she will honourably represent this government as she is wont to do in her inimitable fashion. She is a very strong representative for us in Berlin.

* * *

PEARSON INTERNATIONAL AIRPORT

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Prime Minister. It concerns an issue that he raised himself during question period about people being presumed innocent until they are found guilty.

My question concerns the Pearson airport affair and the fact that during the election campaign on this very matter the Prime Minister said: "The people have a right to know all the facts". Since then we have found that there is no finding of fact whatsoever to support any wrongdoing. We have since learned that he has had a personal involvement.

I would like to know from the Prime Minister and the government whether or not they will hold a public inquiry on this whole matter.

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I regret very much that the hon. leader of the fifth party has not seen fit to recognize the fact that the Prime Minister stood in this House and denied categorically that he was involved in any discussions relating to Pearson and that deal. That was substantiated by a lawyer who allegedly had been present when such a discussion was allegedly to have taken place.

With respect to Pearson and in response to the hon. gentleman's question, anybody who does not think there is something wrong with the Pearson deal would have had to be a member of the Mulroney cabinet.

PRESENCE IN THE GALLERY

The Speaker: I would like to draw members' attention to the presence in the gallery of the hon. Senator Michael Beahan, President of the Senate of Australia, and his fellow parliamentarians who are visiting us.

Some hon. members: Hear, hear.

The Speaker: Also, colleagues, today is a rather special day for 23 remarkable young Canadians. They are with us as guests of the House, of the National Capital Commission and the surrounding area.

[*Translation*]

These young Canadians have distinguished themselves through their talent, their determination and their achievements.

[*English*]

They are the winners of the 1995 YTV Achievement Awards.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

(1505)

[*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 16 petitions.

* * *

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have the honour to present the 71st report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Foreign Affairs and International Trade.

[*Translation*]

Madam Speaker, with the consent of the House and the support of the Chief Government Whip, I move that the 71st report of the Standing Committee on Procedure and House Affairs, tabled in the House today, be concurred in.

(Motion agreed to.)

Routine Proceedings

[English]

(1510)

PETITIONS

HUMAN RIGHTS

HUMAN RIGHTS

Mr. Dan McTeague (Ontario, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition signed by 25 members of my riding. They call upon Parliament to oppose any amendments to the Canadian Human Rights Act or to the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

ABUSE AND VIOLENCE

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Madam Speaker, these petitioners are concerned with the amount of violence and abuse in our society. They point out that violence and abuse in the media are of particular concern to them and to the people whom they know, particularly as it affects younger children. They are concerned about all types of abuse and violence.

They ask the government to ensure that the CRTC takes the necessary measures in order to reduce it and if possible to eliminate it. They point out that often what happens counters what it is they try to do in raising their families. They do appreciate some of the recent initiatives undertaken by the CRTC and they want to applaud those.

GUN CONTROL

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present four petitions containing over 1,000 names.

The first one is from Mr. Kralkay of Prince George, B.C. The second one is from Mr. Hackman and others of Prince George, B.C. The third one is from Mr. Carvell of Houston, B.C. in my riding. The fourth one is from the Fort Trap and Handgun Club in Fort St. James which is in Prince George—Bulkley Valley riding as well.

These petitions and the 1,000 names contained therein request that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of a crime. They request also that Parliament support new Criminal Code firearms control provisions that recognize and protect the rights of law-abiding citizens to own and use recreational firearms.

They request the support of legislation that will repeal and modify existing gun control laws which have not improved public safety, have proven not to be cost effective, or have proven to be overly complex so as to be ineffective or unenforceable.

I personally support these petitions 100 per cent.

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Madam Speaker, I rise today to present a petition signed by 37 constituents of my riding of Annapolis Valley—Hants.

This petition calls on Parliament not to amend the Canadian Human Rights Act or the charter of rights and freedoms to indicate societal approval of same sex relationships, including amending the Canadian Human Rights Code to include in the prohibited grounds of discrimination the phrase sexual orientation.

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, I would like to present two petitions today. The petitions are signed by constituents of the riding of Red Deer.

In the first petition, the citizens express their disapproval of special privileges being extended to same sex relationships and the inclusion of the phrase sexual orientation in the Canadian Human Rights Act. Therefore, the petitioners humbly pray and request that Parliament oppose any amendments to the Canadian Human Rights Act.

GUN CONTROL

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, the second petition is signed by 257 constituents.

The petitioners humbly pray that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of crimes and that Parliament support legislation that will repeal and modify existing gun control laws which have not improved public safety or have not proven to be cost effective.

LEONARD PELTIER

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, I have two petitions concerning the extradition of Leonard Peltier.

The first petition notes that at the time of Leonard Peltier's extradition from Canada to the United States, the information provided to the Canadian government regarding Mr. Peltier's case was fabricated by the U.S. authorities. Since that time, new information has emerged which indicates that Leonard Peltier was framed for a crime he did not commit and for which he has spent the last 18 years in prison. Key evidence was suppressed, as found out under the freedom of information act. Perjury was rampant throughout the trial and the key witness, Myrtle Poor Bear, recanted her evidence publicly.

Therefore, the petitioners request that Parliament lobby the U.S. government for Mr. Peltier's return to Canada.

Madam Speaker, the second petition is similar to the first.

Routine Proceedings

It asserts that Leonard Peltier is innocent but still remains in prison after 18 years. Under the U.S. freedom of information laws it was found that the FBI had withheld certain evidence which would have been helpful to Mr. Peltier's case. At Mr. Peltier's first appeal in 1986 the court concluded that his defence at the trial had been hampered by misconduct and perjury.

Therefore, the petitioners request that Parliament lobby and advocate on behalf of Mr. Peltier to obtain a prison transfer to Canada.

DANGEROUS OFFENDERS

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, it is an honour to present a petition called the Melanie Carpenter petition which includes another installation of a few thousand names.

The petitioners believe that many violent offenders and sex offenders are being paroled prematurely or are being released without proper treatment and rehabilitation. They also believe that those convicted of dangerous and sexual offences should remain incarcerated until they have successfully undergone treatment and can demonstrate unequivocally that they have been completely rehabilitated.

The petitioners ask the Minister of Justice and the Government of Canada to take whatever steps are necessary to amend Canada's Criminal Code and the parole system to ensure the safety and peace of our neighbourhoods.

HUMAN RIGHTS

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Madam Speaker, I have two petitions.

Several citizens of Canada state that because the inclusion of the phrase sexual orientation in the Canadian Human Rights Act will provide certain groups with special status, rights and privileges, and because the inclusion will infringe on the historic rights of Canadians such as freedom of religion, conscience, expression and association, they petition and call upon Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which would provide for the inclusion of the phrase sexual orientation.

* * *

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 question will be answered today: No. 105.

[Text]

Question No. 105—**Mr. Cummins:**

With regard to the mandatory use of mefloquine by Canadian forces personnel, (a) what clinical or field studies did the Department of National Defence undertake or fund into the possible adverse effects including the impairment of judgment of the mandatory use of mefloquine by Canadian forces while in Somalia, both while the personnel were in Somalia and on their return to Canada, (b) what clinical or field studies did the Department of National Defence undertake or fund into the possible adverse effects including the impairment of judgment of the mandatory use of mefloquine by Canadian forces while in Rwanda, both while the personnel were in Rwanda and on their return to Canada, (c) what amount of alcohol was available on a daily basis to Canadian forces personnel in Somalia and later in Rwanda who had received the mandatory dosage of mefloquine, what adjustments or precautions were made to the dosages by those administering the drug and what advice was given to persons required to take mefloquine who might be expected to use alcohol during their tour of duty, (d) what screening and other precautions were taken by those administering mefloquine, and what advice was given to Canadian forces personnel in regard to self-administered recreational body building, locally grown stimulants and other such drugs that it could reasonably be expected that personnel might be taking concurrent to their usage of mefloquine, (e) what ranks and occupations in the Canadian forces were not subject to the mandatory use of mefloquine in either Somalia or Rwanda and why were they not subject to the mandatory requirement to take mefloquine and (f) why is the effective dosage of mefloquine taken by Canadian forces stronger than the equivalent dosage given U.S. military personnel and what are the possible adverse effects of such stronger dosages?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): (a) None was conducted and none was deemed necessary.

(b) None was conducted and none was deemed necessary.

(c) The specific policy regarding the consumption of alcohol is left to the field commander who determines the amount of alcohol permitted per day during deployment. In Somalia, members were not permitted any alcohol during the first six weeks of their deployment, following which each member was allowed two beers per day, except on special occasions where no restrictions were imposed, e.g. regimental birthday. In Rwanda, members are permitted two beers per day for six days of the week with no alcohol one day a week. The field commander may remove these restrictions for special occasions.

Until quite recently, there was no scientific evidence that personnel taking mefloquine were at an enhanced risk of a serious adverse interaction when drinking alcohol. Further, the prescribing information for mefloquine does not mention concern about such an interaction. Thus, when Canadian forces members were deployed to Somalia and Rwanda, there was no evident need to warn those taking mefloquine about an interaction with alcohol. However, a Canadian medical journal has recently, on February 15, 1995, reported a single case of a likely serious interaction between mefloquine and copious alcohol ingestion which resulted in a temporary psychotic state in the patient. This is the first reasonably documented reported case among the millions of persons who have taken mefloquine worldwide in the last decade, many of whom likely drank alcohol, even substantial quantities, hence the risk of such an interaction would seem quite small. In light of this report, it is felt by the Surgeon General that it is prudent specifically to caution members taking mefloquine against the concurrent excessive use of alcohol; the necessary direction is being drawn up. Reducing the mefloquine dosage to minimize potential

mefloquine/alcohol interaction was not and is not recommended since this would enhance the risk of getting malaria.

It is important to state that responsible use of alcohol is already the expected norm in the Canadian forces for other substantial reasons, e.g., injury control, whether inside or outside Canada.

(d) The usual precautions for the prescribing of mefloquine were employed. The Canadian forces have an education based drug and alcohol prevention program, DAPP, to which personnel are to be exposed annually. The Canadian airborne regiment had a DAPP session for the junior non-commissioned members in the fall of 1992 and for senior non-commissioned members and officers before departure to Somalia. At the time of deployment, there was no published literature that indicated an adverse interaction between recreational drugs and mefloquine; therefore, specific advice was not given to those who might use recreational drugs when taking mefloquine, although it is standard policy that recreational drugs are not to be taken by Canadian forces members.

(e) There has been a longstanding caution against using mefloquine among persons for whom dizziness might be particularly detrimental. While there is no evidence that this caution is necessary, out of prudence, the Canadian forces follows it and mefloquine was not and is not used in certain occupational groups, primarily pilots and divers. Hence, in Somalia and Rwanda, pilots and divers were not to be prescribed mefloquine.

(f) Mefloquine marketed in Canada is the European formulation which has 250 mg of base drug. The U.S. formulation has 228 mg of base drug, or 9 per cent less active drug. Medical studies have been done on both formulations with similar conclusions. It is unlikely that the minimally lower dose in the U.S. preparation is of practical significance.

[English]

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, if Question No. 77 could be made an Order for Return, the return would be tabled immediately. For the record, I note that Question No. 77 is a starred question.

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

Some hon. members: Agreed.

Government Orders

[Text]

*Question No. 77—**Mrs. Lalonde:**

For each program respecting a component of unemployment insurance, employment, child tax benefit, children's special allowances, negotiation and administration of international social security agreements, income security and social programs, namely EIC 1 to EIC 45, HWC 26 to HWC 42 and LAB 112, what have been the (a) annual budgets and (b) administrative costs for each province and territory since 1989?

Return tabled.

[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

(1515)

[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. Derek Wells (South Shore, Lib.): Madam Speaker, I am pleased to have the opportunity to speak on Bill C-76, an act to implement certain provisions of the 1995 budget. I would like, however, to preface my discussion on the specific aspects of this bill with a few general comments about the budget.

The Liberal agenda with regard to deficit reduction was clearly outlined in the red book and has been reiterated by the Minister of Finance many times over the past 18 months.

Unlike the Reform Party we have not made unrealistic promises to reduce the deficit overnight. Rather we have set, and will continue to set, realistic goals until such time as the deficit is eliminated.

There is no denying that some of the measures announced in this budget are tough. However, the reality is that the time has come to make these changes. The Liberal Party campaigned on providing good government, and this budget underscores that commitment by taking on the challenge of reducing the deficit and modernizing government. I acknowledge that adjustments will have to be made, but I believe that this will be for the long term good of this country.

Government Orders

Personally, I was relieved to note that the cuts announced in the budget are fairly uniform from region to region. Unlike last year, for instance, when I had to deal with the closure of two Canadian forces stations in my riding, Atlantic Canada has not received a disproportionate share of the cuts.

That said, I would now like to concentrate on the bill before us. Where possible I would like to discuss the various aspects of this legislation by focusing on the effect that these measures will have on the province of Nova Scotia and, in particular, my riding of South Shore.

One of the most important facets of this legislation is the establishment of the Canadian health and social transfer. This initiative, which converts established programs financing for health and education and the Canada assistance plan into a single consolidated block transfer, is a fundamental structural change that will result in decisive deficit reduction. The result will be a transfer system that is fiscally sustainable and more effective in meeting contemporary needs.

This approach provides real benefits to both levels of government and will reduce a number of longstanding irritants. For example, the provinces will be free to pursue their own innovative approaches to social security reform and will have more control over how they meet their priorities. They will no longer be subject to rules stipulating that certain expenditures are eligible for cost sharing and others are not. As well, the expense of administering cost sharing will be eliminated.

Some people have expressed concern that this change in funding methods will result in the disintegration of national standards. This is simply not so. The transfer will not be totally unconditional, nor, as the Minister of Finance stated in his budget speech, does flexibility mean a free for all. The principles of the Canada Health Act will continue to be enforced. There will be no change in the principle that provinces must provide social assistance without minimum residency requirements. Rather a set of shared principles and objectives will be developed in concert with the provinces to underly the new transfer.

It is also important to note that the equalization program will remain intact and will continue to grow. This ensures that provinces like Nova Scotia will have the ability to provide all Canadians with a reasonably comparable level of service regardless of where they live. Overall in the Atlantic provinces equalization growth offsets Canada health and social transfer reductions so that overall transfers will increase slightly to these provinces. In fact, in Nova Scotia the percentage change in provincial transfer entitlements has increased by .09 per cent for 1996-97.

The next facet of this bill that I would like to cover is the elimination of the Atlantic freight subsidies under the Atlantic Region Freight Assistance Act and the Maritime Freight Rates Act.

(1520)

These subsidies were provided to rail, trucking and marine companies to defray the cost of shipping goods within the Atlantic region and to central Canadian markets. However, a recent analysis of this program has shown that they are no longer serving their original purpose.

For instance, almost half of the \$99 million spent annually goes to ship goods within provincial boundaries. High tariff barriers that restricted access by regional producers to markets in the United States and abroad no longer exist.

Shipments to central Canada represent a small and declining portion of the Atlantic region's market. In fact, only 13 per cent of goods produced are sent to central Canada. Goods are also being shipped further than need be in order to collect the subsidy.

The elimination of this tariff will lead to increased efficiency and, very importantly, will reduce the burden on taxpayers and shift the cost of providing transportation onto those who use and directly benefit from the system.

I was pleased to note that Transport Canada will be providing \$326 million in transitional funding to the Atlantic provinces to alleviate shipper hardship, upgrade highways and transportation infrastructure on a cost shared basis.

By turning away from broad subsidization and toward focused and responsible investment in infrastructure and technology, Transport Canada is helping to build an integrated and affordable national transportation system, something that will benefit all of Atlantic Canada rather than just one specific sector.

Bill C-76 also contains amendments to the workforce adjustment directive, the Public Service Employment Act and the Public Sector Compensation Act that will facilitate a fair and orderly downsizing of the public service.

It is estimated that about 45,000 federal public service jobs will be affected by the measures implemented in this budget as a result of program review. Some of these jobs will be transferred to the private sector. Other reductions will be realized through attrition, voluntary departures and layoffs. The impact that this will have on the Atlantic region has not yet been determined, but all indications are that a large portion of these cuts will be made in the national capital region. This is due to the fact that approximately one-third of the total public service workforce is located in this region.

These cuts are the unfortunate part of the transition from a public service that tries to be all things to all people to one that offers Canadians a more limited number of high value programs and services. The approach taken by previous governments of

Government Orders

implementing across the board cuts is no longer a viable solution.

This government is at the point where such a measure would only result in good programs being penalized and working conditions suffering. For too long federal employees at every level have had to contend with heavier workloads and fewer resources. It is now time for government to change, to streamline its operations. As was noted in the 1994 budget announcement, it is time to ensure that government's diminished resources are directed to the highest priority requirements, to those areas where the federal government is best placed to deliver services.

As a result of this review, it has become necessary for the government to enact changes to the various pieces of legislation that govern the public service. These changes are necessary to achieve our fiscal objectives.

Over the next three years there will be major changes to the way government services are delivered. As a result, some temporary measures are required to ensure that where there is no work there is no pay.

Another measure in this legislation will see the termination of payments under the Public Utilities Income Tax Transfer Act. This program involves the federal government transferring to the provinces and territories 95 per cent of federal income taxes paid by privately owned electrical and gas utilities. In turn, the provinces were to transfer this amount to privately owned utilities. Nova Scotia is the only province that actually utilizes the transfer as it was intended, and I anticipate that Nova Scotia Power and its customers throughout the province will bear the brunt of this budget measure.

I am against this particular cut because it means that power bills in Nova Scotia will increase. However, I realize that other provinces are going to have to deal with the loss of this transfer money as well in one way or another.

In closing, I would like to reiterate my overall support for the 1995 budget. I am very pleased to be part of a government that has the will and determination to tackle this country's deficit problem. It is about time that concrete action was taken.

(1525)

[Translation]

Mr. Gilbert Fillion (Chicoutimi, BQ): Madam Speaker, unlike the members opposite, Bill C-76 leaves me with a bitter taste. I find it hard to believe that the Minister of Finance does not realize the impact, for the country as a whole, of this bill designed to implement major changes, particularly as regards those transfers to the provinces which relate to social, health and post-secondary programs, and also to the Canada Assistance

Plan. The mere mention of these programs makes you realize that the government means business.

Over the next three years, the Liberal government will cut \$7 billion in the transfers to the provinces. What should Quebec expect? In 1995, the reductions in transfers to Quebec will be minimal, for the obvious reason that a referendum is expected this year. The government does not want to make waves in Quebec with this budget. However, when you see how generous the federal government is with Quebec, you realize that, day after day, it is implementing several strategies, instead of governing and creating jobs, as it promised to do. In fact, the Liberals were elected precisely because they promised to create jobs. But, right now, they are only interested in implementing their strategy. In 1996-97, however, things will change drastically; they will get much tougher for Quebec, which will have to make do with a \$650 million shortfall.

It was recently said in Toronto that Canada had to make Quebecers suffer. That process has started. The government is starting to make Quebecers suffer with cuts in the transfers, and the process will continue until 1997-98. Quebecers are told that they will have to negotiate. How? Time will tell. Quebec has been trying to negotiate with this Parliament for decades, but we have never managed to agree.

Consequently, I fail to see why the federal government would want to renegotiate the issue of transfers to the provinces. The government willingly complies with the demands of the rich provinces, particularly Ontario, British Columbia and Alberta.

Is the government considering splitting the resource envelope for the main transfers by using as a criterion the provinces' respective populations? If so, Quebec would have to absorb 41.7 per cent of the cuts to transfers. This would mean a shortfall of close to \$2 billion for Quebec, between 1997 and 1998. The federal government is indeed deliberately trying to make Quebec suffer. What really hurts though is that it is Quebecers who do most of the damage, and I am thinking in particular of the Minister of Finance, the Prime Minister, and the Minister of Labour.

(1530)

Transfer payments to the provinces are not a bonus. These are transfers of tax revenues paid for by the workers in each province.

When Quebec finally patriates the \$30 billion in taxes that the people of Quebec pay the federal government every year, then we will have all the resources we need to govern ourselves.

As a result of the federal government's cuts in transfer payments to the provinces between 1982 and 1993, taxes paid by Quebecers to the federal government increased 143 per cent. Meanwhile, federal transfer payments increased only 50 per cent.

Government Orders

As usual, these cuts will come down hardest on the most vulnerable members of our society. They will cut the federal government's share of financing for social programs, from 37.8 per cent to 28.5 per cent within four years. Is this just another way to hit Quebec? Cuts and more cuts, but they never refer to putting people back to work in this country. And working at well paid jobs, so they can work with dignity.

As a result of this budget, the Saguenay—Lac—Saint—Jean area lost 285 jobs at the Canadian Forces base in Bagotville, although Quebec has only 13 per cent of Canada's defence infrastructure and staff. And it seems that an experimental farm in Normandin is either going to be closed down or lose a number of jobs. There is still a great deal of uncertainty among employees at Radio—Canada in Chicoutimi and at the National Film Board. However, it is common knowledge that this area was hit hard by the recession and unemployment. For several years, it has had the highest unemployment rate. I do not think my region and my riding will be able to overcome these problems if we stay within this system.

Do hon. members not realize that by putting the unemployed and welfare recipients back to work, we will increase tax revenues, and that these tax revenues will in the end help Canada out of its precarious financial position?

And by the way, as we put people back to work, there is another way to save a lot of money: eliminate duplication and overlap of services in many departments, including the Department of Health and the Department of Human Resources Development, since the provinces already have similar departments.

I would say that 90 per cent of the people who come to see me at my riding office are at their wits' end. They are no longer eligible for unemployment insurance, so they are on welfare. We have no way of helping them to get out of this morass. And I do not think that the bill before the House today is the answer to all these problems.

(1535)

I think we should take the surplus in the Unemployment Insurance Fund, give it to the provinces and let them select and conduct the courses and provide training that would be appropriate for these people. I am sure that everyone would benefit.

[English]

Mrs. Anna Terrana (Vancouver East, Lib.): Madam Speaker, I am pleased to have the opportunity to speak to the budget for several reasons, one being I believe it addresses Canada's present needs and prepares us well for tomorrow's challenges.

The budget recognizes the need to remain within our fiscal parameters. It recognizes the fiscal realities with which we are faced and it reminds us that we as Canadians cherish certain fundamental values and principles.

The other reason is I have a number of comments to make.

[Translation]

In the election campaign, the Liberal Party promised the deficit would be reduced to 3 per cent of the gross domestic product by the end of the 1996–97 fiscal year. This required drastic measures. Canadians have told us that they do not want tax increases and that they want cuts in government spending.

I think this is what we have done. However, if government spending is to be cut, it means services have to be cut. I worry about this, even though the financial world is satisfied.

[English]

In nationwide budget consultations Canadians told us they wanted to be treated fairly and equitably. They wanted the government to reassess its priorities and they were prepared to undertake certain measures and see certain reforms if they were to pave the road and build the foundations for a stronger and more prosperous Canada.

Vancouver East is no different in this regard. In a series of meetings with my constituents, one message was recurrent. In defining the role of government and reviewing Canada's problems and Canada's delivery of services we should be fair and equitable. The residents of Vancouver East wanted to see by and large a fairer tax system. The budget improves tax fairness.

Large corporations are expected to make a larger contribution to help bring the deficit down. Both the large corporations tax rate and the corporate surtax were increased by 12.5 per cent. The capital tax on banks and similar large deposit taking institutions will also be temporarily increased, but we must do better. At the same time the government did not increase personal income tax for the second year in a row.

[Translation]

In an attempt to spread the cuts among Canadians, a lot of programs have been eliminated. This concerns me a lot. It concerns me particularly because women, immigrants, children and poor families need these programs.

Lots of families in my riding of Vancouver East are in crisis. Lots of children in my riding will not complete their education. They are caught in a cycle of poverty they cannot escape. These children need help with programs that provide encouragement. The announced cuts could have dire consequences.

*Government Orders**[English]*

The residents of Vancouver East told me they do not want an erosion of our social programs or the government to abandon its traditional role in preserving social programs.

I support the government's continued efforts to encourage and instil in individuals a greater sense of self-confidence and independence. The government recognizes the need to protect the weak and the needy, those who are unable to care for themselves. We recognize there can be new partnerships that can result in greater efficiencies and greater responsiveness.

The provinces will now have greater ability to design programs more suitable and appropriate rather than being bound by rigid rules. Nonetheless, there will continue to be national standards for the new Canada social transfers, and the provinces will be required to provide social assistance without imposing any minimum residency requirement.

[Translation]

Naturally the new system is not perfect. I fear that we will not be able to ensure all the provinces apply the programs uniformly, and, as a result, social programs could be seriously eroded.

However, if these measures are not taken, we could find ourselves, in a few years, completely without social programs. The change in transfers will come into effect next year. The federal government is currently negotiating changes with the provinces in the hopes that the provinces will administer the social programs better, because they are more attuned to the needs of their population. These changes represent cuts in transfer payments of \$2.5 billion in 1996-97 and \$4.5 billion in 1997-98.

(1540)

Despite these figures, the cuts to the provinces are not as deep as the cuts at the federal level. We have to work together to ensure that those who really need assistance are not abandoned.

[English]

As for immigration, we all know immigrants have played an important role in the building of our country and in the building of Vancouver East. Immigration has been a success story in Canada and doubtless Canada has benefited from the enormous contributions of immigrants to Canada. Immigrants have helped to build our nation and they will continue to help build our future.

Vancouver East is evidence of the outstanding contributions of immigrants and is home to a cross-section of numerous ethnic cultures. Vancouver East is a culturally diverse riding, with half of the riding being comprised of immigrants, the largest group being the Chinese. Less than one-third of the residents of Vancouver East were born in British Columbia, one

of the lowest figures in B.C. We must continue to encourage immigration.

Many individuals have communicated to me that effective integration of newcomers is essential to their success. On the other hand, some have noted the substantial cost of the programs and the need for everyone to live up to their responsibilities.

A clear intention of the budget is to reduce the federal deficit. For the Department of Citizenship and Immigration this means re-examining its priorities. In the nationwide consultations conducted by the Department of Citizenship and Immigration the public stated immigration, refugee and citizenship programs were valid and necessary for the development of Canada and that there was little room for cuts to expenditures.

More recently under both the budget and program review we have seen the implementation of cost saving measures and a shift in some of the cost burden from the taxpayer to those who benefit directly from our programs and services, including the introduction of a new right of landing fee set at \$975 per adult over 19 years of age.

I greatly hope the new fee will be fair and equitable in its practical application, that it will not unduly restrict or even remotely discourage immigration to our country, however alluring and magnificent our country may be. Granted, the program provides a loan option for those individuals less equipped to meet the new fee. However, we must be flexible and we must be accommodating.

What if individuals come from deeply impoverished nations where opportunity of education is unavailable to all and where the skills and training required to function and be successful in our society are lacking? The loan option is said to be based on one's ability to repay the loan within a certain time period. How can these individuals without the necessary tools to acquire meaningful employment be realistically expected to repay the loans within a three-year period?

I hope the requirement to repay the loans will be relaxed under certain circumstances to allow individuals sufficient time to develop the skills and training to allow them to find employment or the means by which they might better be able to repay the loan while at the same time independently maintain a decent standard of living.

[Translation]

The last measure I would like to discuss is Canada's health care system. The principles set forth in our health act must be defended and maintained. They are: universality, comprehensiveness, flexibility, portability and public administration.

In the budget speech, we said, and I quote: "For this government, those are fundamental". We must continue to protect them, as they are. The government said it would abide by these principles and it will.

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[English]

I believe my task is to make sure the poor do not become poorer but are helped to get out of poverty, that women can realize themselves and can be assisted in their endeavours, that immigrants continue to be accepted and respected, and that families be helped through difficult times and stressful situations. That is a mammoth task which can be tackled only if I can count on my constituents and on all Canadians. I am looking forward to working with them for a better future. I know they are willing to work with me.

Overall the budget is a success. We must be vigilant in our commitment to supporting the pillars of liberalism: freedom of the individual, equality of opportunity and compassion for those who have less. I am very committed to these fundamental principles and I know all of my colleagues are as well. Let us work together.

(1545)

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, I rise today to speak on Bill C-76, the budget implementation act, which is intended to legislate into law certain aspects of the government's budget tabled in February. I would like to focus my remarks today on how this bill and budget impacts upon Canadians.

"Government really does know what is best for you, rather than what you know yourself", seems to be the message of this government. Where is its trust in Canadians? Where is its confidence in individuals, families and communities to make their own best choices? I will attempt to illustrate the reasons for my concerns in the next few moments.

I want to review the four principles the government put forward in its budget. First, the government says it must get its own fiscal house in order and focus on cutting spending, not raising taxes. Before this budget was presented, I heard Canadians say they were taxed to death. I heard Canadians say they wanted no new taxes. Well, guess what? In this budget the government gave them new tax.

The second principle is that the priorities of this country must reflect the needs of the people. Canadians need an economic plan that promotes jobs and growth. I do not think the government gets it yet, that government does not create real jobs; individuals create real jobs. The money left in the hands of taxpayers will create real and lasting jobs.

The third principle it put forward was frugality, that every tax dollar counts. I ask this government, does that include the tax dollars that are going to go toward your pensions? Does that make those tax dollars count, obscene pensions by this government?

The fourth principle is that we must be fair among regions and among Canadians. Again, I take that point. Is an illegal pension plan for MPs fair to Canadians?

I would like to add a fifth item to this list of principles, and I wish the principles had been followed. This principle is one to add. We affirm the value and dignity of the individual person and the importance of strengthening and protecting the family unit as essential to the well-being of individuals in society.

The Reform Party has recognized the importance of family as a principle since its very inception. The Reform Party has established a task force on the family, which I chair, that is developing policies that specifically address issues that directly affect the family. This government must shift its focus and seriously consider the impact of the policies, both in its budget and otherwise, and how they apply to the Canadian family.

First, I would like to take a look at the debt-deficit circumstances of our country. This government, as with previous governments, is pursuing a reckless fiscal policy that sees our national debt mushrooming to alarming proportions. The total national debt as of today, April 3, 1995, stands at \$540 billion plus.

The government has not laid out its plans to achieve a balanced budget yet. It has only set a target of 3 per cent of GNP for a deficit to GNP ratio. This target is totally unrealistic and duplicitous. Our debt continues to grow with an ever present deficit. The government's own statistics in its budget documents show that since it has been in power the debt will mushroom to \$508 billion in 1993-94 and to a projected \$603 billion in 1996-97, all other things being equal, \$100 billion more in debt within its mandate, and it considers this a wise budget.

The percentage of net public debt to GDP will increase from 71.4 per cent in 1993-94 to 73.4 per cent in 1996-97. World standards would say that is completely unacceptable. The interest payments on that debt have increased from \$38 billion in 1993-94 to a projected amount of over \$50 billion in 1996-97.

I go back to my original statement: What do these statistics mean to the Canadian family? First, it means Canadian families are overtaxed. They have less disposable income because of their high level of taxation, and that makes a virtual necessity for two income earners to support a household. This government is driving two parents out of the home to make a living.

As Statistics Canada recently reported, family income has actually declined in real terms since 1989; that is, from \$56,000 to \$52,000 in real 1993 dollars. That is a decline of 7.5 per cent from 1989 to 1993. Meanwhile, the number of dual income families has been forced to increase. The decline in family incomes from 1992-93 was 2.6 per cent alone. In the meantime, day care demands increased thanks to taxation and government policy.

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(1550)

The second thing these debt and deficit statistics mean is that money will not be available for social programs that Canadian families require.

The interest on the debt is consuming one-third of our tax dollars. This means that with increasing debt and added deficits, less and less money will be available to fund our needed social programs. The government claims to be protecting the interests of Canadians and their families. Yet even in this budget, under the new Canada social transfers, block transfers to the provinces will actually decrease from \$26.9 billion in 1996-97 to \$25 billion in 1997-98.

What is needed? A fiscal remedy is needed. The focus of government spending on need and relief for the Canadian taxpayer and family is needed. A whole new approach and focus is needed by this government. Canadian families and individuals must be empowered to create opportunities for themselves and for their future. The government must get off the backs of Canadians. This is the Reform Party's approach.

In February, before the government tabled its budget, our party released its taxpayers' budget, the Reform Party's plan to balance the federal budget and provide social and economic security for the 21st century. This unprecedented action of presenting a budget before the federal budget combines both a remedy and relief.

First, this budget offers a clear solution for our fiscal problems and the debt-deficit crisis. This plan includes a balanced budget within the life of this Parliament. A balanced budget will result in a government that lives within its means.

How do we achieve this? With \$10 billion in savings from government operations and \$15 billion in affordable savings from targeted social programs. The government has not yet released its plan for achieving this vital goal, whereas Reform has, both during the election campaign and now.

It is interesting to note that in Reform's zero in three plan back in the election campaign, we predicted cutbacks of 30,000 in public service positions. This government at that time said absolutely nothing. Now it throws 45,000 public servants out of work and still keeps digging a bigger debt hole. That is not giving the full story to the Canadian people.

Reform, by contrast, reduces government spending honestly and realistically. At the same time, Reform offers a promise of empowerment for Canadian families. We define empowerment as the provision of better tools and increased opportunities for individuals, groups and provinces to improve their own social and economic security. This is relief.

How would Reform empower Canadians and Canadian families? First, the taxpayer protection act, to give the taxpayer a say in how government spends their hard-earned tax dollars. This would say first, that government spending and taxes would have to be balanced over the business cycle. Second, total government spending and taxes could not exceed a constant proportion of national income and could only be increased by extraordinary legislative means. Such an act would prevent the reoccurrence or continuation of our debt-deficit problem, which has plagued government for so many years. It could be somewhat like a taxpayers' rehab centre for a government addicted to overspending. It would force discipline upon the spending addictions of both government and its politicians.

Second, the empowerment of Canadian families would come through reform of our social security programs. Politicians have always worked with the premise that Canadians' personal security needs are best met by government. This has led to a centralized, bureaucratic, expensive system that is insensitive to individual needs. This has ignored both the ability and opportunity of many Canadians to help themselves and others.

Right now total spending on social programs in Canada exceeds \$140 billion. That is \$18,000 for every family of four in Canada. Reform would suggest that government programs may in fact be the worst way of providing for the social security needs of some of those Canadians.

We would like less government intervention in personal security. We have suggested the RPSP to put the future plans of Canadians in their own hands.

(1555)

I would also like to see less government intervention in families, where, rather than a national day care program, government rewards and recognizes families for taking care of their own children. We need less, not more government. We need the empowerment of families, communities and local organizations.

Reform has a vision for building a new and better Canada. The security of Canada is not in government but in allowing wise choices to be made by families and individuals in Canada.

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Madam Speaker, I am pleased to stand in the House of Commons today to speak on Bill C-76. This budget shows once again our commitment to consulting Canadians.

The Minister of Finance has delivered a fair and honest budget. It is a tough budget, some may argue, but the measures introduced are essential if we are to face economic realities and reach our fiscal targets.

[*Translation*]

For the second year in a row, the Liberal government has refused to reduce the deficit at the expense of the Canadian

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taxpayer. This budget will allow us to meet our deficit reduction goals without increasing personal income taxes.

This budget illustrates the difficult choices that confronted us when we undertook to revamp federal programs in order to increase efficiency without compromising the priorities of Canadians.

The budget reflects the most thorough review of federal programs ever. Through program review, the government identified \$16.9 billion in cuts to programs over the next three years, not including transfers to individuals and to the provinces.

[English]

Some additional highlights of this year's budget I would like to highlight are the reform of government programs and procedures to eliminate waste and abuse and ensure value for Canadian taxpayers. We have just completed the largest program review ever initiated.

The second is the move toward a fairer tax system, including tighter rules for tax deferrals, foreign and family trusts, R and D incentives, and higher taxes for corporations and large banks. For too long corporations have been more or less excluded from taxation. This is one step in the right direction in ensuring that everyone bears the burden of this deficit.

Another highlight is the delivery of a new vision of the federal government's role in the economy that includes a reduction in business subsidies by 60 per cent over three years from \$3.8 billion in 1994-95 to \$1.5 billion in 1997.

At this point I would like to focus the House's attention on one aspect of the budget that unfairly affects many Canadians of Greek origin as well as other veterans. That is the announced changes to the war veterans allowance program that would return this program to its original intent. As a result, the war veterans allowance and related benefits have been discontinued for former members of the resistance. Also, all allied veterans with post-war residency are required to reside in Canada six months out of the year if they wish to continue to receive these benefits.

These changes will affect approximately 2,895 former resistance members in the Montreal region of whom 90 per cent are Canadians of Greek origin.

On March 2, 1992 the War Veterans Allowance Act was amended to remove the right of applicants with service limited to a resistance group to qualify for benefits. However, existing domestic resistance service recipients were to be grandfathered if they maintained their residency in Canada. Moreover, foreign resistance recipients were required to return to Canada and resume residency within one year or risk losing their entitlement to war veterans benefits forever.

More specifically, section 6.1 provided grandfathering to those who qualified on or before March 2, 1992 and would continue for life if they remained residents in Canada. There were approximately 700 resistance claimants who returned to resume residency in Canada. For some this brought on certain hardships: separation from their families residing abroad, re-settlement, isolation.

While Canada is the only country in the world to offer such an allowance to members of the resistance, the announced changes will bring on added hardships to all individuals who depend on this source of income.

Many of my constituents have raised concerns about the problem of transferring individuals between the ages of 60 and 65 from one social program to another. To date the government, through the Minister of National Defence and the Minister of Finance, have shown sensitivity and understanding toward this problem, especially regarding those people who are not yet eligible for old age security.

(1600)

Benefits were initially scheduled to be discontinued about three months after the budget was tabled. However through the interventions of myself and other members of Parliament we have been given the assurance these cuts will not go into effect until August 31, 1995.

I asked how much would the government really save by having a group of persons transferred from one social program to another, from war veterans allowance to welfare, or by having a group, the allied veterans, return to resume residence in Canada. There are about 740 in total living abroad. The average age of allied veterans is 75.

We must compare the social impact of such a move. Would we really save by having these people return to Canada and take advantage of our social programs including health care?

I consider the situation of these individuals as unjust and I made recommendations to the Minister of Finance and the Minister of National Defence on this issue, as have other members of the House.

There has been some concern that benefits are being paid out to persons who are no longer living. Therefore, I and other colleagues have made recommendations that individuals could register with the Canadian embassy in their respective countries.

I appreciate the government's interest in finding a just solution to this problem and thank the Minister of National Defence for agreeing to review this aspect of the program review in light of the difficulties these people will face in returning to Canada.

I will continue to work with many colleagues in the House, the Hellenic Canadian Congress, the veterans associations of the Hellenic community and other concerned parties to see the concerns of these individuals are addressed.

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Canada has not forgotten the contributions these veterans made to the preservation of democracy during World War II. It is the only country to offer this type of allowance to former members of the resistance. I am proud that Canada offered this.

The issue of fraudulent claims has also been brought forward as a reason for terminating the allowance. While there may have been certain individuals who took advantage of the generosity in this program, the majority are deserving applicants. The government did not terminate the program because of the few individuals who took advantage of Canada's generosity.

Cost effectiveness was the reason this allowance was terminated. The targets will not be met when we consider the cost to be incurred once these individuals cross over to welfare.

Most significant in the budget is that it marks the beginning of a new era, a new way of managing the federation. It is a simpler, more efficient way that accords with provincial responsibilities to design and deliver key services. Many have seen this move as a move away from traditional Liberalism based on the principle of shared social responsibility.

Over the years successive Liberal governments have shown their commitment to this value through their actions. Many of the laws and policies they enacted remain the basis of our system of social support through which we pool our resources to create programs that benefit all Canadians and help sustain people through difficult times.

We are presently in difficult times. The test for our government will be to rise to the challenge and ensure the announced social program transfers will not jeopardize our standards of universal health care, unemployment insurance, old age security, the Canada assistance plan and the Canada pension plan.

These are part of the Liberal legacy and must remain in place if we are to continue to be the country that is the envy of the world. Poverty remains a growing problem for Canadian society as we try to overcome the economic challenges facing our country.

While the budget does not, as some members of the opposition would like to believe, make its cuts on the backs of our poor, their future must be brighter. Furthermore, the structure of the economy is changing. As a result the family structure is also undergoing changes. There have been enormous increases in single parent families and in families with both parents working and in families living in poverty, as is the case in my riding.

The failed economic and social policies of the Conservative government have left over 4.2 million Canadians living in poverty, of whom 1.2 million are children. Sixty-two per cent of families headed by single mothers are living in poverty with their incomes failing.

The Liberals made a commitment in the red book to work toward greater equality of social conditions among Canadians, to redistribute opportunity more broadly so that many more people have a decent standard of living and can build good lives for themselves and their families, allowing them to live with dignity and respect.

[*Translation*]

We must do everything we can to maintain our social programs at current levels despite expenditure cuts. Like all Canadians, we believe that we must strive to balance the budget. We will achieve this responsibly and realistically, without compromising the gains we have made over the last 16 months in the areas of job creation and economic growth, and without compromising the values and priorities of all Canadians and of the Liberal government.

(1605)

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Madam Speaker, education, health and social assistance come under provincial jurisdiction. Over time, however, Ottawa has gradually encroached on these areas of provincial jurisdiction through its spending powers. The provinces must abide by these standards in order to receive federal funds. In seeking to enforce its national standards, the federal government was compelled to put in place a large public service, thus duplicating the provincial public service.

These expenditures, also known as overlap or duplication, are costing us roughly \$1 billion a year at the Department of Health and \$1.8 billion a year at the Department of Human Resources Development, at a time when there is so much whining about budget difficulties. Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, does exactly what its title indicates, that is, allow the government to implement certain measures announced in the finance minister's last budget.

It is crucial that all Quebecers understand this bill, which may appear daunting at first because it deals with financial management links between the federal government and the provinces. These realities are very far removed from our fellow citizens. Quebec men and women have better things to do at supper time than talk about equalization, established programs financing, or the Canada Assistance Plan. It is, however, essential to pay attention because these three programs alone represent transfers to the provinces in the order of \$38 billion for 1995-96.

Federal contributions to these programs are falling dramatically and systematically from year to year. According to Quebec's Minister of Finance, "Between 1977 and 1994, the federal government's share of social program funding in Quebec for health, education and social assistance dropped from 47.6 per cent to 37.8 per cent. The finance minister's budget points to a

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dramatic decline in the federal share, which would fall to 28.5 per cent by 1997-98".

It is essential that citizens pay attention to equalization, established programs financing and the Canada Assistance Plan, because it is there that the federal government is hiding a large part of its cuts. Some refer to this as the offloading of the federal deficit onto the provinces. These cuts will cost Quebec taxpayers close to \$2 billion in 1997-98.

It is essential for the men and women of Quebec to understand how these programs work and the changes proposed today through Bill C-76, because this bill is the basic element of the federal proposal in the referendum debate.

Quebecers may have heard the Minister of Foreign Affairs speak of renewed federalism before the budget was tabled. He travelled throughout Quebec saying, "You just wait and see, after the budget is tabled, we will talk about a new Canada". Others may have heard some federal spokespersons talk about decentralized federalism. The people must be told that these proposals are based on the bill before us today and that is why I urge them to pay particular attention to this bill.

The finance minister's budget wants to impose on us what we rejected in the 1992 referendum. Let us have a closer look at the federal government's proposal as compared to the sovereignty option offered by the Quebec government to its people.

(1610)

To do so, we must understand how tax transfers are made between the federal government and the provinces. For social assistance, health and education, these transfers are made under three major programs.

The first one, the fiscal equalization program, is prescribed by the constitution. It is the program under which wealth is redistributed among the wealthier and poorer Canadian provinces. Quebec is now one of the poorer provinces. In 1982, the federal government capped the amount of equalization payments.

Last January—that is, January 1994—the Liberal government extended this cap for another five years with Bill C-3. By putting a cap on equalization payments, the federal government is defeating the very purpose of the program, which is to help bridge the gap between wealthier and poorer provinces. Since the equalization program was dealt with in another bill, namely Bill C-3, there is nothing about it in Bill C-76.

The second major program governing fiscal relations between the federal government and the provinces is called established programs financing (EPF). Through this program, the federal government provides financial assistance to the provinces in the areas of health and postsecondary education.

When the EPF was first introduced in 1977, federal transfers were supposed to be calculated on a per capita basis and indexed. But as the federal government sees its financial capability shrink away, it transfers less and less money.

The third major program is the Canada assistance plan, also known as CAP. This program governs federal transfer payments to the provinces for social assistance. In Quebec, the payments made under this program cover 50 per cent of social assistance costs.

What does Bill C-76 provide for regarding established programs financing and the Canada assistance plan? It calls for these programs to be abolished and replaced with a new program called Canadian social transfer. And the proposed changes would take effect in 1996-97.

The Canadian social transfer has two main characteristics. First, it will save the federal government some money. Indeed, the government is taking advantage of this change to substantially reduce its contribution to the new program. The second feature of the CST is the fact that, even if the federal government provides more limited financing, it reserves the right to impose standards and requirements to the provinces, as a condition to that financing.

In 1996-97, the first year of the new system, the federal government will contribute \$2.5 billion less than what it is currently providing to the provinces through the programs which it is proposing to replace. In Quebec's case, this means a loss of \$650 million. In 1997-98, the resource envelope for the provinces will be reduced by \$4.5 billion, which could mean a \$1.2-billion loss for Quebec.

All told, the federal government is reducing its current transfers to the provinces for health, social assistance and post-secondary programs by \$7 billion. Moreover, it does so while introducing a new program called the Canada Social Transfer.

The government should at least say: "We have run out of money and are forced to stop contributing to the financing of these programs which, in any case, fall under provincial jurisdiction. Consequently, we leave you with the responsibility of managing these programs". If the government did that, it would eliminate duplication and overlapping, and it would also save close to \$3 billion in administrative costs. But that is much too simple and logical for this government.

The federal government would rather continue to raise our taxes, on gas, for instance, waste our money by duplicating provincial initiatives, among other things, and reduce by \$7 billion, over the next two years, transfers to the provinces. This is what I call to dump the responsibility for the deficit on the provinces.

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[English]

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Madam Speaker, beside the Rideau Canal there are some information panels from the National Archives. One panel shows the beautiful Parliament Buildings when they were first completed in 1866.

The text explains that when they were built, Centre Block, East Block and West Block were supposed to house not only this place and the other place but also the entire federal public service.

(1615)

Clearly, successive governments have vastly inflated the federal role compared to its image at the time of Confederation. If a percentage of that increase of federal size was due to things like population growth, I would guess that same percentage of expansion of the federal government could readily be offset today by a full and thorough application of new technology. Personally, I am strongly opposed to having so much federal government with too many employees processing far too many forms and thinking up even more rules and regulations to tie up the private sector in red tape rather than producing real wealth.

How do we stop this expansion? One way would be to support the motion of the Bloc Quebecois to hoist Bill C-76 for six months, presumably leaving the federal government with no way to pay its bills. However, I regard that suggestion as very irresponsible and I urge my colleagues to vote against the amendment. A much better way to downsize the federal government is to eliminate federal interference in areas which the Constitution clearly says fall under provincial jurisdiction.

As forestry critic for the Reform Party, I want to focus on the ending of federal moneys going to industry on a 50/50 cost shared basis with the provinces under the forestry resource development agreements, or FRDA. They expired in most provinces last week but have one more year in British Columbia and Quebec.

FRDA II in British Columbia had a five year budget originally set at \$200 million, half from B.C. and half from the federal government. One way to judge the probable impact of FRDA II is to compare its budget to other spending on forest management activities in the province responsible for roughly half of Canada's forestry production.

This is according to the Compendium of Canadian Forestry Statistics for 1993, the national forestry database as published by the Canadian Council of Forest Ministers. On page 138 it shows a B.C. total of public funding spent on forest management including silviculture, protection, resource access and other management expenditures for the years 1990, 1991 and 1992 of \$1,518,956,000. Net expenditures by industry in B.C. for those

same purposes across the same years was an additional \$1,837,027,000.

In other words the \$181 million which FRDA management committee correspondence indicates will be its total expenditure across five years must be compared to the \$3,355,983,000 of total public and industrial spending for just three years. Clearly, the budget of FRDA II was only a tiny fraction of overall spending on management of B.C. forest lands.

According to the midterm evaluation of FRDA round two in B.C. by Deloitte & Touche: "The major impacts, which can be quantified during the agreement period, should come from the incremental silviculture investment projects. Approximately \$100 million worth of these activities are planned over the five year agreement period".

Regarding overall program evaluation, Deloitte & Touche wrote on page 18 of the midterm evaluation: "The total net extra returns over costs and social return on investment or economic gain expected from these silviculture operations to June 30, 1993 is in the order of \$46 million".

In other words, the major activities undertaken under FRDA II have produced an economic net gain rather than a cost to the public purse. Therefore, it should be no economic hardship for the provinces to take over these activities themselves. At the same time it frees the provinces from federal interference and frees private industry from federal-provincial overlap in this area which the Constitution clearly says comes under provincial jurisdiction.

Section 92A of the Constitution Act, 1982 specifies the power of the provinces in the areas of "development, conservation and management of non-renewable natural resources and forestry resources" including "the rate of primary production therefrom". Nevertheless, because forestry is the number one industry in Canada and produces a significant part of the entire federal government revenue, the federal government has shoved its way into aspects which really should be provincial.

When I say forestry produces a significant part of the federal government revenue, I base that on a Price Waterhouse study published in May 1991 entitled: "The Forest Industry in British Columbia 1990".

(1620)

Based on cubic metres of B.C. coast 1990 log harvest, the total of all taxes and payments per cubic metre was \$69.19 including \$1.44 for municipal government, \$29.47 for the provincial government and \$38.28 for the federal government for direct taxes, employee taxes and payments like UI and CPP. Although more than one-half of all government revenues per cubic metre went to the federal government, it is the province which bears the major costs of administering regulations for day to day forestry practices.

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This example is according to a brief entitled "The Cost of Regulation in the B.C. Coastal Forest" prepared by the Council of Forest Industries of B.C. in September 1992 for the Vancouver region for 1990-91. The actual provincial costs of regulating the industry were: harvesting, \$9.97 million; basic silviculture, \$20.42 million; inventory, \$1.2 million; integrated resource management, \$2.7 million; research, \$750,000; and administration, \$22 million. The total is \$57,065,000.

If my mathematics is correct, the province picks up the costs but the federal government's share of income received from the coastal crown allowable annual cut of 19.02 million cubic metres, which was the average of 1988-91 was \$728,085,600. I remind my hon. colleagues, that is the federal take from only one B.C. region out of a total of 36 regions. This should provide ample federal funding for the international role on forestry as well as help the overall economy.

Of course, since this study was completed, the B.C. government has introduced a whole new program of forest regulations in an entire series of booklets which makes earlier regulations look like child's play.

Although many B.C. municipal councils have been writing to complain about the ending of the federal funding to FRDA II, I am also hearing from my constituents that they want a balanced federal budget as soon as it can be achieved without undue hardship for those truly in need.

Based on the figures I have mentioned today, I believe I have demonstrated that ending federal funding for FRDA should not have a significant impact on the forest industry, nor impose undue hardship, generally speaking. Moreover, by helping to get the federal government out of day to day forest management, ending federal funding to FRDA can help downsize our bloated federal bureaucracy. Since long term returns from FRDA activities are a net asset to the public purse rather than a liability, this is one way to downsize the federal government at no loss to the provinces.

Finally, last year's report by the House Standing Committee on Natural Resources said in recommendation number 11 that a possible third round of FRDA should go to "development of forest ecosystems and landscape management techniques and the continuation of financial assistance to private woodlot owners". Even the private woodlot owners in Nova Scotia when I visited there were complaining about the bureaucracy and overlap of FRDA and did not expect FRDA to continue.

In conclusion, I wish to oppose the BQ amendment to Bill C-76 on budget implementation. I give my support as the Reform forestry critic to federal downsizing in the realm of natural resources as demonstrated by the ending of the forest resource development agreements.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, the budget brought down by the government should be given points for public perception, and the federal government for improving its image. The impression is given that the government has hit hard. The impression is given that it has reduced the deficit and done everything it possibly could to turn Canada's economy around.

I heard a number of comments in this House that were extremely frustrating for me. One was that this budget was fair and equitable, hard but equitable.

According to the press clippings I read after the budget was tabled, those who complained loudest were the banks, who said it was a very harsh budget.

(1625)

All the banks said that this government hit their profits very hard, including the president of the Royal Bank. Which means the government came down very hard. In fact, in the budget the banks were asked to contribute \$50 million annually, but only for two years, which means a total of \$100 million.

Consider that last year, the six chartered banks made a net profit of 4.3 billion dollars. I am talking about net profits, what the banks have left after covering all their expenses and salaries. These are net profits: pure profit. The banks raked in 4.3 billion dollars last year alone for their shareholders and owners.

When the government says in the budget that the banks will be asked to contribute \$50 million for two years, this means barely 1 per cent of their net profits for last year. This is all part of a general trend we are seeing in a government that is probably following the example of its Conservative predecessors by supporting the wealthiest in our society. That is very obvious. In fact, not only is the banks' contribution towards paying off the debt extremely small, their taxes have been going down compared with the kind of profits they make. There are statistics and studies that show this very clearly.

I am, of course, referring to those who are among the wealthiest members of our society. The president of the Royal Bank, Mr. Taylor, pocketed over \$2.5 million in salaries, bonuses and loans last year. The story is the same for other bank presidents.

Very clearly, this government favours the rich, and the rich are getting richer with this budget and the government's mentality. The proof lies in the fact that the government did nothing about family trusts, that it did not tighten corporation tax credits, and that even subsidies to Canadian business were reduced by only 60 per cent over three years. All this to say that the government has demonstrated its intention to protect the strongest and richest.

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If we go to the other end of Canada's social map, we see this government's hard-heartedness, its immorality and its lack of a sense of justice in cutting \$300 million in the public housing sector in its budget. Cutting three hundred million dollars in this sector means asking society's most vulnerable people to pay a share three times that of the banks. People who live in public housing earn an average of \$10,161 a year—a very long way from Mr. Taylor of the Royal Bank, who earned \$2.5 million last year.

In the public housing sector, the government has called for cuts of \$100 million this year and the next three. This means that, since 1994, not a single cent has been spent on new housing construction.

(1630)

Since January 1994, this government has put the key in the door, has not invested a cent in new housing projects even though the demand for low-rent housing has continued to increase. There are 80,000 homeless in Canada, the most beautiful and the best country in the world, as some members of this House would say. Yet this country has 80,000 homeless. Canada needs 600,000 new housing units. Yet not only has this government not invested a cent in new housing, it has cut \$300 million from the social housing budget.

That is no longer cutting the fat. However, cutting \$50 million is hardly even trimming the fat from the banking industry. Cutting \$300 million for social housing is not trimming the fat, it is cutting to the bone with an axe. They are asking the most needy and vulnerable in society to cough up even more than the president of the Royal Bank of Canada. Is that what you would call a fair and just budget? I ask you, Madam Speaker. Not in my opinion. Any Liberal who rises in this House to say that it is guilty of the greatest hypocrisy of all times, because there has never been a bigger need for social housing in the history of Canada, and it is a basic need.

A \$300 million cut to social housing represents a 10 per cent cut in the annual operating budget of each low-rent building in Canada. That means that the window that lets in the cold will not get repaired this year. The roof will go unrepaired. That means that the building itself will continue to deteriorate.

An hon. member: It is being abandoned.

Mr. Marchand: Indeed, we have abandoned this sector. That means that the standard of living of these people will go down. And who are these people earning an average of \$10,161 per year? They are single-parent families, widows, seniors, and handicapped people. We are asking the most vulnerable people in society to make contributions that they cannot make. It will push these people further into squalor than they already are. Are these measures fair for Canadians?

I can accept, along with everybody else in the House, that real measures must be taken to reduce the deficit, but not at the expense of the most needy, the most vulnerable. In its budget, the government directly attacks, head on, blindly, the families and individuals who are the weakest and most vulnerable in society, and hits their essential needs. It is like saying to the weakest, infants, babies, children, that they will have to eat less. It is like taking away from these people their ability to meet their most basic needs.

It is unfair. I am for debt reduction, but why did the government not take the \$300 million from the banks in its budget?

[English]

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for The Battlefords—Meadow Lake—Canadian Wheat Board; the hon. member for Chateauguay—MIL Davie Shipyard; the hon. member for Don Valley North—Human Rights.

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I am pleased to participate in the debate on Bill C-76, the budget implementation act.

I have been here all day listening to the speeches of my hon. colleagues. I get an uncanny feeling that we are seeing the results of the Peter Pan school of economics at work. You remember Peter Pan, Madam Speaker. He was the person who said: "If you really believe you can fly, you will fly". What I am hearing from countless members is that if we cut deeper, if we lay off public servants and if we dismantle all kinds of social and economic programs, watch Canada prosper. That requires an awful lot of faith in something.

(1635)

I see across the aisle my hon. colleague from Notre-Dame-de-Grace. He was one of the few government members who had the courage to say that the kind of programs that decade after decade of parliamentarians on behalf of Canadians have struggled to build are being dismantled in a matter of hours by the government.

It is no mistake that Canada is the number one country in the world in which to live and raise families. However, the reason for that is the whole set of very progressive social programs that the government is in the process of dismantling as quickly as possible.

Today reminds me of a story I read when I was a kid. I think it was Robert Louis Stevenson who wrote *The Wreckers*. This book was about a group of people who lived on an island in the South Pacific. On one side of the island was a rocky shoal out in the

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surf. At night they would often put lanterns out on the rocks to give the impression to passing ships that it was the harbour entrance. As the ships entered this so-called harbour, which in fact was a shoal of rocks, the ship smashed up into pieces and these unscrupulous pirates and others went out and looted the ships. They misrepresented the harbour entrance.

I have a feeling this is what we are doing here. I cannot believe what I am hearing my colleagues say. For example, I heard a number of my Liberal friends say that the red book set out a whole number of promises and they have kept them. I remember the red book stating: "This NAFTA deal with the United States and Mexico is not good for our businesses and our working people and we will dismantle this program unless massive changes occur". There were virtually no changes at all. Now the Prime Minister has not only signed us into NAFTA, he is trying to sign us into an extension of NAFTA with countries like Chile and others. It was one of the major commitments that was made to the Canadian people and was the basis on which they gave the Liberals their support.

The other crucial one was the GST. I remember my Liberal opponent in Kamloops saying: "If you elect me as a Liberal representative we promise to abolish the GST". As a matter of fact, the deputy leader said: "If that GST is not abolished I will resign my seat because I am so committed to doing this". Here we are, 18 months into the Liberal term of office, and nary a whisper about the GST's abandonment. As a matter of fact they did suggest we change the name. Maybe that was their version of abolishment, to abolish the name of the GST because we are sick of it.

Those were two major promises given to the electorate. Another one was child care. I remember the hon. member from Winnipeg on countless occasions standing up in the House of Commons saying that child care was crucial to the economic development of the country's future. With increasing single parent families and two spouses in the workplace, child care is not a luxury or a social program, it is critical to economic development. Was there even one mention of child care in the budget? Nary a mention. When I put the question to the Minister of Human Resources Development he said: "We will be working on that as long as all of the provinces agree". I can predict the outcome of that.

Then the environment was going to be a priority. That was critical because we all agreed that all of these other programs were essentially irrelevant unless we really came together and worked hard to preserve the quality of the Canadian environment. What have we done? Wait and see. I bet that in a matter of weeks we will be dismantling the environment department. It has been virtually gutted of any consequence, therefore we might just as well toss it out. I can see that announcement coming.

I could go on and on about broken promises but I think they are well known and I do not have to keep it up.

However, government members have been saying: "We had a balanced, just and fair approach". Fair for what? I remember my friends opposite giving a standing ovation to the Minister of Finance on budget day. I will read from the budget: "First, the existing large corporations tax will be increased by 12.5 per cent effective immediately in order that big companies contribute more to help bring the deficit down". People rose to their feet and applauded because the Liberals were getting tough on the big companies, on capital.

(1640)

Let us look closely at that. The capital tax is 0.2 per cent. It is going to skyrocket from 0.2 per cent to 0.22 per cent. Now 0.22 per cent is an increase of 12.5 per cent, but it is infinitesimal. It is virtually meaningless. You can imagine the big corporations snickering when they heard that. However, the impression was that there was balance because the government was hitting big corporations hard.

The government also said in the budget it would take on the banks. The government imposed a temporary tax for one year. What does that mean, a temporary tax for one year? Nobody in the House would dare to stand and suggest that the banks were getting a tough ride, so the government said that it would get tough and impose a temporary tax which would only last one year.

Where is the balance? I do not think there is a single person who would not admit that the victims of the recession are the hardest pressed today. Where are the major cuts coming? The major cuts are coming from training programs, educational programs, health care programs and all social service programs. Who benefits from those programs the most but the victims of the recession, the unemployed and the poor people of the country. Those are the people who the government is hitting. A little tap on the nose for the big corporations, a little tap on the head for the big banks, and everyone else will get whacked.

We have a deficit problem. We have a serious debt problem. However, let us ask the question. What was it that caused the debt? How did we get into this bloody mess? We have to go no further than to ask Statistics Canada. In 1991 Statistics Canada conducted a major study into the cause of the debt. The study indicated that our \$560 billion debt was caused by three items.

Fifty per cent of the debt is the result of compound interest, in other words, monetary policy. The government set a certain monetary policy which we heard about the other day when it became clear that the Minister of Finance and the Governor of the Bank of Canada had entered into a sweetheart deal. The Minister of Finance promised that he would not allow inflation to rise above 3 per cent. He said he would do anything to keep it down, which meant high interest rates. Today we have one of

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the highest interest rates in the industrialized world. Fifty per cent of our accumulated debt is the result of that.

Forty-four per cent of our accumulated debt is the result of tax exemptions. There are all sorts of tax exemptions, tax programs, tax loopholes, et cetera. \$38 billion a year is lost through that sieve. Again, \$38 billion has not been collected as the result of a whole set of tax breaks. I am not going to suggest for a moment that none of them are any good. However, virtually none of them do the things that we want them to do. Forty-four per cent of our accumulated debt comes from tax breaks.

Let me ask my Liberal colleagues across the way if they really support the notion that escort services should be a legitimate tax deduction. If they do not they should stand up and say it. Do they really believe that luxury boxes should be written off as a tax exemption? If they really do not believe that they should stand up and criticize these things. There are huge holes in the tax system which allow \$38 billion to remain uncollected year after year.

Now we come to the crunch. Six per cent of the government's accumulated debt since the mid-1970s is as a result of government programs like the armed forces, the RCMP, health care, pensions, et cetera. If we only look at social programs it comes to 2 per cent. What did the government do? It focused on the 2 per cent that caused the debt as opposed to the other 98 per cent.

The government has actually got it reversed. Rather than dealing with monetary policy and tax reform, it decided to take on those who have been victimized by the recession. I say to my Liberal friends: Shame on you. To my Reform friends I say: Double shame.

Mr. John Williams (St. Albert, Ref.): Madam Speaker, I rise to speak on Bill C-76, an act to implement certain provisions of the budget. I guess one could call this an omnibus bill because it deals with measures regarding the public service, health and social transfers, fiscal stabilization, the Public Utilities Income Tax Transfer Act, veterans, securities, fees for passports, the Atlantic freight assistance program and the Western Grain Transportation Act. That is quite a handful all wrapped up in one bill.

(1645)

While I have some serious concerns about many of these measures, today I am going to focus on only three of these areas. Being a westerner from Alberta and representing farmers in my constituency, the Western Grain Transportation Act of course comes under serious scrutiny.

The Reform Party has always supported the elimination of subsidies, but we do not see any particular reason why the farming community should be singled out for elimination of all

the subsidies in their particular area when everyone else can continue on at the public trough, collecting billions and billions of dollars.

We are seeing the Western Grain Transportation Act subsidies eliminated. That of course raises serious concerns for the grain farmers in the western part of the country.

The Minister of Finance in the budget said that there will be a one-time payment of \$1.6 billion to the owners of prairie farmland. While I can appreciate that many farmers rent their land from landowners, it seems rather strange to me that the landowner would be the recipient of a subsidy based on the production of the land when it is the farmer who does the farming who incurs all the costs of growing the grain, fertilizing it, harvesting it, storing it, shipping it. He bears all the risk, yet the \$1.6 billion is going to the owners.

It is an unfair way of phasing out this subsidy, one, because farmers are being singled out for the elimination of the subsidy, and two, because this money is going to the landowners and not the farmers themselves.

In my riding we have an alfalfa plant, which has also been a recipient of the Western Grain Transportation Act subsidies. Alfalfa may not be a household name or a product that everyone buys, but they do produce 850,000 tonnes of alfalfa pellets and cubes valued at more than \$100 million. Over 90 per cent of their production is exported. The elimination of this subsidy is going to have a devastating effect on this particular industry in my riding.

Alfalfa pellets are a high volume, lower value product than grain. Therefore, the transportation costs make up a much higher percentage of the total cost of the product when it is landed in a foreign country such as Japan, which is one of the major importers of Alberta alfalfa. The elimination of this subsidy is going to have a devastating effect.

Last week we legislated back to work the workers on the railroads. If we thought the elimination of this subsidy was tied to or coupled with the increase in productivity on the railroads, then we would be able to keep the transportation costs under control. I do feel that the alfalfa plant in my riding is going to be particularly hard hit by these measures without offsetting help in some other area through, as I mentioned, increased productivity in the railroads.

Canada as a whole of course is going to suffer. Here is \$100 million in export sales that is in jeopardy; there are 1,000 jobs in jeopardy. I think the minister of agriculture should take these things into serious consideration and perhaps make some representations to the Minister of Finance regarding what should happen to the alfalfa industry in western Canada.

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(1650)

In the area of the public service, Bill C-76 implements some changes to the workforce adjustment directive. These changes allow the President of the Treasury Board to declare 45,000 public servants a surplus commodity. As Reformers we have a very deep and real concern for the civil servants and their families who are going to be losing their jobs through the workforce adjustment directive.

Since the election we have talked about the need to get the cost of government under control, that downsizing has to be done. We realize that is important. But we must also remember that the Liberals are the ones who said: "We are not going to touch the workforce adjustment directive; we are going to leave it where it is".

In July 1994, in a letter to the Professional Institute of the Public Service, the President of the Treasury Board stated that the workforce adjustment directive will only be changed through negotiations. I do not think Bill C-76 is negotiating with the public service. This is a big, heavy hammer that is going to say that for the next three years the workforce adjustment directive is set aside and we are going to eliminate 45,000 civil service jobs.

If this is the way the Liberal government negotiates and the way it has handled the economy, the deficit and the debt and when it says one thing and does the opposite, we will have no idea where this country is going. The litany of broken promises made in the red book gets longer and longer every day.

The workforce adjustment directive is only being set aside for three years. I was wondering how the government can honestly say that government downsizing does not require the elimination of the directive altogether. Is this just another empty promise of the Liberal government when first it said: "We are not going to touch it," and now it is saying: "We are going to set it aside but only for three years"? Let us hope that in three years it is not in a position to express an opinion on the workforce directive because it is likely that in three years it will find another reason to set it aside for a longer period of time.

I think this government should do its homework and should come to realize that government should be fundamentally changed and downsized. It should come clean with the public service and honestly say that the directive may have to be eliminated and not suspended.

These short term politically expedient measures with the previous Tory government bought labour peace through granting job security. I think we are seeing another situation where the government says one thing and the long term policy may be quite different.

The government is allowing these people who are declared surplus to stay on the job for six months, with or without work. Then, for 12 additional months after they are gone, if a job is

found they can be brought back without putting the jobs out to competition.

We are seeing all kinds of ways that the Liberal government is waving the wrong flag.

We are debating employment equity, where the merit principle is thrown out the window. Now they are saying they are going to reserve the right to bring workers back within 12 months and eliminate the competition for jobs. All these things say that fairness is being flouted and that the Liberals are governing without any real sense of direction as to how to set an example in this country.

In the short time I have left I would also like to register my opposition to the elimination of the Public Utilities Income Tax Transfer Act. It is patently unfair to Alberta because it will bear the brunt of this at \$173 million in additional costs to the utility services. It is going to add 7 per cent to the price of electricity in Alberta. In Alberta the utilities are privately owned and they now have to pay federal income tax. But Ontario Hydro, Quebec Hydro, B.C. Hydro, and all these other crown corporations of provincial governments are exempt from federal tax.

(1655)

Therefore, I would like to be on record as opposing that particular item in Bill C-76.

[Translation]

Mr. Maurice Godin (Châteauguay, BQ): Madam Speaker, I rise to participate in the debate on Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995. I had the honour to second the motion moved by my colleague, the hon. member for Saint-Hyacinthe—Bagot, last Thursday, March 30, 1995.

The purpose of this motion is to send the finance minister back to the drawing board to redo the budget he dared table in the House, which the Bloc Québécois is doing its utmost to denounce. I am proud to have seconded this motion because the finance minister's budget hides its true nature and claims merits it does not have.

For the 1995-96 fiscal year, the budget does not introduce any changes as far as transfers to the provinces are concerned. Everything is being postponed until next year so that Quebecers will not find out before the referendum that federalism is a failure. However, starting in 1996-97, the federal government will arrange to shift its deficit to the provinces to the tune of at least \$7 billion.

This is how the government will go about it. First, it will eliminate two major programs under which funds are transferred to the provinces, namely the Canada Assistance Plan and established programs financing, replacing them with a new program called the Canada Social Transfer. This new program, the Canada Social Transfer, will have to take into account the cuts announced in the finance minister's budget. These cuts will amount to \$2.5 billion in 1996-97 and \$4.5 billion in 1997-98

for a total of \$7 billion. The amount of these cuts are in the budget.

By reducing transfer payments to the provinces this way, the federal government is transferring its public finance load onto the provinces while at the same time keeping the related tax points and the spending power in every area. In spite of all the good things promised in the budget, clause 48 of Bill C-76 is unmistakably clear; under this clause, Quebec will be deprived of \$650 million in 1996-97.

In 1997-98, the budget for the new program, the Canada transfer program, will be divided among the provinces based on a criterion that remains to be negotiated. If the criterion ultimately chosen is the one currently in use, this would mean a \$1.2 billion shortfall for Quebec in 1997-98. It could even be steeper, because no decision was made yet regarding on what basis calculations will be made.

In fact, the federal government seems to grant the requests of wealthier provinces, notably Ontario. Equalization aside, the government is seriously considering distributing all major transfers to the provinces on a per capita basis. If that were the case, Quebec alone would have to bear 41.7 per cent of the cuts in transfer payments in 1997-98 on account of its population. Therefore, Quebec would see its shortfall for 1997-98 increase from \$1.2 billion to \$1.9 billion.

This goes to show that this budget claims to have merits it does not have, as glaringly evidenced by the cuts to be expected next year. Another clear indication is the government's commitment to maintaining national standards. Bill C-76 maintains health national standards and provides for the introduction of new national standards for social assistance and post-secondary education.

(1700)

Federal support will be withheld if the provinces do not comply with these standards. This centralizing and arrogant form of federalism has nothing to do with decentralization. These national standards will limit the provinces' autonomy in their own fields of jurisdiction, at their own expense. Again, the new standards which will be implemented coast to coast will not serve the interests of Quebec's distinct society, particularly in a sector as vital as education.

The bill provides for new national standards before negotiations have even taken place. The federal government is announcing the outcome of such negotiations before they are even underway. There is nothing in this legislation to indicate that the federal government needs a consensus among the provinces to

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implement new national standards. Let us not forget that the federal government has the authority to unilaterally impose such standards through legislative amendments. If the provinces reject these standards, they will lose federal support, which, ironically, is provided with the money collected from provincial taxpayers.

Therefore, the new Canada Social Transfer will impose a \$7-billion cut to the provinces. In addition to that, clause 48 of Bill C-76 provides that a province must make mention of the Canada Social Transfer in all its advertising and documents related to the health services provided by that province.

Let me give you another example: As the critic for Veterans Affairs Canada, I noticed that Bill C-76 seeks to reduce benefits, allowances and compensation. Clause 42 provides for the gradual elimination of education assistance to children of deceased veterans.

Clauses 68 to 72 eliminate allowances to allied veterans in the Resistance, as well as allowances to uniformed allied veterans who immigrated to Canada. Finally, clause 73 provides that any compensation paid to a veteran attending a review committee hearing of his application for disability pension will be eliminated. These provisions amount to a loss of benefits for veterans. This is a case of penny-pinching.

In short, this budget truly reflects what federalism is all about. The federal government would like to be perceived as the almighty protector and authority. But Quebecers will not be fooled and they will not hesitate to express their dissatisfaction with this system and say that the trickery is over and that they are prepared to take control of their destiny once and for all. In the meantime, it is essential to postpone second reading of Bill C-76 for six months, to give an opportunity to the Minister of Finance to do his homework. This is the purpose of the motion which I seconded and which I still support.

[English]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, it is a pleasure to speak today on Bill C-76.

A lot of misinformation has gone on recently with respect to the budget. I would like to correct some of those statements.

The budget is going to sound the death knell for many things we hold dear to our hearts as Canadians, in particular the social programs of the country we have spent so many years and decades forming. These social programs have set us apart from countries like the United States; set us apart from countries that do not take care of those who are underprivileged in society as we in Canada have done much to the envy of people in other countries.

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(1705)

Contrary to what many people believe, the budget poses the single greatest threat to those social programs. It is not something we should be proud of, but rather ashamed of. I will explain why.

The big ogre in all of these talks about budget and finances is not the deficit. The big ogre in this is the debt, that huge expanding volume, almost impossible for us to comprehend, now at about \$560 billion and three years from now will be about \$660 billion.

Where will we get the money to pay even the interest on this? I will show the House. Imagine what we spend every year to be a pie. That pie would be circular and would represent \$160 billion. Of that pie, \$40 billion goes to pay the interest on the debt. The \$120 billion remaining goes to pay for government programs and social programs.

Three years from now with an added \$100 billion to the debt we will see interest rates on the debt at \$50 billion, not \$40 billion. That will force our country to decrease its spending on government programs and social programs from \$120 billion to \$102 billion.

I ask the people of the country to ask themselves where we will get the money to pay for those social programs if we will have \$18 billion less to deal with. There are two options. Either we have increased growth in the economy, which should occur to some extent, or raise taxes. The latter is not an option but will be something the government and provincial governments will be forced to do to pay for the programs we have come to enjoy. If we do not we will have to decrease services in important areas like health care and education. These are very important programs we have come to enjoy.

I will give some real time examples of the first option, one very close to my heart. Here are some facts about health care in British Columbia. Prince George, a city in northern British Columbia which actually serves one-half of the province, has lost 80 per cent of its orthopedic surgeons. That leaves one left to serve one-half of the province. It has lost 50 per cent of its obstetricians and gynecologists and its only neurosurgeon, among other specialists.

Why have these people left in the last year and a half? Not because they want to get more money but rather they found it intolerable to work under the fiscal restraints imposed on them not only by the province but by the federal government. There is dual culpability in this situation. It is not held by one arm of the government or the other.

The reason is twofold. We have increasing demand for health care services and more expensive technologies and we have less money to pay for them. We also have an expanding and aging population. As we look into the future, if we look at the

demographics of the population in the country, we can see that situation will not change for the better but rather for the worse. Those demands will increase.

Some tragic situations have occurred in northern British Columbia. People have to be flown out of that hospital. Doctors working there have to find spots in Edmonton, Calgary and Vancouver for people to be treated, people sometimes with life threatening injuries, people whose injuries are being treated too late for them to get the adequate treatment required to survive and to come back to functional normality. In a rich country like ours that is an embarrassment and a crying shame. All we need to do is speak to those people to see what happens.

What happens in northern British Columbia is not isolated. This also happens in Victoria. A colleague called me and said he has a 40-year old patient. She is getting vertigo, which means the room spins. They think she has a tumour in her brain stem, part of her brain. She will wait two months to get her CAT-scan and her MRI scan is booked on the 12th of never.

Madam Speaker, if you were that lady, what would you think? What a tragedy to have that happen in our country. If she had enough money she would go to the United States and get these services done in a matter of two or three weeks. That is a two-tier system; a health care system which we have right now, contrary to what government members say.

(1710)

On one hand the government says it will take money away from Canadians under the guise of cutting, that is remove \$8.4 billion from provincial transfer payments, and it will bring down the federal deficit. That is simply not true. All the government is doing is putting the onus back on to the taxpayers and the provinces. It is not fair.

I suggest a constructive alternative solution. It requires a change in philosophy, an openness of mind and a desire to change things for the future. It is a leap of faith which would provide a better health care system for all Canadians.

Let the federal government take it upon itself to define the essential health care services and ensure all Canadians, regardless of income, are covered. Nobody in this party wants to see anybody have any part of their essential health care services withheld because they cannot pay for them. That is something we are fighting against and it is something we will continue to fight against in the future. We want to ensure that every Canadian is covered by these essential services. However, we cannot go on expecting public health care to pay for everything in existence. It simply cannot do that. Therefore let us define those services and ensure they are covered across the country.

Let us give the provinces the power to raise money to pay for their health care services. That would entail amending the Canada Health Act. It would not destroy it, it would amend it.

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There are many good aspects to the Canada Health Act the Reform Party wants to preserve.

However, the government cannot on one hand take money away from the provinces and on the other hand tell them they cannot raise funds. That is not fair. Let us enable them to raise funds. That would perhaps provide for a two-tier system in which there is a private system and a public system.

We must understand the federal government can take the responsibility and say to the provinces that if they have a private health care system only private moneys would be exchanged. Not a penny of taxpayers dollars would go into that private system. It is a fallacy to assume we in this party want to have taxpayers money going into a private system.

It would enable the public system to have decreased waiting lists and it would also provide more money for the public system. Some would choose to use the private system. The bottom line is that people on the public system would receive their essential health care services in a more timely, more expeditious and more efficient fashion.

This is an unequal system but we have an unequal system now. Is it not better to have an unequal system which provides better health care for all Canadians than to have the present system which will worsen as time goes on? The Canadian public, when it understands that, would agree. We in this party would support the government if it would take the initiative and do that. To stick its head in the sand and say nothing is wrong is completely untrue.

The provincial government in British Columbia was forced to implement a stop gap measure of \$18 million just to lower the MRI waiting list and the waiting list for coronary artery bypass grafting. Those lists have 700 or 800 names. If a person is waiting for open heart surgery, I am sure they would find it extremely disconcerting to find out they have to wait five months. Senator Keon mentioned the waiting list for non-emergency heart surgery in Ottawa is now five months. That is a travesty.

(1715)

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Madam Speaker, the great national party and defender of the most vulnerable, the party that used to lean more towards the NDP than towards the Reform Party, the party that was so full of the words pride and dignity is no more. It has caved in to repeated attacks from the wealthy and the financial community who just happen to be friends of the party.

Yesterday's Liberal Party has turned into a kind of progressive conservative reform party. That is what we can call that party now, whose members sit across the way. With this latest

budget, the members opposite, these progressive conservative reform members, have abandoned their basic principles. The vulnerable, the sick, people in substandard housing, the unemployed and the elderly, all these people who need the government's special attention, have been abandoned in the name of deficit reduction.

The message from the government benches sounds hollow. It is also less than forthright, because it would have the public believe that all these vulnerable people and our social programs are to blame for the fact that the federal government is bankrupt. This is a misrepresentation of the facts, and it is unacceptable. By sending this kind of message, members opposite, which I can no longer call Liberals or "Rouges", are questioning the very role of government.

Is this role not supposed to be to help the weakest in our society, to ensure that everyone has a decent standard of living, that our collective wealth is distributed equitably and that those who have a measure of wealth should participate in this collective effort? Is this not the government's mandate?

Unfortunately, members opposite, those former Liberals with their millionaire Minister of Finance, are stupidly caught up in a one-track economic and financial mind set, totally oblivious to social principles and human values. Pretty soon, if we replace the Minister of Finance with a calculator, no one will notice the difference. The government will add and subtract without considering the disastrous impacts of these cuts.

The Minister of Finance of this new progressive conservative reform party represents the exact opposite of Robin Hood. Instead of taking money from the rich to give to the poor, the Minister of Finance takes money from the poor to give to the rich.

Could we expect anything else from a failed Robin Hood who is himself a millionaire and who admitted that he was familiar with the whole range of tax exemptions? He even owns a fleet of ships, some of which fly flags of convenience to avoid Canadian taxes. What a wonderful example of sharing and participating in our collective responsibilities! He prefers to protect his wealthy friends at the expense of those who are less well off.

I am thinking of those notorious family trusts—billions of dollars sheltered from the tax man. In this case, the minister decided to protect his friends for another five years. I think it is shocking to protect The Cadillac crowd and cut benefits to the unemployed.

What about the government's fiscal options? For instance, the banks are taxed a modest \$100 million while the Royal Bank alone, a good federalist, made more than \$1.2 billion worth of profit last year. How do you justify this fiscal decision, when last year, taxes paid by seniors increased by \$500 million?

What about the thousands of businesses that pay no tax, while workers just keep paying more?

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The choice of the members opposite is clear in this budget. Their preference for the rich is obvious. The federal government is the protector of the well-to-do and the financial community.

In the end, it is the lower and medium income taxpayers, always the same, who are affected. The unemployed, the disadvantaged, the sick and the homeless are paying for this budget, in which the government lacks the courage to reach into the impenetrable pockets of the more well off. This budget will mean real hardship: lower UI benefits, fewer assistance programs and shrinking health insurance.

Seniors are given a break, this year. However, it is not hard to guess the intentions of the Minister of Finance.

(1720)

Following the referendum, he will once again go after old age pensions and cut seniors' income, which in many instances, is the bare minimum. Our seniors are entitled to reasonable living conditions. They are also entitled to certain small pleasures.

When the minister's axe falls next year, I fear these small pleasures will disappear, and their quality of life will decline. Women will be hit even harder by the federal government's choices. The concept of family income to be included in various programs affects them directly, because they are the least well off and the most dependent on their partners. By a single stroke, program universality will end for many women, who will thus be condemned to continued economic dependence and poverty. It is a real scandal.

The fact is that the disadvantaged and the middle class are getting poorer. The other fact is that the rich are getting richer. And the government is biting into these facts with gusto—it is broadening the gap between the poor and the rich with its budget and tax choices. What shameful choices.

The budget of the millionaire of finance is just for show. A series of cuts here and there, cuts without vision. And the members opposite are all pleased and smug about this ineffective budget, designed solely to provide a short term response to financial markets. For over 17 months now, the Bloc Québécois has been asking the government to do its work seriously. The Bloc demands that the government get to the real root of the problem: duplication and deep, structural unemployment.

The Finance millionaire ignores these two issues. But, remember the credo of the red book, the bible that was shelved immediately following the election: jobs, jobs, jobs. Where are all of the jobs so promised, which were supposed to kick-start economic recovery? Obviously, the opposite has happened. Economic recovery is creating jobs, jobs, jobs, not government action. Inaction is more like it.

Nice election promises will not fight poverty. One of the best ways of doing it is to give people the opportunity to acquire a

certain wealth through employment. That is a solution seriously worth considering.

Work, employment combat poverty. Where are those major and effective job-creating measures? Nowhere to be seen. The federal government's infrastructure program distributed mere crumbs, and, now, the government is idling. The people opposite are bragging about jobs that were not created by them, but by the economic recovery which, for the most part, was powered by our neighbours to the south.

The federal government does not want to recant. The system is made that way and the faith that the people opposite have in their system is as tough as nails. The decentralization that they say they are going to implement in the budget is an empty shell, a cover for a vast offloading operation onto the provinces. In fact, it is the deficit that is being decentralized, not powers.

Still, before the budget, the carrot they dangled was the possibility of the federal government withdrawing from provincial areas of jurisdiction and transferring to the provinces the corresponding financial resources. Nothing but smoke and mirrors. The budget does the opposite: it perpetuates a domineering central government and ten subservient provinces.

Quebecers will soon make a decision on their future. I am convinced that they will reject this domineering federalism and this government which is eating away at the social fabric to please financiers.

Quebec needs all of the tools available if it wants to build a fairer society based on something other than purely pecuniary values. Globalization of markets, international competition, profits, economic development at any price are all well and good. But, what use are they if the population is abused and neglected? Quebecers will make their own choices.

[English]

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, it gives me pleasure to speak on this bill.

During the last couple of months since the bringing down of the budget, I have been a little disappointed at many of the things I have heard. Members on the government side have talked about the number of occasions they have gone into the communities and towns throughout Canada and have talked to people at various gatherings and now government has a clear understanding of what Canadians want. Government then comes down with what it did and the rhetoric begins.

(1725)

I find it strange because I too have been out to various areas, not just in my own riding but throughout the country. Maybe I operate a little differently than government members do but my conversations are with farmers while sitting on the tailgate of a pick-up truck or with a policeman while riding around in his cruiser. I do that rather than sitting with top bureaucrats or other elites.

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When I go into a prison I do not spend my time in the warden's office. I get to the grassroots population, the guards and people who work closely with the inmates. I go to the coffee shops and meet with nurses coming off shift from the hospital. I sit down and listen to what they have to say. Government members say they have conferred with people but I would like to know why they did not get the same message I got.

People ask such questions as: "What are they doing? We do not quite understand. Why will they not accept the idea that the pension is gold plated and at least be willing to say that they should do their part?" When we look at the figure of \$1,239,000 going to this gold plated pension plan, we sit over here and complain. They do not have the guts to stand up and say that yes, they should do their part but they do not.

I have pulled some figures out of the public accounts and if I can pull these out of public accounts, anybody can. People should be told that the public accounts indicate that last year this government spent \$374 million on language instruction. In the immigration and citizenship section the figure is \$298 million. People would like to know what that is all about.

The funny part is that when we get into multiculturalism we see these big million dollar figures. Most of the people I talked to are immigrants and they asked: "What are they doing? Why are they spending their money on these things? They are nice but at the same time our health programs are going down the tube. Education is going down the tube. Protection is going down the tube and even defence which is important is being cut and going down the tube".

There is welfare out there for the needy. In a pig's eye, it is for the greedy. There are single mothers who ask: "Why can I not get some help? I am single. I have kids. I am divorced and having problems. Why can I not have some help?" I do not know the answer.

All you people on that side do is chatter. You do not give answers to anybody. You play the old political, yap, yap, yap, blah, blah, blah and say nothing. You have been doing that for 30 years. Now we wonder why we have a \$560 billion debt and this huge deficit every year?

People tell me they do not understand. I tell them: Come and listen to the Liberals and you will understand. That is the way they have been operating for 30 years. They will not even give up their little blue cars. On occasion a minister might walk or take the green bus like the rest of us. But no, leave the cars sitting out front with a driver. Let the engines run, it does not matter. Then they walk in here and talk about the millions of kids who are living in poverty, while their cars are running and their chauffeurs are waiting. That is what they do. There is no sign whatsoever that they are interested in giving up anything that would help. A selfish lot right from day one.

(1730)

We talked to the people and we came up with a taxpayers' budget. They say we have priorities and why do the Liberals not have priorities. This is what the people are saying. Obviously their budget does not match what people are saying. Three per cent of GDP means a \$25 billion deficit in three years. Is that not wonderful? We will be paying \$50 billion in interest. We will have another \$25 billion worth of debt.

We are doing our part but perhaps we should listen to the NDP. There is bound to be a pile of dollars out there that we can gather in because we need more revenue. Tax them more. Spend more. Do everything we possibly can.

With respect to justice, it costs \$40,000 per year to house our inmates and we have something like 17,000 inmates. If we multiply that—we do not have to be too sharp, we can even be a school teacher to do that—we come up with millions and millions more dollars. It is \$40,000 to take care of an inmate.

Even one of the Liberals said we have 1,700 from other countries and perhaps we should deport them. I applaud that. That is a good idea. That came from the other side of the House. Good grief, why do the members not listen to that member? We have 1,700 non-citizens sitting in our jails and it is costing us \$40,000 a head. Let us send them back. Let us deport them to their countries. That would probably be the worst punishment they could get. Why do we not come up with solutions to what is happening in our judicial system?

If the member for Halifax would only pay attention she might even learn something; I doubt it but she might. I would imagine she has opted out of her pension plan so she can talk a lot.

Ms. Clancy: No she has not and she will not either. You may quote me.

Mr. Thompson: I will quote her, she will not either. Of course I did not expect any different.

I can recall not too many years back I was told by certain officials in the justice department that once upon a time there were countries interested in negotiating a deal by which they would contract and house our convicts for us, that they would save us a lot of money. Perhaps we need to start looking at that. Perhaps we need to contract with other places to help us with this problem.

The whole crux of this is coming from the people of this country. When we talk to the people, when we talk to their bosses, even though they do not act like bosses—the taxpayer happens to be their boss, I will remind members just in case they have forgotten—they are quite upset that we do not seem to come up with priorities in the House and say we have to take care of health, education, protection, we do need a defence, we want

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to make sure the needy are well looked after when it comes to our welfare system. We have put together their thoughts.

I doubt if anyone sitting over there even took time to read it. After all, that did not come from a Liberal, so why look at it. It cannot be any good if it does not come from a Liberal. For the past nine years before the Liberals came it was not any good if it did not come from a Conservative. Before that it was not any good if it did not come from a Liberal. We play this silly game year after year. We all say we need to do something different.

I have not seen anything different; different name, different faces but the same old Tories, same old stories. Nothing has changed.

(1735)

Mr. Harris: Madam Speaker, I rise on a point of order. While the hon. member for Wild Rose was speaking about the government hearing the message of the people, asking why it was not hearing the right message, the hon. member for Halifax made the comment "because people in the east are smarter". This is an affront to western Canadians—

The Acting Speaker (Mrs. Maheu): I am sorry, that is a point of debate and not a point of order.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Madam Speaker, it is a pleasure for me, in the next few minutes, to speak to—

Madam Speaker, would it be possible to have quiet?

The Acting Speaker (Mrs. Maheu): Order!

Mr. Rocheleau: Madam Speaker, as I was saying, it is a pleasure for me to speak to Bill C-76, An Act to implement certain provisions of the budget tabled in Parliament on February 27, 1995. Ultimately, in practical terms, the purpose of this bill is to modify certain legislation, following the tabling of the budget with its sometimes devastating consequences.

As I examined this bill, my attention was caught, in particular, by some of the legislation affected, including the first part on public sector compensation, where we can see the results of the government's consistency. If this bill is passed, 45,000 federal public servants will eventually lose their jobs, and yet you will recall, Madam Speaker, that "jobs, jobs, jobs" were what the red book promised.

The ideology continues to be the same. Faced with labour relations problems last week, the government did not hesitate to impose back-to-work legislation on workers who wanted to avail themselves of their right to strike, but who did not even have the time to do so, having first been locked out and then,

twelve hours later, legislated back to work. Sometimes, this government is only too consistent.

I also noted that the Western Grain Transportation Act will be adjusted, and yet we know that following the abolition of these subsidies in the West, there will be compensation of three billion dollars, while subsidies to Quebec dairy producers will be cut by 30 per cent, with no mention of compensation. We realize that the member for Brome-Missisquoi will not be leading the protest.

Finally, of course, there is the main body of this budget, which announces cuts in transfers to the provinces over the next three years of \$7 billion, including \$2.5 billion—around 40 per cent—in cuts to the Quebec government. Quebec, with only 25 per cent of the population, will assume 40 per cent of the cuts. And this is consistent too, not just for this government, but for the entire Canadian federal system.

It is consistent because, if one looks at the figures since 1982, Quebec has been cut \$14.3 billion over 12 years. In other words, the government of Quebec, regardless of which party was in power, averaged cuts of over a billion dollars. It is no wonder that the impact of these perverse cuts is being felt in education and health and throughout the system. One only has to think about the community organizations that face repeated cuts resulting from this system based on concealment, on shifting the burden to the provinces and on irresponsibility.

They may laugh, especially since they come from Quebec and have just been elected. Some have not yet realized it. Some people are slower than others. All these cuts and those to come are to be implemented without any changes in Quebecers' tax rates. Quebecers will continue to send between \$28 billion and \$30 billion to Ottawa. For over a decade, we have seen that compensation in the form of subsidies and tax transfers is steadily declining, while Quebecers' tax rates are being maintained.

(1740)

In this regard, it is sad that these cuts are being implemented on the backs of the most disadvantaged in our society, that is, patients in hospitals, the unemployed, welfare recipients, retirees and seniors. We feel that these people are being sacrificed because of an administrative choice, a societal choice, an ideological choice made by this government. My colleague, the hon. member for Laurentides, talked about this earlier. In light of the finance minister's situation, it is difficult to make different choices.

I am very happy about the movement that was born in my riding last week, which is going to sweep across Quebec. This proposal by the Trois-Rivières chapter of Solidarité Québec will be put to all of Quebec through Solidarité populaire Québec, a movement that will result in a national Quebec petition calling for a commission of inquiry on taxation. I want

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to commend the people of the CEQ, the CNTU, the FTQ, the nurses' federation, the union of professional employees of the Quebec government and the union of Quebec public servants, who joined forces to put together a massive petition denouncing the federal government and calling for an inquiry on taxation.

In the end, when they talk about social programs, what do they really mean? We are talking about redistribution of wealth. And when less and less is being distributed, what happens? Wealth is concentrated. That is the evil—the cancer sapping the economy not only in Canada but also throughout the Western world—that has to be denounced and dealt with quickly. Wealth should be distributed, not concentrated as is presently the case.

The government appears to want to distribute wealth, but one must not mistake appearance for reality because, in reality and at the expense of the provinces, it is merely standardizing. It was already standardizing the area of health while at the same time reducing funding. Now, it will do the same not only in the area of social assistance but also, and this is a precedent, in the area of postsecondary education, killing two birds with one stone. On the pretence of bringing the debt under control, the government interferes in a totally unconstitutional way in an area of jurisdiction which, as we know, is very dear to the Government of Quebec in particular and, in Canada as we know it today, is recognized in the constitution as an area of exclusive provincial jurisdiction.

Where will this lead? When cuts are this extensive, it means that social programs will have to be chopped as well. It will become necessary to either cut back funding for education and social assistance or raise taxes or both. But what is disgusting and wicked about all this manoeuvring on the part of this government is that it is designed to pass the buck so that it can wash its hands of the matter. That is what Lise Bissonnette was referring to when she spoke of imperial federalism.

An hon. member: A dictatorship.

Mr. Rocheleau: Finally, I would like to say a word about the future of Canada, because this whole process is part of a vast operation. This is not our saying; it was reported in *Le Journal de Montréal* on March 30, 1995, that two Liberals were fearing a fiscal attack against Quebec. The two Liberals in question, Jean-Claude Rivest, recently appointed to the Senate, and Claude Forget, former Liberal minister in the Quebec government, both distinguished and well known Liberals, said that the Minister of Intergovernmental Affairs and President of the Queen's Privy Council for Canada was preparing a major administrative and tax reform in Canada.

(1745)

Mr. Rivest added that, in his opinion, there was nothing to fear at the constitutional level but the same could not be said at the fiscal level; there is an opportunity for initiatives, whether constitutional or not, that could change the rules of the game one way or the other. That is what is happening.

So, on the eve of this historic public consultation in Quebec, I hope that, in the Canada of the future, as it now appears, Quebecers will make the right decision.

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, the hon. member referred to the fiscal coup which is in the making, which could also be called the Stéphane Dion strategy, and which seeks to hurt Quebec after the referendum. We are bracing ourselves for that.

On the other side of this House I see Quebec members who support this legislation, who smile and who do not dare get up to protect Quebec's interests, as they claimed they would do when they were elected. Now that they are here, they are a lot more polite and conciliatory. They are members of a party in office, so they want to protect their personal career. This has priority over the interests of the people, the riding and the Quebec nation which they are here to represent.

I want to say a word about the last federal budget and its major component, which is the new structure of transfer payments. This is an extraordinary camouflage exercise, and I will tell you why. The government is trying to make us believe that it will be more flexible, that things will go better and that the same services will be provided with less money. Less money, more standards and probably more controls.

I participated in an English radio talk show, in Montreal, with the Minister of Human Resources Development. The moderator asked: "Does this new Canada Social Transfer mean that the federal government will no longer have control over transfer payments"? The minister replied: "No, quite the contrary. We will have more control than ever before. We did not have controls in certain areas before, but now we will". All this remains to be defined.

Of course, the federal government will invite the provinces to come and negotiate with a loaded gun to their head: "If you do not want to lose even more federal support, then approve these standards". An internal document circulating among party ranks indicates that this is just the beginning. Other financial objectives will be set.

After these initial cuts of \$7 billion to transfer payments, which will primarily affect Quebec, the process will continue since we must solve the federal government's financial problems. This, without any consideration for the problems which will result from this process, particularly for some provinces, including problems related to their credit rating and to the

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imbalance which these measures will create in provincial budgets.

Let me put transfer payments in their proper context, because this is a complex issue. I want to point out some specifics for the benefit of those who are listening to us. There are currently three main types of transfer programs. First, there is the Established Programs Financing, second, the equalization program, and third, the Canada Assistance Plan. Let me review them briefly one by one.

First, under Established Programs Financing, taxpayers pay taxes to the federal government who, according to certain criteria, sends part of the money to the provinces for their health and post-secondary education programs.

As for equalization, it is a measure of wealth redistribution or rather a measure of redistribution among the provinces of the capacity to generate income. Seven provinces benefit from the equalization program; the amounts they were entitled to were recently capped. Whenever something is expensive, they put a limit to it so that the costs will not increase too much in the future.

So, one of the first bills that the government tabled before the Parliament was Bill C-3, to limit equalization payments so that they would not increase too much. And yet, the objective of this program is to redistribute wealth. Consequently, that bill meant limiting the ability to redistribute wealth.

Obviously, the Liberals have lost this concept in the last few weeks or months, or even in the last years. They should now be called the old Liberals, since they look more and more like Conservatives. Even if they do not like to hear that, they must be called by their name, they must wear the hat that fits them.

(1750)

The third type of transfer payment is the Canada Assistance Plan. That is mainly in the welfare sector. The government is funding a part of provincial spending in that sector.

So, there are these three components. Let us take equalization payments from that, because they are not affected by the new Canada social transfer. All there was to say on this is that the government has limited the potential growth of that system.

In the new Canada social transfer, the two other types have been amalgamated: the Canada Assistance Plan and Established Programs. They become one single program.

Obviously, because this government intended to cutback post-secondary education and attended the demonstrations made by students—I remember well seeing them on the Hill—they said: “It is true. When they are told directly that education or health will be cut, they react. Therefore, we should mix everything together and proceed with cuts thereafter. This way,

they will not be able to say that we have made cuts in a specific area, be it education, health or social welfare. Provincial governments will be totally free to choose where to cut. That is flexible federalism”. That is what you are told. You are free to choose in what area you will cut: education, health or social welfare. That is what this government is defending, almost with a smile, in joy and almost with conviction. This is very astonishing.

This new Canada social transfer will reduce the amounts transferred by \$2.5 billion, not this year, obviously, because it knows perfectly well that this is a very important year on the Canadian political scene because of what is going on in Quebec. Therefore, it is waiting. Since it does not want to decide now how to define the new Canada that it wants to build, it will reduce the amounts transferred by \$2.5 billion next year and by \$4.5 billion the following year, without saying who will be affected and to what extent. All that is known is that it will happen in the second year, that \$650 million of the \$2.5 billion will be cut in Quebec, and that in the following year, as much as \$1.9 billion of the \$4.5 billion could be cut in Quebec.

Quebec would assume more than its share since the criteria used for allocating funds under the Canadian social transfer are going to be reviewed. Given the lobbying efforts which will be made by the wealthiest provinces, such as Ontario, one can be sure that these provinces are going to try to get a bigger share.

Furthermore, we are all aware of the upcoming election in Ontario and of the possibility that their Liberal colleagues will be elected. They are going to show great compassion for their colleagues and no doubt help make their transfer payments more generous. Again, Quebec would assume more than its share. As I said earlier, these cuts could add up to \$1.9 billion.

During the two minutes remaining, I will show how intolerable it is to implement all these cuts while insisting on maintaining the same standards and probably raising them. All the while federal members of Parliament are strolling through their ridings, patting themselves on the back and claiming that we have an extraordinary health care system. They say to their constituents that they will be protected, that they will define standards. They will do it and the bill will be paid not by the federal government, but by provincial governments. They are the ones who will be stuck with the difficult job of deciding how to do it. The federal government will only ask them to adhere to standards—that will probably be raised—with less money. Go figure.

We do not want to allow for flexibility or to leave the governments some room to adjust. We prefer to remain good members of Parliament and, as such, protect the principles and preserve the universal aspect of social programs. So we let them manage the monetary aspect of the matter.

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This is basically what this budget does, although it tries to hide it. Here is another point that I was just about to forget. This budget talks about tax points, equalization and cash transfers. What is being cut by the budget are the cash transfers to the provinces. This is the part which is changed and remixed.

The government adds up cash transfer payments, equalization and also tax points, on which it has no control whatsoever, and says: "Look how little we are cutting".

This is a terrible cover up by people who, during the election campaign, were going around with their red book in hand saying that their objective was a more open, a more transparent government, so transparent in fact you could almost see through the front cover of the red book. They were going around everywhere saying: "We are going to have something very understandable, very clear so that people know what the government is doing".

(1755)

This budget manipulates, messes around with and monkeys with figures to make people believe that they will hardly be affected. This is what we have to expect from a Liberal government which has become more conservative than the Tories and has grown more and more like the Reform Party. This is the kind of Canada this government is shaping. For our part, we are going to have to explain all this to people who will have a choice to make.

We will have the opportunity to conduct the same debate in a few months since the government will only implement its new vision next year, being afraid of doing it before the referendum. We will be there to remind Quebecers, before they make a choice, that they have to find out who these people who govern us are, where they are leading us and what will the consequences be.

[English]

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Madam Speaker, it is interesting to hear the debate on the budget and whether or not it should be delayed. I believe that although the budget is not really what I would have liked to have seen, the government had better get on with it and start instituting some cost cutting measures. If the government were to be prudent, it would come up with another budget in the fall to continue the process and start working toward a balanced budget.

I come from a province that is often criticized for living in a different world. It is the province of British Columbia. It is quite true, we do live in a part of the country that is quite different from the rest of Canada. The Rocky Mountains separate us from the rest of Canada. Because of our separation from the rest of

Canada, our trade has been north-south. Our communication has been with our neighbours to the south.

My riding is on the Canadian-American border. We are not afraid of Americans. We are not afraid of trading with them or of being friends with them. We have established in our province a relationship with the states of Washington, Oregon and California that has developed its own economy. It is very distressful for me to see, because of the strength of the flow of goods and commerce north and south, that some Canadian businesses in my riding and in neighbouring ridings have chosen to move their businesses south of the border. They have not only chosen to move their businesses south of the border, but they have taken jobs south of the border. The reason they gave me is it is because of the cost of doing business in Canada. A lot of the cost of doing business in Canada is made up of high taxes and regulations that governments impose on the business community. It troubles me that these businesses are taking their money and their jobs and moving south.

It gives me some encouragement when I hear of groups such as Cascadia, which is an economic union between some of the northwestern United States and some of the western provinces of this country. I believe it is a union that includes Alaska, Washington, Oregon and northern California, with Alberta and British Columbia. It is an economic union that has some powerful economists and business people who are looking at the potential of a more secure economic union between western provinces and the western United States. That gives me some faith that there are other ways of addressing some of the problems that are created by the government.

I would hate to think that this economic union, which seems to be blossoming, might ever become a political union. It is important that I represent my constituency and my country in saying that this government has a mandate from the people of this country to try to reduce the cost of government so that businesses, not only in my constituency but in all constituencies across the country, will stay in Canada, will keep the jobs in Canada and will keep the money in Canada.

It is my concern that this government take seriously the task it has at hand, to make sure it is up front with Canadians as to what reducing government spending will cost. The government must be honest, it must be forthright, and it must look to the future of this country, not just to what is happening today.

(1800)

It is very important for the government to get on with the business at hand, not to delay implementing the budget, but to get on with implementing it today. It is just as important for the government to look at coming back with another budget, a mini-budget if you will, that will carry it forward until the next budget year.

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I would like to think this is only a first step, albeit a small step, in a process of the government balancing a budget. Canadians expect that. The Reform Party, in listening to what constituents are telling us, has come up with a vision which seems to be lacking from the government. It is a vision that looks at balancing the budget in the near future, not in 10 years when it is too late.

It is very important that we balance the budget as soon as possible. Only then can the government start eliminating an interest payment, or at least reducing an interest payment, and start eliminating the debt that has accumulated to over \$550 billion. Our children and grandchildren can expect nothing less from all of us but to look at that very real problem, the problem that in three years time, if the government continues with its plan, we will be paying \$50 billion in interest payments.

At least the Reform Party has acknowledged the problem, has identified the solution to the problem is short term pain for long term gain. In its taxpayers budget, the Reform Party has been up front, honest and has shown the Canadian public what is necessary for the country to get its financial house in order. The Reform Party has shown vision when it has talked about other ways for people to look after their own interests, to look after their own economic needs.

We have been visionary in looking at what is wrong with the system as it stands today and where we can go with it. When we talk to Canadians about the potential of an RPSP, a personal plan where they invest in their own future to look after their own needs, it is something Canadians can understand and they look for.

I do not know how many constituents I have talked to have contributed to the unemployment insurance plan and find that after 30 years of working it is not there for them when they need it. I do not know how many Canadians I have talked to in my constituency have contributed money to the civil servant pension plan or the RCMP pension plan or the defence pension plan, the armed forces pension plan. They think that money is sitting there in a pension plan, that it is protected. In reality that money is in the big black hole and is part of our national debt.

There is no security in there for any of these people who are looking at the Canadian pension plan or the individual pension plan. That concerns them. They look at this visionary RPSP where they are contributing to a plan that is there for them when they need it. They decide how much they will take out to assist them when there is unemployment or any other situation. They look at that as a new way, an interesting way, an interesting concept and something they can really get into.

I look forward to the days and months to come of expanding on that idea and sharing with Canadians how that can work for

them. Canadians are looking to their government to have that kind of vision, for their government to be able to look for new ideas, not always falling back on the old way of doing things.

The old way of doing things which the Liberals brought in many years ago, 30-odd years ago, in deficit budgeting followed by the Mulroney Conservatives, has put us in this position. It is incumbent on the government to start taking the lead from the Reform Party with a newer vision and to start looking for some real answers instead of doing things the stale old way that only gets us deeper and deeper into debt.

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Madam Speaker, in speaking to Bill C-76, I would like to draw the attention of this House to what is really at stake in the budget tabled last February 27 by the Minister of Finance. This bill is supposed to be an act to implement certain provisions of the budget, according to the wording in the bill.

(1805)

These provisions will change the financial and social framework of this country, independently of any constitutional or administrative agreement with the provinces.

The creation of the new Canada social transfer to replace the Canada assistance plan and the program to fund established programs will completely change the division of financial resources between Ottawa and the provinces in the future.

Through this Canada social transfer, the federal government will reduce drastically its contributions to the funding of health and social programs. Clause 48 of part V of the bill mentions, and I quote: "Subject to this part—for the purposes of (a) establishing interim arrangements to finance social programs in a manner that will increase provincial flexibility; (b) maintaining the national criteria and conditions in the *Canada Health Act*".

Despite the talk of greater flexibility for the provinces, the federal government is going to reduce its financial contribution substantially and the provinces will have to implement all aspects of the Canada Health Act, including the key components of public administration, comprehensiveness, universality, portability, accessibility, extra billing and user charges. How can the provinces be flexible when they must comply with all provisions of the Canada Health Act while Ottawa is reducing its financial contribution to health care and social programs in general?

Given the current overtaxation of the middle class, which, it must be said, remains the real cash cow of all levels of government, and the chronic indebtedness of the federal and provincial governments, the provinces will have no room left to manoeuvre. Although the federal government is withdrawing from financing, it will continue to make the rules.

Government Orders

For 30 years, the provinces have been fighting against federal government interference in areas of provincial jurisdiction. Until now, Ottawa used to compensate for invading provincial jurisdictions by footing part of the bill. Today, Ottawa is interfering even more, even if it is paying less. It is transferring onto the provinces the horrible task of increasing taxes and cutting elsewhere. The federal government is literally putting the provinces in a straitjacket. It even goes as far as forcing the provinces to refer to the Canada Social Transfer in all their ads and documentation concerning the health services they provide. All this window-dressing only to cut \$7 billion on the backs of the provinces through the implementation of the Canada Social Transfer.

So, Bill C-76 will offload the federal deficit onto the provinces; since the legislative framework for health-related matters will stay the same, the federal government will only have to transfer its deficit.

Because of the pressure exerted by the richer provinces, the federal government is seriously thinking about changing the envelope for the main provincial transfers, except of course for the equalization payments which will in any way be significantly reduced beginning in 1996-97. As I was saying, the government is thinking about reducing the envelope for all provincial transfers according to the population figures instead of the wealth index which is now being used. If distribution is based on population, as the government is contemplating, then Quebec will have to deal with almost 42 per cent of all the cuts made to the provincial transfers in 1997-98.

Bill C-76 even provides for new health criteria and paves the way for new criteria in the areas of welfare and post-secondary education. Is this what the flexible federalism the Liberal government has been pushing for is all about?

Education is a very sensitive area for Quebecers who make up a distinct minority in Canada. The prime minister's centralizing federalism does not recognize this reality, and that is why more and more Quebecers do not want to be part of a country whose government shows so little sensitivity to their cultural identity and their most legitimate aspirations.

Quebecers are puzzled about one thing: Quebec's debt is at \$70 billion, whereas the Canadian government has borrowed about \$126 billion in the name of Quebecers since 1972. Therefore, Quebec's share of the federal debt is 45 per cent higher than its own provincial debt, although the latter remains high.

(1810)

Quebecers have come to wonder how a federal government that has done so poorly in managing their hard-earned money can still be trying to impose its will upon a Quebec government that is also closer to them from a cultural standpoint.

By withdrawing its funding and by forcing the provinces to comply with new national standards, the federal government will be dealing, in a few years, with provinces whose tax base will be considerably weakened. This will give yet more power to the central government which will have greatly reduced its fiscal obligations and which will be in a position to interfere even more in areas under provincial jurisdiction.

The newspapers reported last week that Jean-Claude Rivest, an independent senator, and Claude Forget, former health minister in Quebec, fear a fiscal coup by Ottawa after a victory for the "no" in the Quebec referendum. My colleague from Trois-Rivières talked about it very eloquently a while ago.

Mr. Rivest and Mr. Forget, who have good connections within the federal government as reported in the *Journal de Montréal* on March 30, have no reason to worry. With this Bill C-76 and with the budget tabled on February 27, the federal government has already launched its fiscal coup against Quebec, even though the referendum in that province has not yet taken place.

Neither the finance minister's budget nor the bill before us today contain any provisions about the tax system, especially as it applies to families and young households, the only ones that would be likely to stimulate consumption and economic activity and to give some breathing room to provinces, which could intervene more freely and more energetically on their territory and in their particular jurisdictions by involving the stakeholders.

The centralizing federalism practised by the Liberals goes against every attempt at decentralization toward the provinces. Therefore, we must strongly reject Bill C-76.

[English]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Madam Speaker, I am pleased to speak to the amendment the Bloc has put forward. It wants to delay the implementation of the budget for six months. I am sure it has a political agenda behind this amendment. I would imagine that it is to try to add more credence to its failing sovereignty program. I can think of no other reason for an amendment like this.

However, I suggest the government delay the implementation of the budget for eternity. This is not a budget the Canadian people were asking for. While the hon. member for Halifax a short time ago said eastern Canadians were smarter than western Canadians, there are a whole lot of western Canadians who apply some good, common sense to getting this financial crisis and the House in order.

I want to paraphrase part of a speech by Mackenzie King in the House in 1935. What he was saying applies to the situation we have today. He said that when a government loses control of its currency and credit in effect all talk of democracy in the country is both useless and futile. That is exactly the situation the country is in. We have lost control of our currency and credit. Every decision we try to make in the House is influenced by the

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fact that we are some \$500 billion in debt. We have an annual interest payment of some \$47 billion.

As we discuss issues in the House, no matter what they are, industry and trade, Indian affairs and northern development, the health problems or the social problems, they are influenced by the fact that our country is seriously hemorrhaging in debt. Every decision we make has to take into account that we owe \$500-plus billion and we are paying an annual interest rate to service that debt of some \$47 billion. We are being held captive by the irresponsible spending that was started during the Trudeau administration and carried on by the successive governments under Tory prime ministers Clark and Mulroney.

(1815)

Before the Trudeau administration came to power we were basically running a balanced budget. We had a small national debt that was perfectly manageable. Somehow the special interest groups got to the Trudeau government and said: "Listen, if you will give us more of this and more of that, we will vote for you". The Liberal government heard that message and thought: "This is a good thing. Let us go out and tell all of Canada they can have whatever they want and not to worry about paying for it. As long as they vote for us, we will give them whatever they want". They instilled in this country, in the Canadian people, during those years an attitude of entitlement, that the Canadian people were entitled to every single thing they wanted. The government told them: "Do not worry about paying for it. We will borrow the money and sooner or later we will get around to looking after the debt."

Well, now some 28 or 29 years later, look what this got us. We have a half a trillion dollar debt and an interest payment that would pay for all the social programs in this country if we did not have it. This government talks about its famous red book and its promises. This government is trapped by the promises in the red book. The Canadian people are demanding that the government get control of its financial house. The Liberal government knows what it has to do. The Minister of Finance knew what he had to do, but the soft-headed Liberals in that party would not let him make the drastic and severe cuts that are needed.

They are trapped by the promises in the red book. The red book says: "We will bring the deficit within 3 per cent of our GDP". Big deal. That can be done by increasing the GDP. Spending does not have to be cut. That is fine as long as the economy stays buoyant. But what happens if there is a downturn in the economy, as was forecast in *The Globe and Mail* just a couple of days ago?

Under the government's budget plan and deficit reduction plans, if we have another downturn in the economy our fiscal house is headed for disaster once again. The government will use the same excuse the Tory government used. It will say: "Well, there is nothing we could do about it. We inherited this

debt from the Tories." The Tories said: "There is nothing we could do about it. We inherited the debt from the Liberals."

The Canadian people are sick and tired of excuses. They want action. The people who invest in business in this country are sick and tired of excuses. They want action. Everywhere we go in this country people are saying: "We want a balanced budget". The Liberals say: "Oh, no. Sorry. Canada does not need a balanced budget. You do not know what you are talking about. We have a plan that is going to cut the deficit to \$25 billion in 1997 and everything is going to be okay. It is a feel good budget". At the same time they are going to add \$100 billion to our debt and maybe another \$10 billion to the interest payments.

Madam Speaker, any economist will tell you that if you are deeply in debt—as a matter of fact, my wife will tell you, because she runs our household budget and does a darned good job, that the time to reduce your debt is when things are good, when you have a good paying job. Let us apply that same simple principle to this budget. This government should apply that same principle. Things are pretty good in this country right now. Now is the time to make some drastic cuts and get rid of the deficit. Get the fiscal house of this country in order.

The Canadian people, the consumers in this country, have no confidence in the financial affairs of this government. If they did, consumer spending would be far higher than it is now. The investors in this country have no confidence in the future of the financial plans of this government. If they did, investment would be higher now. That is where we have to target. We have to get back people's confidence in the investment community.

(1820)

I would like to tell the Liberals how they can be heroes. All they have to do is balance the budget. Give the Canadian people a definite time line to balance the budget. Regain the confidence of the Canadian people in the way the government handles the fiscal problems. Get rid of the deficit. Say to the people: "We have shown you that we have our financial crisis under control. We have eliminated the deficit".

Once there is a balanced budget the Liberals can say to the Canadian people: "We think you have confidence in us once again. Here is what we want to do. About 30 per cent of our national debt is foreign owned. Let us bring that foreign owned portion of our debt home. We are going to issue something similar to a war bond. We are going to declare war on our foreign debt. We want all Canadians to invest in these war bonds". That is something saleable, but only when Canadians are confident once again that the government is in control of its financial house.

Government Orders

I think many Liberal members would agree with that. I thank the hon. member for her support. I think it is a good idea.

This budget should be thrown out the window. This government should bring in a budget with a definite time line on balancing it. If it is 1997-98, so be it; if it is 1998-99, so be it, but give Canadians a light at the end of the tunnel. Show Canadians the government is serious about getting the deficit and debt under control. Only then will confidence be returned to this government.

I can assure you that confidence will be returned once again in 1997-98 when the Reform Party of Canada forms the Government of Canada.

Mr. John Solomon (Regina—Lumsden, NDP): Madam Speaker, it is my pleasure to participate in this debate on the Bloc amendment with respect to Bill C-76, the budget implementation act.

What we have seen is an effort by the Liberal government opposite to try to get a handle on its budget without considering the effects on the economy in western Canada or the effects on the national economy.

What this budget has done is described in one word in terms of an impact on the province of Saskatchewan and on rural Canada. The day after the budget there was a one word headline in big bold black letters across the front of the *Leader Post*. The word was "devastated". Western Canada and rural Canada have been devastated by two major planks of that budget. I refer specifically to the elimination of the Crow benefit and the abandonment of rail lines in rural Canada.

The present minister of agriculture used to be a parliamentary secretary to Minister of Transport Otto Lang back in the mid-seventies. At that time the Liberal government attempted to commence the dismantling of the Crow rate as it was called then. The minister of agriculture who sits in this government today was defeated in 1979. He was defeated in 1980. He was defeated a number of other times provincially after that involvement with Otto Lang and the Liberal government to dismantle the Crow rate. He was re-elected in the 1993 election and was appointed minister of agriculture. In one fell swoop of a budget not only does he dismantle the Crow benefit but he also eliminates it entirely from the rural Canadian population.

What we see as a result of this very treacherous act on farmers who supported him in the last election is an act of betrayal. The minister of agriculture has stood in this House and betrayed rural Canada with the elimination of the Crow benefit. For the members opposite, as a result of this budget, I predict that not this summer, not this fall, perhaps not even next year, but in the next election which is held in this country no Liberal members will be elected in the province of Saskatchewan.

(1825)

The budget and the elimination of the Crow benefit will be the major reason for the defeat of the minister of agriculture and all of his Liberal colleagues from Saskatchewan.

What is the argument for abolishing the Crow benefit? If the argument is that the Crow has to be cut to conform with the GATT, farmers do not buy it. The requirements of GATT can be otherwise met. At least that is an argument. If Canada cannot afford the subsidy, at least that is an argument. What is the argument for essentially scrapping this transportation policy and putting nothing in its place? It is not fair.

It is also not fair to reduce dairy subsidies by 30 per cent, but transport subsidies to Saskatchewan grain farmers are cut by 100 per cent. We know Ottawa has a deficit and debt problem, but we must do our bit. This means we should tailor the suit to fit the cloth.

The scrapping of the Crow has left serious questions unanswered. In the short term the issue of who gets the \$1.6 billion payout and how and when it will be distributed must be answered now for the farmers in very clear terms so they can make informed decisions about this year's operations.

More important, Ottawa must look at the long term because these long term costs will be high. The former chairman of the agriculture committee, who is participating in this debate from his seat, is quite upset with the fact that farmers are upset with his government and his party for having eliminated the Crow benefit.

I can assure the member that when the next election is called even the Alberta members in the Liberal Party will be defeated as well and perhaps also those from the Liberal Party in Manitoba.

I want to recognize the impacts to farmers in Saskatchewan of the abolition of the Crow benefit. Swift Current is a city in the western part of the province. The tonnage, the freight rate for a tonne of grain, will increase from \$13.82 in 1994-95 to \$28.58 in 1995-96. That is about a 125 per cent increase. Also, the projection for 1996-97 shows the freight rate for a tonne of grain will increase to \$32.28, a further increase.

In the eastern part of our province, the southeast where we have a Liberal member sitting, in Estevan district, the increase will be from \$11.80 per tonne in 1994-95 to over double, \$23.48 in 1995-96. For 1996-97 the projection is \$34.64, tripling the current rate.

Those in the eastern part of our province will be hardest hit. The overall result barring crop adjustments will be a loss of \$320 million a year in net farm income in Saskatchewan alone. This represents a drop in income of about 50 per cent for farm families, and any shortfall in grain prices will compound their loss.

Adjournment Debate

At the same time, federal safety net funding is to be cut by 30 per cent over the next three years, again hitting mostly the grain sector. We see substantial increases to transportation in Atlantic Canada for highways and roads but we do not see any comparable increase for the loss of the Crow benefit which will severely impact our good road system in Saskatchewan.

Ottawa's changes to the regulatory system mean that as of January 1, 1996 some 500 miles of light steel rail lines will be subject to abandonment with no review, affecting 48 communities in Saskatchewan. Another 3,000 miles of branch lines become eligible for abandonment after an as yet undefined review process, affecting another 383 cities, towns, villages and hamlets. This fast tracking of branch line abandonment means higher trucking costs and the further one is from a main line, the higher those costs will be. For instance, the distance from Kyle, Saskatchewan to the nearest main line is about 70 kilometres; from Val Marie it is about 150 kilometres.

What about the higher road maintenance costs to support this increased trucking? Who pays for this? I am encouraged Ottawa finally recognized the road impact, but the \$300 million adjustment spread over six years and across three provinces with only part of this designated for roads—

The Acting Speaker (Mrs. Maheu): Your time has expired.

ADJOURNMENT PROCEEDINGS

(1830)

[*English*]

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

CANADIAN WHEAT BOARD

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, I would like to thank you once again for giving me the opportunity to address questions to the government which the people of Saskatchewan, particularly farm people and the communities they support, are concerned about.

On March 17, on behalf of the Minister of Agriculture and Agri-Food and the Minister of Finance, the Minister of Transport answered, inadequately, two important questions I put to the government in regard to the Liberals' plan to eliminate the Crow benefit.

First, I want more information with regard to the future of the Canadian Wheat Board and its request for regulatory control over freight rates. The minister was aware that the Canadian

Wheat Board asked the federal government to give farmers a short term break on freight rates and I agreed with the board.

There is no debate about how the elimination of the Crow benefit will affect the increased costs of shipping grain by rail. Those costs will increase dramatically. In fact, for the benefit of those who are uninformed here in the Chamber tonight, it should be noted that when taken to its lowest common denominator, the average benefit of the Crow rate to a Saskatchewan farmer in 1994-95 terms is \$15.63 per tonne out of a total grain freight cost of \$30.35 per tonne. On an average sized farm this means an average increase in costs of \$10,000 to \$12,000 per year per farm as of August 1, 1995. As members heard me say in my speech in the House last week, this means a community increase of about \$1 million for every delivery point in the province.

Given no other changes, the government's decision to eliminate the Crow benefit will result in a doubling of farmers' shipping costs at the same time that farm income support from the federal government will drop by 30 per cent over the next three years. There is nothing to say that when the federal government removes itself from the business of helping to move grain to port by rail that the railways will not immediately increase the cost of the freight. The Canadian Wheat Board, most Saskatchewan farmers and I would like to see some sort of regulatory control put in place to ensure that there are no immediate or later unnecessary increases imposed on farmers during this most vulnerable time.

On March 17 I also raised the question of the future of the Canadian Wheat Board because no studies have been done on this subject. The government is eliminating the Crow benefit with the stated intention of reducing the amount of grain grown on the prairies in favour of more crop diversification. With less grain, especially wheat, and with the need of the Canadian Wheat Board to have a secure supply of product on hand for our many customers around the world, I want to know if the government has spent any time studying what the long term implications of the decision to eliminate the Crow rate will have on the Canadian Wheat Board and the security of its supply.

In a supplementary question I expressed concern about the pending payout of \$1.6 billion. It is already acknowledged that farmers' costs will be increased by the elimination of the Crow benefit and it was speculated from day one that land values would decrease. Now it seems that the Liberals are acknowledging that land values will decrease and, as a result, they are putting in place a financial compensation package which seems to only address the decrease in land values.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I am responding to the hon. member's question of March 17.

Adjournment Debate

The WGTA reform will have a major impact on our grain handling transportation system. The Ministers of Agriculture and Agri-Food and Transportation, in consultation with all stakeholders, have developed plans and strategies to assist farmers in making the transition to a new market environment.

This will include a legislative and regulatory framework which will assist in the achievement of efficiency gains. For example, the provision of the National Transportation Act will help to foster competitively priced grain transportation services and cost savings for farmers and shippers. A system will be put in place to ensure the provision of necessary information, monitoring and review processes. These in turn will be used to track system revenues, costs, efficiency achievements and an appropriate sharing of benefits. In other words, provision has been made to pass efficiency savings on to the farmers.

(1835)

Regarding the hon. member's concerns related to the government's *ex gratia* WGTA payment, it is important to note that the transportation subsidy had an impact on land values. With the elimination of the subsidy, the payment addresses the subsequent changes in these land values.

In addition, the payment is decoupled. This means it will be market neutral with respect to future production and marketing decisions of producers. It is also in keeping with Canada's international trade obligations.

It is important to note the government's assistance is not limited to this payment. Saskatchewan will share in a \$300 million adjustment fund.

[Translation]

MIL DAVIE SHIPYARD

Mr. Maurice Godin (Châteauguay, BQ): Madam Speaker, my remarks tonight follow up on my question to the Prime Minister on December 8, 1994, about the contract awarded to Saint John Shipbuilding without a call for tenders; the MIL Davie Shipyard, which had submitted a bid, was wronged in the process. Here is the question I asked:

How can the Prime Minister explain that, despite the clear directive issued by him to the president of the consortium, Mr. Ken Hall, Hibernia has refused to redress the injustice to which he has himself so strongly objected?

The Prime Minister answered:

I think the company should not have acted in this way. I have said it clearly, but since we own only 8.5 per cent of the company's shares, we cannot force it to change its decision. I still think it is a bad decision for both the Newfoundland shipyard and the Quebec shipyard.

The answer given by the Prime Minister is not complete. In my opinion, it is not true that the federal government is not in a position to force its views on the Hibernia project. It is true that the federal government owns 8.5 per cent of the shares in the Hibernia project for \$340 million, but the Prime Minister forgot to tell us that the government invested \$400 million more in 1992, when Gulf pulled out. The federal government also pays almost \$100 million in cost overruns. It granted \$1 billion in subsidies and gave \$1.7 billion in loan guarantees. More over, it

undertook to pay the difference in production costs between the market price and \$25 a barrel.

Let them not pretend the federal government is just any other investor. It is the main investor in the project with \$3 billion out of \$6 billion. The Prime Minister should have taken a tougher stand and demanded that the consortium follow his directive. Hibernia is the perfect image of Canadian federalism with the lobbyists making the decisions and the Prime Minister carrying them out. As a result, we have policies which lead to waste and a debt of \$500 billion, megaprojects which are ruining us and will never be profitable.

Of the five modules ordered for the amount of \$100 million, two were made in Korea, two in Italy and one in Newfoundland, following construction of a shipyard 25 per cent of which was paid for out of our tax money. We were told that the study recently claimed that MIL Davie was not profitable, but who produced this study? It was Ernst & Young, which contributed \$116,452 to the Conservative and Liberal Parties in the last election and received federal contracts worth \$2.4 million in 1993-94. Can Quebecers trust such a partisan study? What I would like to know is if the Prime Minister will make a commitment to ask the consortium to grant the contracts for the construction of future tankers to MIL Davie as was done for Saint John Shipbuilding, that is without a call for tenders?

[English]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I am pleased to respond to the member.

The hon. member was not satisfied with the response of the Prime Minister to his question of December 8, 1994. The question at the time related to the process followed by the Hibernia consortium last fall when it became necessary to remove some work on drilling modules that had commenced at the Marystown shipyard in Newfoundland. The work had fallen seriously behind schedule.

In order to avoid jeopardizing the schedule for the entire project, an outcome which could lead to severe cost overruns, the Hibernia Management Development Company decided to place the completion of this contract in the hands of another shipyard on relatively short notice.

The contract was transferred to Saint John Shipbuilding for completion in New Brunswick without giving the MIL Davie a formal opportunity to rebid on the remaining work. The member knows that MIL Davie had submitted a bid on the contract when it was originally tendered but lost out to Marystown.

Adjournment Debate

After the Canada–Newfoundland Offshore Petroleum Board reported on the process, followed by the HMDC, the Government of Canada and the Prime Minister again asked the Hibernia consortium to review its decision. The owners did review the decision and four out of five concurred with the chosen course of action.

With an 8 per cent ownership interest in the project, the Canadian government is not in a position to direct decisions taken by a basically private sector consortium.

I hope this clarifies the matter for the member.

The Acting Speaker (Mrs. Maheu): It being 6.41 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.41 p.m.)

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