



CANADA

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(HANSARD)

Wednesday, December 11, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, December 11, 1996

The House met at 2 p.m.

Prayers

The Speaker: As is our practice on Wednesdays, we will now sing O Canada, which will be led by the hon. member for Skeena.

[*Editor's Note: Whereupon members sang the national anthem.*]

STATEMENTS BY MEMBERS

[*English*]

INDIAN AFFAIRS

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, I am very pleased to stand in the House and congratulate Chief Bill McCue, the Chippewas of Georgina Island and the minister of Indian affairs for their hard work in introducing a bill that will enable 14 First Nations to opt out of the land management section of the Indian Act. Chief Bill McCue, along with this colleagues, initiated this historic agreement.

This progressive piece of legislation promotes economic development in native communities and enables these communities to manage their own lands and resources.

This is a significant step closer toward full self-government and all of us in the House should applaud this initiative.

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UNEMPLOYMENT

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I know the Liberals do not like to be reminded of their promises, but the Prime Minister could not escape the frustration of Canadians about the broken promises on CBC's town hall last night. Jobs, jobs, jobs. It was evident then, as it is every day in the House, that the government has no real solutions to ensure a reduction in unemployment.

Reform's tax reduction strategy is the real solution. For low income Canadians our tax reductions would reduce their tax bill in most cases to zero and provide them a credit that would be put

toward job training and education. For middle class families tax reductions will provide up to \$2,000 more in their pockets each year by the year 2000. This will help the growing number of entrepreneurs that are starting their own businesses or improve consumer spending.

The reductions in capital gains tax and unemployment insurance premiums which the Liberals despise so much will give Canada's job creators more incentive to create jobs. Canadians now have a real choice.

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[*Translation*]

CANADA POST

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, Canada Post has given Profac responsibility for managing the renovation and replacement of its buildings in a territory that extends from Windsor in Ontario to Halifax.

Not long ago, after a call for tenders in which three companies were asked to bid, Profac awarded the contract for repairs to windows in the Thetford Mines post office to a firm in Ontario.

Profac offers its services as a contractor and then works on the principle of contracting out. Since we are talking about public moneys, it would be normal for the exact value of the contracts awarded to Profac to be made public. More transparency is certainly needed in the process of awarding contracts for the crown corporation.

We think it is too bad that calls for tender are not open to the public, because this system would encourage local businesses and promote growth and development in the regions. It is clear that Canada Post is creating some controversy about its current management methods.

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[*English*]

THE PRIME MINISTER

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, the Prime Minister is starting to show his true colours. During his annual town hall meeting last night Canadians watched him display arrogance, ignorance and his now infamous temper.

S. O. 31

When questioned by Canadians about—

The Speaker: The hon. member for Victoria—Haliburton.

* * *

THE PAGES

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, in each session of Parliament I offer a challenge to the pages who serve us in the House of Commons. The current group was given the challenge of producing a picture of their home area. The contest included a small six-pack of Crayola crayons which are produced in my riding of Victoria—Haliburton in the town of Lindsay, and a single piece of white paper. The contest was judged by H el ene Monette, a security guard in the lobby. This session's winner is Theresa Cooke of Hull, Quebec.

Congratulations to all pages who took part in the contest with such enthusiasm. Merry Christmas.

* * *

ENTREPRENEURS

Hon. Warren Allmand (Notre-Dame-de-Gr ace, Lib.): Mr. Speaker, on February 2 to 4, 1997 a micro credit summit will take place in Washington, D.C. to focus attention on the provision of credit to the world's poorest entrepreneurs, especially women, in order to provide them with employment and a better quality of life.

This summit is being supported by the OECD, the World Bank, NGOs, experts and individuals from all over the world. It has been shown that by lending small amounts of money, between \$35 to \$300 in developing countries, one can start up small businesses and cottage industries which allow individuals to support themselves and their families.

I ask our government and all members to support this initiative. By contributing to the capital of micro credit banks, they can work wonders with small amounts of money.

* * *

RESEARCH AND DEVELOPMENT

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, Canada's universities have proposed a five year \$1.8 billion program to build and renew Canada's research infrastructure, and to help keep the country's top young researchers in Canada.

The federal government would pay for roughly half of the project while the rest would be provided by the universities and the provinces. The program would provide funding for top quality researchers and would help stop the brain drain to the United States and renew the network of centres of excellence program.

As technology becomes more and more sophisticated, and research more collaborative and interdisciplinary, the renovation

and expansion of laboratory areas in such fields as information technology, environmental science, engineering and biotechnology become essential for Canada's ability to compete in the global marketplace.

Innovation at home means exports abroad and jobs for Canadians at home. The research infrastructure program is essential for Canada's economic growth.

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THE ECONOMY

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, the economy wide costs of regulation in Canada are an average \$86 billion a year. For a Canadian family of four, like those in my riding of Okanagan Centre, it means annually a cost of \$12,000.

Yes, we need regulations. But too many ineffective and inappropriate regulations are stifling Canadians entrepreneurship and thus the economy.

● (1405)

We could avoid this unnecessary burden if federal governments did a few simple things: carry out thorough cost benefit analyses, study the economic impact of regulations and write them in simple language.

Unless we do so, the effect of regulation will continue to create impediments to Canada's competitive position in the global marketplace. For Canadians it will mean an unacceptable and unwelcome level of government intrusion into our lives.

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HUMAN RIGHTS

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, Canada's record on human rights has improved dramatically since the adoption of the Universal Declaration of Human Rights by the UN General Assembly in 1948. In many respects, the declaration of that seminal document has served as a watershed in Canada's own record in human rights.

Since then, Canada has taken a leading role in advancing the interests of women and in its treatment of minorities, aboriginal people, people with disabilities and those with different sexual orientation.

Canada has also taken a very different approach to new immigrants and ethnic minorities of all kinds, an approach which has embraced diversity and encouraged an open, tolerant and multicultural society.

Human rights day reminds us that there is always more to be done and new struggles to be waged. We have come a long way. Human rights day allows us to reflect on where we have gone and simultaneously to plan for the future.

CANADA ELECTIONS ACT

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, in the last session of Parliament, Bill C-114, an act to amend the Canada Elections Act, was introduced and passed.

Section 31 of the elections act requires that a party that could not field 50 candidates must have its status revoked, all assets liquidated and all debts paid.

Section 31 caused the Communist Party, the Social Credit Party and other parties to be deregistered. Most newspapers came to the defence of such parties: the *Toronto Star* calling the change a draconian treatment of fledgling political parties, while the *Vancouver Sun* called such an act unjust.

[Translation]

Other medias commented negatively in this respect, and I think it is a very serious matter when parties that have been recognized for more than 75 years are forced to relinquish their status of official political party. They also had to liquidate their assets.

Last year, I presented a bill that would restore the democratic rights of these parties.

[English]

Unfortunately the bill collapsed. In the meantime, the Communist Party sent a petition with almost 4,000 signatures, respectfully calling on the government to repeal section 31 (11-14) of the Canada Elections Act. This problem must be redressed.

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[Translation]

CANADIAN HUMAN RIGHTS COMMISSION

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, as of January 1, Michelle Falardeau-Ramsay will become Chief Commissioner of the Canadian Human Rights Commission, headed by a woman for the first time in its history.

Human rights are everyone's concern. However, not unless these rights are known and accessible can we stand up for those rights in full confidence. Mrs. Falardeau-Ramsay's main task will be to inform the public of its rights and how those rights are protected.

After explaining how the system works, the commission and its new chief commissioner will be responsible for gaining acceptance for the principle of equal rights and for taking corrective action when complaints are filed.

The Bloc Quebecois proudly congratulates Mrs. Falardeau-Ramsay on her well deserved appointment.

S. O. 31

[English]

UNEMPLOYMENT

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, it will not be a very merry Christmas for more than a million Canadians who remain unemployed despite Liberal promises of jobs, jobs, jobs.

There is a terrible human cost to unemployment which is nearly double that of our largest trading partner, the U.S.A., whose average is 5.4 per cent.

However, a new federal study also points to dollar costs of \$29 billion to \$77 billion in lost productivity, plus \$14 billion in health, crime and other social costs for the year 1994 alone.

The sorry fact is that Canada's net job creation from 1993 to 1995 inclusive was nearly 25,000 less than the number of immigrants admitted during those same years. Consumer bankruptcies were at a record high of 65,432 last year, with three million people on welfare and 2.9 million who collected unemployment insurance. Years of Liberal and Tory mismanagement have created this bleak result.

Merry Christmas, Canada, from another caring, sharing Liberal government.

* * *

THE PRIME MINISTER

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, the Prime Minister got the message last night when it was confirmed on the national news that Canadians across the country view that he has betrayed them. He promised to can, to axe the GST and now he denies saying it. He promised jobs, jobs, jobs but now he says that governments do not create jobs. Obviously jobs is a four letter word in the Liberal Party.

● (1410)

He promised to keep the Crow benefit but cancelled it. He promised stable funding to the CBC. How ironic, the day after his CBC town hall meeting the axe falls on 1,200 more CBC employees. He promised to protect health and education but instead he has slashed core funding of \$7 billion from these programs to the provinces.

The Prime Minister is stealing Christmas from millions of unemployed Canadians who see a dismal future for themselves and their families. The Prime Minister has a lot to think about this holiday season.

I recommend that he get out of his office, go down to the shelter for the homeless and talk to his friend. I think his friend will advise him to keep his promises and stop the lies.

Oral Questions

The Speaker: I would like the hon. member to please withdraw that last word in his statement. The hon. member for Regina—Lumsden.

Mr. Solomon: Canadians on television said he lied, Mr. Speaker, and I agree with them.

The Speaker: I would like the hon. member to please remain. I will take this matter up again after question period.

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[Translation]

RESEARCH AND DEVELOPMENT

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, the National Research Council and the Natural Science and Engineering Research Council have just approved \$6 million in funding for 19 new projects.

I should point out that two projects of researchers at Laval University in Quebec City were among those selected. One team will receive a little over \$500,000 for research in virtual reality. This research may be used in connection with hydro-electric dams.

Another team of researchers at the same university will be getting \$89,000 to do research on frequency measurement in telecommunications.

With these grants, the Government of Canada is reaffirming its commitment to research and development, two of Canada's prime competitive advantages on the international scene.

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[English]

HEALTH

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, I rise to mark the signing last Monday of the Canada-Ukraine memorandum on co-operation in health.

Canada's Minister of Health and Ukraine's Dr. Andriy Serdiuk exchanged signatures to advance health reform in Ukraine, particularly in health care delivery and medical sciences.

Minister Serdiuk's week long visit to learn more about the Canadian health system offers Canada the opportunity to show support for this reform process. The minister's visit, initiated by Partners in Health, a CIDA funded program managed by the Canadian Society for International Health, will build on existing collaborative activities between the two nations and their private sectors.

These activities, which can only be strengthened by the memorandum, will contribute to a healthy citizenry and a prosperous society which are essential to maintaining a healthy democracy in Ukraine.

Let us salute Canada and Ukraine on this historic agreement.

[Translation]

LOUIS RIEL

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, Louis Riel remains a paradox.

On March 10, 1992, the House of Commons unanimously passed a resolution recognizing Louis Riel as one of the Fathers of Confederation. Today, however, from a legal standpoint, Louis Riel remains a criminal, because he was sentenced for high treason.

History portrays Louis Riel as a traitor to Canada, because, among other things, he wanted the rights of francophones and Metis to be given the same consideration in his country's Constitution as those of the anglophones.

The refusal to overturn the guilty verdict against Louis Riel sends the message in the now famous 19th century remark by John A. Macdonald to francophones in Canada and Quebec: "He shall hang, even though all dogs in Quebec bark in his favour".

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CANADIAN ECONOMY

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, this morning at a press conference, the leader of the Bloc Québécois made the claim that our government had done nothing concrete to create employment and had, on the contrary, created more unemployment. Nothing could be further from the truth.

Our government has an overall plan, a comprehensive view of economic recovery, and the results of our decisions are more positive every day.

• (1415)

The deficit is being reduced at a phenomenal rate; interest and mortgage rates are the lowest in 30 years; the export market for Canadian products is expanding; and more than 672,000 new jobs have been created in Canada since our election.

We have taken appropriate measures to accomplish this and we are pleased to see that, as a result of our policies, consumers are finally regaining confidence in our economy.

ORAL QUESTION PERIOD

[Translation]

EMPLOYMENT INSURANCE

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, unemployment is the public's No. 1 concern. This is the message the Prime Minister received loud and clear again yesterday. Unemployment is increasing and Statistics Canada released

figures today showing that over 5 million people, up 38 per cent from 1989, are living under the poverty line.

It is now December 11, 1996, and the EI reform takes effect in three weeks. The Minister of Human Resources Development has been trying for weeks now to reassure the public that the reform is a good one, but we are worried, and so is the public.

How can the Minister of Human Resources Development claim that complete information on the new EI system is available to everyone from a 1-800 number, when it was impossible to obtain this telephone number in Canada employment centres, when it took several days to get it, and when those answering this 1-800 number were not even able to tell us anything useful about the transition measures?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, now that our government has finally decided on an active measures approach, and I see that Mme Harel in the Quebec government is trying to do the same thing with social assistance, I have trouble understanding that, when Quebecers have led the way with active measures, the opposition is today trying to discredit a reform that is actually based on active measures.

The transition measures have been worked out, and I signed and ratified them last week. The Leader of the Opposition was absent that day. These measures have all been designed to favour workers. We are looking out for workers, and each of these measures is to their advantage.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, how unfortunate it is for the minister's reputation that he always comes up with the wrong answer to the right question. I do not get it.

If we question the minister about active measures, he tells us about transition, when we ask him about transition, he talks to us about employment centres, and when we ask him about employment centres, he goes off on another tangent.

I will ask him another question. We have checked, and it is quite obvious that public servants are still not able to inform the public about the new EI system.

Will the Minister of Human Resources Development confirm that nothing, and I mean nothing, has been done as of yet to provide public servants with the information they need to inform the public properly about the new system and the related transition measures? In short, will the minister admit that the situation in his department and in employment centres is one of total confusion?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I have checked, and employees of our department have had training sessions since the bill became law. They are perfectly aware of how the new legislation will apply.

Oral Questions

I have checked and the transition measures have been worked out, and they are to the advantage of workers, in the sense that each week worked in the last 26 weeks will be considered to contain 35 hours.

• (1420)

The only employees not yet trained are those who have no contact with the public, with clients. And those who will begin processing applications referred to them by their colleagues have asked to have these training sessions at the end of January, when the first applications come their way.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, it took our researchers several days to come up with the 1-800 number that all unemployed workers in Canada will need to know. Our extensive research showed us that employees were unable to answer the questions put to them. And the minister thinks that the poor folks who will soon be unemployed will have no trouble obtaining all the answers and information they need. It is to weep.

The 1-800 number is to all intents and purposes not in operation at the present time. Three weeks before the system is to start up, and I draw the minister's attention to the coming holiday period, employees have still not been trained to implement the EI system. I ask the minister to tell us what has become of the transition measures that were going to ensure that people moving from the old to the new system received fair treatment? Where are they written down, where can a person see them? That is a clear question.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, what I find encouraging is that it took you three weeks to find the 1-800 number. It is a sign that not too many of those on your team are unemployed.

Some hon. members: Oh, oh.

The Speaker: Dear colleagues, I would remind you always to address your comments to the Chair.

Mr. Pettigrew: Mr. Speaker, the 1-800 number has been given out to all those who have received UI benefits since the month of July. This number, and I am giving it out because it is important, is 1-800-276-7655. This number has been given out to anyone who has received EI benefits since the month of July.

I can therefore assure you that the information is available to our people, and that, throughout the country, our people are well trained to receive clients and provide them with very good service.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

Since the minister raised the issue of active measures, let us talk about them. Last week, after several days of questioning and denials, he finally realized that transitional measures were required. The minister will now have to admit that the shift to active

Oral Questions

measures is in fact window dressing to hide cuts to the consolidated fund.

Does the minister know that the federal government will spend some \$150 million less on active measures in Quebec in 1996-97 than it did in 1993-94? Will the minister recognize that the so-called shift to active measures is nothing but window dressing?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the active measures we are implementing now are designed to break the old cycle of dependency. It is extremely important to put people back to work. We are very happy to have a system that fosters active measures. Over the next few years, an extra \$800 million will be added to the \$1.9 billion already available, for a total of \$2.7 billion.

• (1425)

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the minister did not answer my question. Does he know that, in 1993-94, \$854 million was spent on active measures in Quebec and that, according to figures I obtained from his own senior officials, this amount will be reduced to about \$710 million this year, or some \$150 million less? Does he know that?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I am always shocked by the attitude of people who like to fiddle around with this figure or that figure. I am glad that our government's transparency seems to be operating in favour of the hon. member for Mercier.

But do we recall the number of times through equalization payments, for instance, made to the Quebec government, Quebec alone receives 47 per cent of all amounts paid in equalization; 47 per cent, that is quite a large share.

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[English]

EMPLOYMENT

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday at a CBC town hall meeting, Canadians started to hold the Prime Minister accountable for his broken campaign promise of jobs, jobs, jobs. Lori Foster of Saskatchewan wanted to know why she could not find full time work with three university degrees. Alain Reny of Quebec used his UI to go back to school and upgrade his skills, but still no job. Juanita MacKeigan of Cape Breton wondered how the Prime Minister expected her to start her own business when she does not have enough money to pay the bills.

Canadians could not get a straight answer from the Prime Minister last night so I would like to try today. After three years of

being in office, why is it that these Canadians and thousands like them feel that the Prime Minister has broken his number one election promise?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we said that jobs were to be the priority of this government. Over the last three years 672,000 new jobs have been created in Canada.

We have worked very hard to put the finances of the nation in good shape. We have been very successful. Today we have the lowest interest rates in Canada in 40 years. Because we have turned the fundamentals the right way, yesterday we read in the press that last month housing starts rose by 17 per cent. People now believe that they have a future and can borrow money at the lowest rates they have ever known. We have done what is right.

Nobody can promise that there will be a job for everyone in Canada tomorrow. There will always be some unemployed people. What is important is that the government have a priority to create jobs and give everyone an excellent chance to find a job. That is exactly what this government has done.

We wish that we could have created a million jobs, but 672,000 jobs were created. That is the best record of all G-7 countries other than the United States.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, those numbers and that answer did not satisfy the audience last night and those numbers and that answer do not satisfy this House.

The Prime Minister last night told the 17.2 per cent of Canadian young people looking for work: "Go back to school". His answer to the two million to three million people who are underemployed in this country was: "Get a loan and start a business". His answer to the 1.5 million unemployed Canadians was: "Some are lucky. Some are unlucky. That is life". That sounds like rolling the dice with the lives of the unemployed.

Is that really what the Prime Minister has to say to 1.5 million unemployed Canadians, that some are lucky, some are unlucky and that is life? Is that the Prime Minister's position on the unemployed?

• (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is very true that the government has put order into the affairs of the nation. I said that we could not put everybody on the federal payroll. Is that what the leader of the Reform Party is proposing?

We have set the conditions for people to find and create jobs in Canada because the conditions are now the best. When we started, the interest rates were much higher than they are today. Today they are the lowest they have been in 40 years and people can start to work. It is why three-quarters of the jobs have been created by

Oral Questions

small businesses in the last three years, and 672,000 new jobs have been created in Canada since this government came to power.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, it is completely unacceptable for the Prime Minister of this country to tell 1.5 million unemployed Canadians "that's life". That is a tragedy. The policies that were created are a failure. The Prime Minister is the one who promised people jobs, jobs, jobs and gave them the heave ho. He is the one whose jobs strategy is not working. He is the one who will not balance the budget until the next election. He is the one who will not provide the tax relief required to create more jobs.

Instead of wishing unemployed Canadians good luck, why does the Prime Minister not adopt a new jobs strategy? Why does he not balance the budget, lower taxes and facilitate the creation of the millions of jobs required by unemployed Canadians?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in the last budget the government put \$350 million new dollars toward helping young people in their search for work. Not long ago for example the Minister of Finance reduced the contributions for employers who are employing new employees, exemptions for EI contributions so that it would be easier to create jobs. Jobs are created by the private sector because the government has decided to put the nation's fiscal house in order, and that is what we have done so far. That is why we are praised around the world. We have been the best in bringing down our deficit and creating the proper conditions for job growth.

* * *

[Translation]

SINGER

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development, the one who is on the workers' side.

The Liberal government is obviously more generous with businesses than with workers, regardless of what the minister may say in his speeches. Indeed, in addition to allowing the non-payment of pension contributions, the federal government also remitted customs duties to Singer, from 1982 to 1986, for an undiscounted amount of \$30 million. This is outrageous.

How can the minister justify such generosity toward Singer, when the only compassion he is showing to the retired employees of that company is nothing but hot air? As we say: "With a friend like this, workers do not need enemies".

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, obviously, I was not a government member in the early or mid-eighties. Maybe the hon. member should talk to his friends of the time.

As regards this very important case, I wish to point out that Singer's solicitors asked us to settle out of court. I looked at everything that relates to this issue, and I came to the conclusion that there were no precedents, and my legal advisers said that this very serious issue had to be settled by the courts.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, when the minister does not have his little piece of paper, he really has a very hard time answering.

The federal fund that manages private pension plans, including the one for retired Singer employees, is called "government annuities". This fund generates actuarial surpluses of \$2 million per year, and these \$2 million are put into the federal government's consolidated fund.

Some hon. members: Oh, oh.

• (1435)

The Speaker: We are getting close to the question. The hon. member for Saint-Jean.

Mr. Bachand: Mr. Speaker, will the minister admit that he is currently letting the dispute deteriorate because he wants to get these \$2 million and put them into the government's consolidated fund? Instead of settling the basic issue, he is appropriating these \$2 million and too bad for his friends, the retired Singer employees.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it want to tell you, since we must address the Chair, that we asked our legal advisers to review this extremely important issue. Given the seriousness of the situation, I asked my department's officials to act with great diligence, so that the issue can be settled at the earliest possible moment.

* * *

[English]

TAXATION

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, last night Johanne Savoie from Montreal wanted to know why the Prime Minister had broken his promise to abolish the GST. Instead of giving her a straight answer, the Prime Minister said that he did not make such a promise, but the tape does not lie. During the last campaign when he was asked about the GST, the Prime Minister said publicly on CFRB radio in Toronto: "I will abolish it".

I ask the Prime Minister: Which statement is true? Is it the one he gave Johanne last night when he said that he did not promise to kill the GST, or is it the one he gave on CFRB radio that he did promise to abolish the GST? What will it be, flip or flop?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, contrary to the Reform Party, we put in writing what we were going to do. We said that we were going to modify the GST, that we would harmonize it with the provinces so there would be only one form of taxation.

Oral Questions

Not long ago the Reform Party said that was the solution. Reformers applauded the actions of the Minister of Finance. They agreed that it was the proper solution to put provincial tax with the federal tax to make a new tax, a harmonized tax. The GST is not a harmonized tax.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, maybe this is a classic case of believe what I write but not what I say.

Ms. Savoie showed last night that her memory was certainly far better than the Prime Minister's. In October 1990, December 1992 and May 1994 the Prime Minister promised Canadians that he would scrap, kill and abolish the GST. He even said it in this place. That is the promise that Johanne Savoie said she voted for in 1993. That is the promise the Liberals ran on in 1993 regardless of some small print in the red book.

Instead of trying to rewrite history and change what was seen on the news last night which was the actual truth, why will the Prime Minister not just admit that he broke his campaign promise to abolish the GST? He should just admit it.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we wrote in the red book that we were going to modify the GST. For a while the Reform Party had the GST in its program. After it did not have—

Some hon. members: Oh, oh.

• (1440)

The Speaker: The right hon. Prime Minister.

Mr. Chrétien (Saint-Maurice): Mr. Speaker, I was just commenting that in the report made by the Reform Party on the harmonization of tax on page 118 it said: "We commend the government on its attempt to harmonize the tax with the provinces. While we support the much needed harmonization of the tax, this will be a very difficult political objective to achieve".

Let us not forget that at its party convention in 1992 it promised to eliminate the GST only after the budget is balanced. It changed its position about six or seven times. We put it in the program and we are in the process of harmonization right now.

* * *

[Translation]

INFORMATION CENTRES

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

Until November 1, there were 126 people working in 11 Quebec information centres, 66 of these people in Montreal, and the other 60 distributed throughout the Saguenay—Lac-Saint-Jean, Quebec City, Outaouais, Eastern Townships, Eastern Quebec and North Shore regions. According to certain sources, the government

apparently intends to close 9 of the 11 information centres as early as February of 1997.

Will the minister confirm that his government intends to close nine information centres, retaining only two: one in Montreal, which is totally logical from a geographical point of view, and the other, purely coincidentally, in the Prime Minister's riding, in Shawinigan?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it is true that today's technology makes it possible for us to repatriate certain services to a certain number of strategic spots, to which we can gain access in a far more interesting and administratively far more efficient manner.

We are, therefore, taking advantage of the technologies now available to deliver better government services.

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, let us call a spade a spade. Will the minister admit that there is only one thing involved here: patronage?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the people in the opposition will have to do their homework a bit better. The Quebec regional division selected Shawinigan for their centre for reasons of efficiency, because the Revenue Canada centre is already located there.

Since Revenue Canada is there, this was an opportunity to save the Canadian taxpayers a considerable amount of money.

* * *

[English]

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, last night the Prime Minister tried to browbeat a waitress from Montreal simply because she had the nerve to call the Prime Minister on his bogus GST promise. At least the tape does not lie.

Is this Prime Minister so arrogant and so out of touch with reality and so contemptuous of the electorate—

The Speaker: I would ask the hon. member to please proceed to his question now.

Mr. Solberg: Mr. Speaker, is the Prime Minister prepared to beat up on people simply because they expect him to keep his promises?

• (1445)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the Canadian people are entitled to know what the agenda of the Reform Party is. Reform stands up in this House and talks about taxes, what it would do with taxes and about what the government does. I think the Canadian people would be very interested in

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knowing what the hon. member himself, as he sets out the Reform Party program on the Internet, says about what we have done.

The Reform Party has criticized the government for eliminating the tax advantages for family trusts. The Reform Party has criticized the government for taking measures to combat the underground economy. Reform would let tax cheats off the hook and would call it tax breaks.

The Reform Party has criticized the government for the elimination of the preferential rate for large corporations. Reform does not believe that we should help small businesses.

Some hon. members: Liar.

Mr. Martin (LaSalle—Émard): Canadians are entitled to know what the real tax agenda of the Reform Party is.

The Speaker: Colleagues, sometimes my sound system is not as good as I would like it to be. I hope I did not hear what I thought I heard. I do not know where it came from but it is not in keeping with our traditions to use the words I think I heard. I hope that those words would not be used in the House of Commons.

I want to proceed directly to the member for Medicine Hat.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I am not surprised the Prime Minister did not get up to address that question. He should be embarrassed to get up after that performance last night

For almost 33 years straight, the Prime Minister has been part of the elite of Canada. He has been a big city lawyer and a professional politician. He has no idea what people go through in the real world out there.

Last night he chided people who were unemployed. Today, Stats Canada tells us that child poverty has rocketed upward in the last year.

Is the Prime Minister's 'them's the breaks' answer all he can muster for the 1.5 million unemployed people out there today, all the poor people who have been revealed by Stats Canada and all the people his government has completely abandoned?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member is not very well informed. I was elected to Parliament and represented a rural riding of Quebec all my career. I am very proud of that. My career has been based on coming to Parliament in order to serve my constituents and all the people of Canada.

A little snipe like the one from the hon. member will not take anything away from my record as a servant of this country.

[Translation]

REGIONAL AIRPORTS

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, I understand that they are all wound up, but I would like to at least have the opportunity to ask my question. My question is for the secretary of state responsible for regional development.

• (1450)

The matter of transferring the regional airports in Sherbrooke, Charlevoix, Forestville and Saint-Jean-sur-Richelieu is still dragging on, and the municipal representatives are anxiously awaiting answers from the federal government. The federal government is the one responsible for withdrawing from airport management, and thereby imposing unacceptable financial burdens on the municipalities.

Is the secretary of state aware that, unless the federal government rehabilitates these airports' infrastructure, the Government of Quebec will not sign the agreement to transfer these airports, as the Quebec Minister of Transport has recently stated?

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, as I have already stated in this House, my colleague, the Minister of Transport, has indeed drawn up a national transportation policy in order to give full responsibility for certain facilities back to communities. At issue are wharves and airports.

The policy was introduced so that regions could manage airport facilities in a manner better suited to their particular situations and needs.

This said, a policy has been implemented in connection with airports, and will be adhered to throughout the country. It is aimed at allowing us to provide assistance, under a certain program, to airports serving commercial airlines. The others, which are not used by commercial carriers, will receive somewhere in the order of \$50,000, if memory serves me correctly.

I have met with all of the mayors, and the matter is being looked into.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, that is exactly the same response as I got last week. I get the impression that the hon. secretary of state has acquired the same bad habit as his colleague, the Minister of Human Resources Development, but I will give him another chance to answer a real question.

Since a number of major projects are now on hold, pending a federal government decision, can the secretary of state tell us when he intends to settle this matter of vital importance to the economic development of the regions?

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Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): First of all, Mr. Speaker, I would simply like to point out that, in large part, this matter has been brought to my attention by all of the members of the Quebec caucus, who represent the interests of the Province of Quebec very well.

I have met with all of the mayors and some reeves of the regional municipalities, and I must say that my Quebec colleagues and myself are greatly concerned by the airport issue. I believe, however, that it is incorrect to say that the projects are on hold. The municipalities are awaiting a government decision, but there is a national policy in place which applies at the present time, and a decision will be brought down shortly as to whether we shall be in a position to provide a positive answer to the various requests from the municipalities. This is of considerable concern to all members of the Quebec Liberal caucus.

* * *

[English]

NATIONAL GUN AMNESTY

Mr. Jim Jordan (Leeds—Grenville, Lib.): Mr. Speaker, my question is to the Minister of Justice.

Last Friday, December 6, 1996 Canadians everywhere held vigils and church services to commemorate the 14 lives lost in the Montreal massacre.

Is the Minister of Justice planning a national gun amnesty program for Canada, a program with a national focus and a national thrust, and will the details be released soon so that all interested Canadians can co-operate and participate?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member for Leeds—Grenville has been a vigorous and longstanding proponent of a gun amnesty. On those occasions when he has spoken about it the hon. member for Leeds—Grenville has pointed out the many advantages of a gun amnesty. It provides Canadians with an opportunity to turn over unwanted guns to the authorities, no questions asked. It gives people a chance to get removed from their homes, in a convenient way, weapons that could be dangerous if stolen or found by children.

We are going to consider very carefully the declaration of an amnesty in conjunction with the implementation of the firearms act, Bill C-68.

This government is profoundly convinced that the implementation of Bill C-68 will make this a safer country. The suggestion made by the hon. member for a gun amnesty is a very constructive one which we will actively consider.

• (1455)

TAXATION

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Prime Minister's answers today are very similar to his answers on a CBC town hall last night.

To quote commentator Brian Stewart of the CBC: "The Prime Minister made a number of strong statements in defence of the government's record but he did not always tell the whole truth".

Some hon. members: Oh, oh.

The Speaker: We cannot say in this House what someone else said that we would not say ourselves. I would simply caution the hon. member for Calgary Southwest not to quote what we cannot say in the House. I ask the hon. member to please proceed to his question.

Mr. Manning: Mr. Speaker, we accept the cautioning but we are wondering why it is okay to say in a town hall meeting that the Prime Minister did not tell the whole truth on jobs or GST but it is not okay for this House to ask that question—

Some hon. members: Oh, oh.

The Speaker: My colleague, as you know, I have no control over what is said outside the House but inside this House my ruling would be very simple. We cannot take words said by someone else and bring them into the House when here they would be unparliamentary. That is what I am conveying to the hon. member.

Once again, without further elaboration, I would ask the hon. member to put his question directly.

Mr. Manning: Mr. Speaker, will the Prime Minister give a straight answer to this question. His government has failed to deliver jobs, jobs, jobs and to scrap the GST. What is his explanation, the whole truth, for breaking the number one and number two promises of his election campaign?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when we say that we work on the creation of jobs, and I reported on TV and I say to the House of Commons, in the last three years Canada has created more jobs than Great Britain, France, Germany, Italy and Japan together.

It is a question of debate. He can say that he would have done much better. He can say that he would wave his magic wand and there would be no deficit tomorrow. That is a matter of debate.

The record is there. More jobs have been created in Canada than in the five nations I mentioned in the last three years. This is a fact and it is recorded clearly.

• (1500)

We had a program with respect to the GST. He had a program. We said that we wanted to harmonize the GST. We have harmonization in four provinces. If the other provinces want to have only one tax to make life easy for business in Canada, there will be no GST, there will be a harmonized tax. However, only four provinces have agreed to it so far.

The Minister of Finance is working to make the harmonized tax the system for Canada. No, it is not complete yet. I admit that. However, we cannot make decisions for the provinces. We respect the Constitution of Canada.

* * *

STATEMENTS BY MEMBERS

The Speaker: My colleagues, I wish to return to a matter which occurred during Statements by Members and then I am going to hear a point of order.

I put the case squarely before the hon. member for Regina—Lumsden. During the statements you made a statement which I found to be unparliamentary. Subsequent to that I asked you to withdraw the statement and you made another statement which I also find to be unparliamentary. After that, my colleague, you were kind enough to approach the Chair and converse with me for a few seconds.

You are in your seat now and I put it squarely to you. I would ask you to withdraw what I deemed to be unparliamentary language in your statement and subsequently, I would ask you to withdraw the statement that you made after that. Will you do that?

• (1505)

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, out of respect for the institution of the House of Commons and out of respect for the Speaker, I withdraw remarks in reference to the broken promises of the Liberal Party. The remark was specifically the word “lies”. I also withdraw the remark that I made subsequent to my statement which made reference to that very same word.

The Speaker: I thank the member for that. I consider the matter closed.

Now I will proceed to a point of order by the hon. member for Markham—Whitchurch—Stouffville.

* * *

POINT OF ORDER

STATEMENTS BY MEMBERS

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, I rise on a point of order concerning my

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statement today. According to Standing Order 31, the Speaker may among other things rule out of order any personal attacks.

The Speaker: My colleague, I am well aware of the citation that you are giving to the House. The reason I intervened was that in my view the statement that you were making was unparliamentary. I only heard part of it, but from my point of view while I was sitting here it was unparliamentary.

If the hon. member would like to discuss it further with me, I invite you to see me in my chambers. But when I do not know where a member is going with a statement and I feel it is in the interests of the House to intervene, I do and I will continue to intervene.

ROUTINE PROCEEDINGS

[English]

ENVIRONMENT

Mrs. Karen Kraft Sloan (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, it gives me great pleasure to table in both official languages the State of the Environment Report for 1996 from Environment Canada, which for the first time in the House is presented in CD-ROM format in addition to its printed equivalent.

* * *

[Translation]

INUVIALUIT FINAL AGREEMENT

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, copies of the annual review for 1994-95 on the implementation of the Inuvialuit final agreement.

* * *

[English]

NUNAVUT IMPLEMENTATION COMMISSION

Mr. Bernard Patry (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Under the provisions of Standing Order 32(1), I have the honour to table in both official languages copies of the 1995-96 annual report of the Nunavut Implementation Commission.

[Translation]

Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, copies of a report entitled Compilation of 1995 supplementary reports of the Nunavut Implementation Commission.

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[English]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of ways and means motion to amend the Excise Tax Act. I am also tabling explanatory notes. I would ask that an order of the day be designated for consideration of the motion.

* * *

COMMITTEES OF THE HOUSE

AGRICULTURE AND AGRI-FOOD

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Agriculture and Agri-Food which deals with Bill C-38, the Farm Debt Mediation Act. I am proud to report this bill with several amendments.

TRANSPORT

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, I have the honour to present in both official languages the fifth report of the Standing Committee on Transport with respect to Bill C-58, the Canada Shipping Act.

FINANCE

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I have the honour to table in both official languages the sixth report of the Standing Committee on Finance.

• (1510)

I think this report is a first in the sense that the same report will be tabled by two separate committees. My colleague from the Standing Committee on Foreign Affairs and International Trade will be tabling the same document under a different report number. The report is the result of a joint effort by two subcommittees that each received a mandate from its respective standing committee to carry out a joint review of the Special Import Measures Act.

[Translation]

I want to take this opportunity to thank all those who took part in the hearings of the sub-committees. I would also like to emphasize

the way our assistants and committee staff worked together to ensure that our efforts were successful.

In concluding, I may point out that the report contains a request for a comprehensive response from the government, pursuant to Standing Order 109.

[English]

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Mr. John English (Kitchener, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Foreign Affairs and International Trade.

As the previous speaker mentioned, this represents the first report of the subcommittee on trade disputes which was conducted jointly with the subcommittee of the finance committee on the review of the Special Import Measures Act.

HEALTH

Hon. Roger Simmons (Burlington—St. George's, Lib.): Mr. Speaker, I have the honour and pleasure to present in both official languages the fourth report of the Standing Committee on Health. Pursuant to its order of reference dated December 5, your committee has adopted Bill C-71, an act to regulate the manufacture, sale, labelling and promotion of tobacco products, to make consequential amendments to another act and to repeal certain acts with amendments.

I thank the committee and the staff for the support we had on this important issue.

[Translation]

Mr. Speaker, I also have the honour to present, in both official languages, the fifth report of the Standing Committee on Health. In accordance with its order of reference of June 4, your committee has adopted Bill C-24, an act to amend the Tobacco Products Control Act, without amendments.

CODE OF CONDUCT

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, I have the honour to present the first report of the Special Joint Committee on a Code of Conduct.

With leave of the House, I intend to move for concurrence in this report later this day.

* * *

[English]

DRINKING WATER MATERIALS SAFETY ACT

Hon. David Dingwall (Minister of Health, Lib.) moved for leave to introduce Bill C-76, an act respecting the safety and effectiveness of materials that come into contact with or are used to treat water destined for human consumption.

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

INTERNATIONAL DEVELOPMENT (FINANCIAL INSTITUTIONS) ASSISTANCE ACT

Hon. Don Boudria (for Minister of Foreign Affairs) moved for leave to introduce Bill C-77, an act concerning an order under the International Development (Financial Institutions) Assistance Act.

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

* * *

[Translation]

CORRECTIONS AND CONDITIONAL RELEASE ACT

Mr. Dan McTeague (Ontario, Lib.) moved for leave to introduce Bill C-362, an act to amend the Corrections and Conditional Release Act (cumulative sentences).

• (1515)

He said: Mr. Speaker, I have the honour to introduce this bill providing that a person serving a sentence of imprisonment for life who has been convicted of first degree murder or for more than one count of second degree murder is not eligible for parole until he or she has served, in addition to the portion of the sentence that must be served for murder, one third—up to a maximum of seven years—of the sentence imposed in respect of another offence arising out of the same event.

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

* * *

PATENT ACT

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ) moved for leave to introduce Bill C-363, an act to amend the Patent Act (investigations regarding the making of medicines available at no charge to the seriously ill).

He said—Mr. Speaker, it is a pleasure to introduce a bill that amends the Patent Act and will give additional powers to the Patented Medicine Prices Review Board, in order to monitor, on an annual basis, the availability of urgently needed medicine to the seriously ill.

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

* * *

[English]

COMMITTEES OF THE HOUSE

A CODE OF CONDUCT

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, if the House gives its consent, and I suggest this motion be concurred in without debate, I move that the first report of the

Routine Proceedings

Special Joint Committee on A Code of Conduct, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

* * *

PETITIONS

JUSTICE

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, it is my pleasure and privilege to present to the House a petition signed by over 10,000 Canadians from across the country.

May I, with your permission, Mr. Speaker, acknowledge and pay tribute to the McLeod family who are with us today to witness this. On their behalf I would like to present this petition.

The undersigned citizens of Canada draw the attention of the House to the following: that public safety is the number one priority of the criminal justice system; that no convicted felon while incarcerated in a federal institution will profit financially due to any monetary awards; that any money awarded to a felon must be given to his victim and if the victim is not living, the money will go to the registered victims' rights groups.

Therefore, Mr. Speaker, your petitioners request that Parliament support legislation which will prevent monetary gain for convicted felons.

[Translation]

IMMIGRATION

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, I would like to table in the House a petition signed by over 11,000 Canadians asking Parliament to allow Portuguese citizens to visit Canada without a visa.

The Conservative government passed legislation in 1986 requiring Portuguese citizens to obtain a visa when visiting Canada. This measure, which was intended to be temporary, has lasted ten years.

I join with the representatives of the Portuguese community here in the gallery today and the people who signed this petition in the hope this government will resolve a situation that has gone on too long.

ABOLITION OF SENATE

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present four petitions by voters in my riding of Frontenac.

• (1520)

The petitioners are asking the government to undertake proceedings to abolish the Senate as soon as possible. I fully support their request and I encourage the government to give serious thought to

Routine Proceedings

this progressive measure, which will mean an annual saving of over \$43 million. Candu=wordwatch

[*English*]

TAXATION

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I have a two petitions to present under Standing Order 36.

Several people from western Canada have signed a petition which states that the application of the 7 per cent GST to reading material is unfair and wrong. It is certainly not the first time we have heard that in the House. Education and literacy are critical to the development of our country and this is a regressive tax on reading and hampers the development of literacy.

The petitioners urge all levels of government to demonstrate their commitment to education and literacy by eliminating sales tax on all reading materials and not just the way the government is trying to weasel it through.

NATIONAL UNITY

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I would like to present a second petition under Standing Order 36.

Several residents of Canada are drawing to the attention of the House that whereas this nation is in danger of being torn apart by regional factions, they pray that the Prime Minister and the Parliament of Canada declare and confirm these things immediately. First, that Canada is indivisible and second, that the boundaries of Canada, its provinces, territories and territorial waters may be modified only by a free vote of all Canadian citizens as guaranteed by the Canadian Charter of Rights and Freedoms, or through the amending formula as stipulated in the Canadian Constitution.

That would be good news to us all and I say Merry Christmas.

MARRIAGE

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I would like to table petitions signed by the constituents of Lambton—Middlesex and surrounding areas, each of which has been duly certified by the clerk of petitions pursuant to Standing Order 36.

The petitioners request that the House of Commons enact legislation or amend existing legislation to define marriage as the voluntary union for life of one woman and one man to each other to the exclusion of all others.

DRIVING WHILE IMPAIRED

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, I would like to present two petitions from constituents.

The first petition is signed by 50 residents of Fredericton—York—Sunbury and requests that Parliament proceed immediately with amendments to the Criminal Code that will ensure that the sentence given to anyone convicted of driving while impaired or

causing injury or death while impaired reflects both the severity of the crime and zero tolerance.

GRANDPARENTS' RIGHTS

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, the second petition is signed by 137 constituents who request that Parliament amend the Divorce Act to include a provision similar to article 611 of the Quebec Civil Code, and to further amend the Divorce Act to give a grandparent who is granted access to a child the right to make inquiries and be given information as to the health, education and welfare of the child.

[*Translation*]

CANDU REACTORS

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, I am tabling today a petition signed by Quebecers who are very concerned by the sale of Candu reactors to China. These people are therefore asking the government not to finance or subsidize the sale of the reactors to this country or any other and to withdraw immediately from any arrangements for financial and technical assistance to China.

Although I am aware of the economic consequences of the sale of the Candu reactors, I consider the fears of those opposed well founded. We must not be blinded by the economic benefits of such projects, which, in the end, could have disastrous consequences.

[*English*]

TAXATION

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I am pleased to present two petitions today. The first petition is from 140 individuals from across British Columbia.

The petitioners urge all levels of government to demonstrate their commitment to education and literacy by zero rating books, magazines and newspapers under both the GST and the harmonized sales tax.

They also ask the Prime Minister to carry out his party's repeated and unequivocal promise to remove the federal sales tax from books, magazines and newspapers.

VIOLENT OFFENDERS

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, the second petition is from individuals in the lower mainland area.

These petitioners humbly pray and call on Parliament to keep dangerous sex offenders and pedophiles locked up for life; eliminate statutory release; impose stiffer sentences for violent offenders; have criminals serve their full sentences and have time added for bad behaviour; have a central registry for names and addresses of violent offenders; give more powers to legal institutions to keep dangerous criminals even after their sentence is served; give police authority in apprehending and interrogating violent offenders, including the ability to take blood and saliva samples; eliminate the

insanity or drunk defence; impose stiffer laws and sentences for stalker criminals; and reinstate capital punishment for first degree murderers if there is not doubt of guilt.

• (1525)

GRANDPARENTS' RIGHTS

Mr. Dan McTeague (Ontario, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition signed by scores of constituents from the Ontario riding.

If the hon. members in the Bloc Quebecois would give me a moment they might actually learn something.

The petitioners call on Parliament to amend the Divorce Act to include a provision preventing a father or mother from placing, without legal cause, obstacles between the children of the marriage and their grandparents.

The petitioners also ask that the Divorce Act be further amended to allow grandparents the right to access, make inquiries and be given information as to the health, education and welfare of their grandchildren.

CANADA POST

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition from scores of citizens of Peterborough who are opposed to the recent announcement that Canada Post get out of economy ad mail.

They point out that a recent article in the Peterborough *Examiner* suggests that Canada Post is making money out of ad mail. As Canadians, they also point out that they are shareholders in Canada Post. They support the recommendations in the Canada Post mandate review that door to door service be expanded, especially in rural areas.

TAXATION

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a second petition signed by 260 citizens of the Peterborough riding who are concerned about the taxation of reading materials.

They urge all levels of government to demonstrate their support of education and literacy by eliminating sales tax on reading materials. They ask Parliament to zero rate books, magazines and newspapers under the GST.

As the provinces and Ottawa consider harmonizing their sales taxes, reading materials must be zero rated under the provincial sales taxes as well as the GST.

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HIGHWAYS

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I rise today to present two petitions. The first petition contains 26 names on behalf of the Canadian Automobile Association.

They call on the government to join with provincial governments to make a national highway system upgrading possible beginning in 1997.

TAXATION

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the second petition contains 139 signatures on behalf of the Don't Tax Reading Coalition.

They call on the government to demonstrate its commitment to education and literacy by eliminating sales tax on reading materials under the proposed harmonized sales tax.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present petitions on behalf of two of my colleagues from Capilano—Howe Sound and from Fraser Valley West.

The petitioners ask the government to eliminate sales tax on reading materials. Further, they ask that as the provinces and Ottawa consider harmonizing the sales tax, reading materials must be zero rated under the provincial sales taxes as well as the GST. Education and literacy are critical.

MARRIAGE

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I would like to table two petitions signed by constituents of Capilano—Howe Sound, wherein they urge Parliament to amend existing legislation to define marriage as the voluntary union for life of one woman and one man to each other to the exclusion of all others.

CYPRUS

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, I have the honour to present a petition signed by 2,740 Canadian citizens asking the House to take note of the recent actions in Cyprus resulting in injury and loss of life of innocent, unarmed people and urging support for President Cléridès' proposal for the demilitarization of the Republic of Cyprus; and also urging the Government of Canada to use Canada's influence in pressing for all parties to abide by the UN Security Council resolutions and to contribute to a peaceful settlement of the issues.

HIGHWAYS

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, I also have the pleasure to submit three other petitions. The first one has been signed by 28 citizens of Canada with regard to the condition of the national highways.

Routine Proceedings

CHILD CUSTODY

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, the second petition has been signed by 25 citizens on the question of child custody.

JUSTICE

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, the third petition has been signed by 36 citizens asking that convicted criminals not be allowed to profit from the publication of their memoirs.

PUBLIC SAFETY OFFICERS COMPENSATION FUND

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have three petitions to present today. The first petition is from Abbotsford, B.C.

The petitioners would like to draw to the attention of the House that our police and firefighters place their lives at risk on a daily basis as they serve the emergency needs of all Canadians.

They also state that in many cases the families of officers and firefighters who are killed in the line of duty are often left without sufficient financial means to meet their obligations.

The petitioners therefore pray and call on Parliament to establish a public safety officers compensation fund to receive gifts and bequests for the benefit of families of police officers and firefighters who are killed in the line of duty.

• (1530)

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, my second petition comes from Edmonton, Alberta. The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

The petitioners therefore pray and call on Parliament to pursue initiatives to assist families that choose to provide care in the home for preschool children, the chronically ill, the aged or the disabled.

Mr. Speaker, my third petition is from Kentville, Nova Scotia—

The Deputy Speaker: Two to a customer today, since there are so many people waiting.

HUMAN RIGHTS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I wish to present two petitions today on behalf of the constituents of Simcoe Centre.

The first group of petitioners requests that the Government of Canada not amend federal legislation to include the phrase sexual orientation.

AGE OF CONSENT

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the second petition concerns the age of consent laws. The petitioners ask that Parliament set the age of consent at 18 years to protect children from sexual exploitation and abuse.

TAXATION

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, it is my pleasure to table on behalf of several western Canadians, under Standing Order 36, a petition that calls for an end to the GST on reading materials.

Specifically, the petition asks the Prime Minister to carry out his party's repeated and unequivocal promise to remove federal sales tax from books, magazines and newspapers.

INFRASTRUCTURE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I have two petitions to present today on behalf of the constituents of Okanagan—Similkameen—Merritt pursuant to Standing Order 36.

The first petition deals with the concern that the national highway system is substandard. Therefore the petitioners call on Parliament to urge the federal government to join with provincial governments to make the national highway system upgrading possible.

TAXATION

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my second petition deals with taxing reading materials.

The petitioners ask that the Prime Minister carry out his party's repeated and unequivocal promise to remove federal sales tax from books, magazines and newspapers.

The petitioners are simply asking the government to carry out its promise.

PORNOGRAPHY

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I have three petitions and I will be very brief.

The first two petitions bear 2,889 signatures and call on Parliament to have our present laws on obscenity strengthened, demonstrating the will to protect the men, women and children of Canada from pornography's impact and thereby also fostering recognition and treatment for sexual addictions which most often have been fuelled by the use and impact of pornography.

INFRASTRUCTURE

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the other petition with 25 signatures deals with a national highway system in Canada.

QUESTIONS ON THE ORDER PAPER

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

Mr. Zed: Mr. Speaker, I rise on a point of order. I would like to try a series of four travel motions, the negotiations on which have been happening during Routine Proceedings.

If it is agreeable to the Chair, I would like to propose them one by one.

The Deputy Speaker: I take it that all parties are agreeable to this.

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

FINANCE

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): moved:

That the Subcommittee on International Financial Institutions of the Standing Committee on Finance be authorized to travel to Washington D.C. from January 27 to 30, 1997, to meet with the president and officials of the World Bank.

(Motion agreed to.)

• (1535)

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): moved:

That the members of the Standing Committee on Environment and Sustainable Development and the necessary staff be permitted to travel to Vancouver and Edmonton from January 26 to January 30, 1997, to conduct hearings on Bill C-65, an act respecting the protection of wildlife species in Canada from extirpation or extinction.

(Motion agreed to.)

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HUMAN RIGHTS AND THE STATUS OF PERSONS WITH DISABILITIES

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): moved:

That as part of its study of new technologies and privacy rights, six members of the Standing Committee on Human Rights and the Status of Persons with Disabilities be authorized to travel to Vancouver, Calgary, Toronto, Montreal and Fredericton during the week of February 10 to February 14, 1997, for the purpose of holding hearings and that the necessary staff accompany the committee.

(Motion agreed to.)

PUBLIC ACCOUNTS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): moved:

That in relation to its study of the mandate and operation of the Standing Committee on Public Accounts, four members of the committee and two staff members of the Standing Committee on Public Accounts be authorized to travel to the Republic of Ireland from April 6 to 13, 1997, to meet with members of Parliament and government officials of Ireland.

(Motion agreed to.)

GOVERNMENT ORDERS

[English]

FINANCE

FIFTH REPORT OF STANDING COMMITTEE

The House resumed from December 9 consideration of the motion.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to speak today to the report of the Standing Committee on Finance on the prebudget hearings.

I started speaking on this matter a day or two ago and, unfortunately, I was interrupted, so I am back again. I will begin where I left off. I left off by saying that, in my judgment, the government was searching for the answer but it would not tell people what the question was. I want to advance the debate a bit beyond that now.

This whole debate will be seen in a new light today as a result of the Prime Minister's town hall meeting last night. Last night we saw a side of the Prime Minister which I have not seen before. We saw a Prime Minister who seemed almost disdainful of the people who came forward, whose lives were in disarray because they were unemployed or because they had fallen on hard times. That stands in stark contrast to the words of the committee report.

The chairman of the finance committee is sitting across from me. I am certain he believes very strongly the words that are in his report which emphasize how much he cares about people who are unemployed, the poor and people who have fallen on hard times. However, I did not see that in the Prime Minister's responses to

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questions from regular Canadians last night. Those people have fallen on hard times.

I want to talk about these issues one by one. These issues are very important to Canadians.

Last night at the town hall debate there was a graph shown on television which indicated that 42 per cent of Canadians said the number one priority they saw for government was unemployment. It is a huge problem. The Prime Minister brushed the whole issue aside.

• (1540)

In the finance committee report the government does speak of the unemployed, but mostly it boasts about the job the government has done in creating an environment so that the economy can create jobs. Last night I think that claim was really challenged by reporters at CBC when they pointed out that since the government came to power, only 109,000 jobs truly had been created outside of the natural growth in the workforce. Therefore it amounts to only about 30,000 jobs a year since the government came to power, which allowed the unemployment rate to come down to about 10 per cent, still a double digit.

I know I speak for Canadians when I say 10 per cent unemployment is completely unacceptable. When we look at the regional breakdowns it is even worse. In Saskatchewan there is 6 per cent unemployment; we are getting there. But in Atlantic Canada, Cape Breton, 22 per cent, as the lady claimed last night. That is unbelievable.

What did the Prime Minister say in response to that lady's queries about what can be done to help people get a job? He said "we have ACOA, some ACOA grants". I think we have been trying ACOA grants for 20 years and they have done nothing to fix the unemployment problem in Atlantic Canada.

He said "perhaps you can start a business". But as the lady correctly pointed out, when you are unemployed you do not have the money to run out and start a business. These are common sense responses. And with respect to the Prime Minister, after 33 years in this place and serving as a big city lawyer, I think he has become too far removed from the common people. I think he has forgotten what it is like to come from humble beginnings. The people who spoke last night were simply not satisfied with the Prime Minister's answers.

I think it would be irresponsible to criticize without offering some answers of our own. We have suggested there is another approach. We have suggested that the way to deal with the problem of unemployment is to create an environment, as the Prime Minister says, where the economy will produce real jobs. But the government has not done that. That is not done simply by reducing

the deficit ever so slowly but not giving people any of the benefits of a balanced budget and surpluses.

We are proposing, and I think it is what a lot of Canadians want to hear, is balance the budget, shrink the size of government, get rid of the wasteful programs; and there are many of them. Give the provinces some of the responsibilities which are theirs in the Constitution and which the federal government has never done a good job with. When that is done, a surplus will be run. When that is done, people can be offered lower taxation.

The Reform plan is to download \$15 billion in tax relief to Canadians across the country so that the people in Atlantic Canada, where taxes are unreasonably high and are going to get even worse under this harmonization agreement that the Prime Minister spoke of today in question period, will benefit tremendously from lower taxes. The problem with the Atlantic Canadian economy is it is so bound up by taxes that it cannot possibly create the amount of jobs necessary to help the people in Cape Breton, Newfoundland, all the regions of Atlantic Canada.

One of the saddest commentaries on the failure of the government to deal with the problems that seize the country is today's release from Stats Can that says an estimated 1.472 million children live in "strained circumstances" in 1995, in poverty, up 110,000 from the previous year. In the finance committee report government members pointed out that child poverty is a problem. It certainly is but words are not enough. During the last election campaign the words were jobs, jobs, jobs. What has happened? Virtually nothing. This time apparently it is going to be child poverty, but words do not put food on the table.

• (1545)

The government report says that not too much can be done. Maybe some money can be put into a working income supplement, maybe it could be enhanced. That is not enough. The Reform plan, \$15 billion in tax relief, would take 1.2 million low income Canadians completely off the tax rolls. That is how people who are struggling just to get by are helped. That is how the poor are helped. That is how children living in poverty are helped. That is how 1.2 million Canadians would be taken completely off the tax rolls. That is the Reform fresh start.

Just a couple of minutes ago, as we went through Routine Proceedings, we heard petition after petition make reference to the GST. Probably a dozen or 15 members of Parliament got up with petitions in their hands saying that the government should fulfil its promise to get rid of the GST on reading materials.

Unless I missed it, I did not see that addressed in the finance committee report. Sometimes when things are not said it speaks volumes about the approach to an issue. This was a blatant promise

that was broken. Nowhere is it addressed in the finance committee report.

It is important that this is brought to the attention not only of Canadians who voted for the government on the basis of this promise but also the government MPs.

It is incumbent on government MPs to stand up and represent their constituents. They know very well that the Prime Minister wrote to the Don't Tax Reading Coalition just before the last election and said that he would get rid of the GST on books. It is still there. Yes, the government made some minor changes but it is still there. It is another broken promise. It should have been addressed.

The GST is barely mentioned in the finance committee report but Canadians had some hard questions for the Prime Minister last night. We had the spectacle of a waitress from Montreal standing up meekly at first, trying to challenge the Prime Minister on his GST promise, and what did he do? He attempted to dress her down. He tried to corner her and suggest somehow that she did not know what she was talking about. But she knew a lot better than he did what she was talking about.

She pointed out that the Prime Minister had said many, many times that he would scrap the GST and it was the basis on which she had voted for him. What did the Prime Minister do? He did not say: "You're right. I am sorry". He did not do what the Deputy Prime Minister had to do. He certainly did not resign. What did he do? He tried to deny that he had said all the things that a couple of minutes later appeared on the television news.

I would think, after having gone through the debacle of the Mulroney government and the myriad broken promises and the myriad times when people completely lost faith in government, the Prime Minister, the hon. member from Shawinigan, would have learned his lesson. Instead he let pride get in his way. He denied that he had said the things that ended up on the TV news a few minutes later and again, people have a very good reason to not trust government.

I wonder how many million people watched last night. I wonder how many million people saw a side of the Prime Minister that they had never seen before. We are all amused when the Prime Minister puts on his little guy from Shawinigan act. He is very amusing. He seems like a very nice man, but last night, although sometimes the words were there, there was a curled lip, there was an arrogant attitude. I did not see any sympathy at all for what the people out there were asking about.

• (1550)

After what we saw last night this whole debate has been put in a new light. I hope Canadians remember this as we approach the next election.

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Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, one of our most important challenges is to work toward restoring the level of credibility and integrity of this place. The words we have just heard have not helped that cause.

I was particularly disgusted with the attack on the Prime Minister. He has been characterized as a big Bay Street lawyer who has somehow lost touch with the people. If the member would look more carefully into the Prime Minister's background he would know that the Prime Minister comes from a rural area, that he comes from a family with 19 children. I do not know how the member could possibly characterize the Prime Minister as some fat cat Bay Street lawyer. He does a disservice to this place by somehow twisting the facts.

The member has agreed with the Prime Minister that the role of government is not to create jobs but rather to promote an environment which is conducive to job creation. The member did not articulate what the elements of that environment are.

Interest rates in Canada are currently the lowest they have been in 40 years. Inflation is also at a very low, very acceptable rate. The economy has performed exceptionally well and is projected to be the highest of the G-7 countries. The government has worked on these elements to promote an environment conducive to job creation.

This member said that Reformers would not mess around with little pieces on the deficit. He said that they would use their extreme policies to balance the budget and cut all those things in order to create that environment.

I have articulated the government's position vis-à-vis an environment to promote job creation. I would like this member to tell this place exactly what elements of the environment he feels his party is shooting for.

Mr. Solberg: Mr. Speaker, the member mentioned the word extreme. An extremist is anyone who happens to be winning an argument with a Liberal.

I want to make sure the member understands and does not take too much credit where credit is not due. The reason interest rates have fallen to this point is because the economy is so soft. That is why there are tremendous unemployment problems in this country. That is why interest rates have continued to fall. Everyone would acknowledge that the economy has been extremely soft.

Exports have done well because the dollar has been low but no one will say that the domestic economy has been anything but extremely soft. I do not think the hon. member should be taking too much pleasure in that fact. The same thing applies to inflation.

I will answer the member's question very specifically by pointing to what the Government of New Brunswick has done. It has acknowledged that low interest rates alone cannot fix the problem.

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That is why that Liberal government has introduced income tax cuts.

Note that it has a balanced budget. Note that it has the capacity to do that. Most people would acknowledge that Frank McKenna in New Brunswick has done a good job with that province. It should be a model for the federal government. Our approach parallels exactly what is being proposed in New Brunswick. When you give people more money for their pockets they will start to spend it. That will create jobs.

The member talked about the fresh start plan.

• (1555)

The fresh start plan will provide people with \$15 billion in tax relief. It gives them more money in their pockets so they can go out and spend money in the economy, save for their retirement, look after their children's education, take a holiday once in awhile. It allows small businesses to create the jobs that are so necessary for the people, certainly of Atlantic Canada, Ontario, the prairies and British Columbia.

People everywhere are suffering today under this government's policies. It is about time Canadians had the chance to take the dollars that the government uses right now and spend them on things that are their priorities, not the government's.

Mr. Szabo: Mr. Speaker, following up on that, the member stated balancing the budget and after that they would lower taxes. However, he also said that 10 per cent unemployment is unacceptable. With the program he has outlined, he is prepared to suggest that Canadians should wait until the budget is balanced and taxes are reduced. When that is done then jobs will come.

They cannot have it both ways. They cannot suck and blow at the same time. They cannot balance the budget and give tax cuts at the same time.

The member has to answer the question. What is he going to do for Canadians to create an environment that will get Canadians working again? What elements is he going to create, not in two or three years from now, but today because that is exactly what he is asking of the government?

Mr. Solberg: Mr. Speaker, in 1993 the government did promise jobs, jobs, jobs. Three years later those things have not happened.

The evidence is clear. If one brings down a plan that clearly states that there will be a balanced budget and tax relief, the stimulus effect is immediate. There is evidence from around the world to demonstrate that is the case because finally investors have the confidence to begin spending again in the economy.

We need not speculate about this. There are many examples around the world. Probably the best example is right here in Canada. When the Government of Alberta announced that it was

going to balance the budget and begin running surpluses, there was an immediate influx of investment into the economy because finally someone had a plan to deal with the problem, something that this government is missing.

People are paying for it with their jobs. People are paying for it with lower standards of living. The average family has taken a \$3,000 national pay cut since the government came to power according to the Fraser Institute. We have had a massive attack by the government on transfers to the provinces of \$7 billion. This government has closed more hospitals than all of the provinces combined. That is unacceptable.

That is the price of delay when the government cannot get its act together and recognize the importance of balancing the budget and starting to deal with the tremendous problems that were left not only by the Conservative government but by the Liberals before them as well.

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, I have my Christmas tie on because I am in a very Christmas mood. My friend from Medicine Hat has just had some things to say and I will be responding to some of those.

Given the tone of his speech and watching the House during the afternoon, I wanted, in the Christmas spirit, to get something on the record.

There was a party back in 1993 that was going to come here and do politics a new way, I say to my friend from Red Deer. I was excited and said: "This is marvellous". "There will be no more shouting, no more screaming and no more nastiness," that party said. This is a light at the end of the tunnel. "Rational debate. No talking out of both sides of your mouth," that party said. "No maligning people. No character assassination".

In the Christmas mood, let us give them credit where credit is due. They have not shouted. I have not heard them scream once. Mr. Speaker, have you heard them malign anybody? Even this afternoon in the last speech, have you heard them malign anybody? Have you, Mr. Speaker, heard any character assassination? Have you heard them speaking out of both sides of their mouth on the issue? Let us have the Christmas spirit. Let us give credit where credit is due. If anybody has brought a new kind of politics, it is the people who said they would bring a new kind of politics.

• (1600)

The member for Medicine Hat made a lot of sense. He said that words do not put food on the table. He is absolutely right. My friend from Bourassa is right. Words do not put food on the table.

I will suggest something which does put food on the table, in a way. If a house mortgage is now \$800 a month instead of a \$1,000, I would suggest that the extra \$200 could put some food on the table.

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An hon. member: You would probably take it back in taxes.

Mr. Simmons: Like I said, Mr. Speaker, no shouting. We have just heard from the no shouting party again.

The extra 200 bucks could put some food on the table. Or maybe if a car payment is \$250 instead of \$275 or \$300, thanks to low interest rates, the lowest interest rates in this country in over 40 years, maybe that would put some food on the table.

An hon. member: Every country has lower interest rates.

Mr. Simmons: What will not put food on the table is all that shouting. That will not put any food on the table.

Let me say it for them one more time slowly. All the shouting, all the screaming, all the maligning, all the character assassination, all the talking out of both sides of their mouths; none of the above would create one job in this country and none would put food on the table. Low interest rates will do it. They are doing it for people all across the country, particularly the 670,000 who have jobs because of the mandate of this government.

Of course the hon. member for Medicine Hat is right. We have not employed everybody but there are 670,000 more jobs now than there would have been.

An hon. member: What about taxes?

Mr. Simmons: Mr. Speaker, I cannot take this, all this business of attacking that party for shouting. Talk about spreading malicious lies about people. I want to come to their defence.

Mr. Harris: Mr. Speaker, I rise on a point of order. I have great respect for the hon. member who is speaking. I cannot imagine he implied that the Reform Party was spreading malicious lies. Out of respect, I would love to have him withdraw that statement.

The Deputy Speaker: The Chair did not catch that word. I wonder if the member would be kind enough to indicate what in fact he did say.

Mr. Simmons: Mr. Speaker, I was viciously attacking all the people who go around suggesting that the Reform Party has not brought new politics to this place. I said that the people who suggested that are spreading malicious lies. We all know it is the non-shouting party. We all know it is the party that never maligns anybody.

I want to talk about this marvellous report of the Standing Committee on Finance.

I say to the hon. member for Medicine Hat that it is not the government, it is a committee of which he is a member. Not one single person on that committee, including my good friend from Willowdale, the chairperson, is a member of the administration. They are all MPs from various parties.

That committee went to St. John's. When in St. John's it heard concerns from seniors and from small business. It heard concerns about youth and about job creation. It heard concerns about deficit reduction targets, social programs and the fishery. The hon. member for Medicine Hat, the hon. member for Willowdale and the other members of that committee from all parties heard those concerns. Then the committee responded to those concerns.

• (1605)

On the issue of seniors, the report points out that as of the 1996 budget, thanks to the Minister of Finance, those 60 and over, along with their spouses whatever their age, are guaranteed no less than current pension payments.

On small business, the total lending ceiling under the Small Business Loans Act has been raised to \$12 billion.

For youth, over the next three years the government is going to put out \$1.2 billion including an additional \$350 million announced in the last budget a few months ago.

On job creation, over 600,000 jobs have been created.

On deficit reduction targets, we are meeting them and we are beating them. That is performance. Let us stop right there.

Mr. Speaker, you are looking at a person who never particularly got his jollies out of deficit reduction. I had to tell you that. I have never seen deficit reduction as an end in itself. I never go to bed and say "thank the dear Lord I have reduced the deficit some more today". It is never in my prayers at night because it is not an end in itself. If it were an end in itself we should shut the government down and all go home.

Some hon. members: Hear, hear.

Mr. Simmons: Mr. Speaker, you have to hand it to me, I know how it feels to the Reform crowd.

Deficit reduction is not by itself an end in itself. It is just a very important, pivotal, crucial way to an end, but we should never lose sight of what the end is because the end is all about people. It is all about those 670,000 who got jobs in the last three years but it is also about those people, 10 per cent in some provinces, 25 per cent or so in parts of my province, those large numbers of people who are kind of camouflaged by near percentages, those people who are hurting every day because they do not have jobs.

For them we must see to it that not only is the deficit reduced but that the interest rates are low, that they have more access to capital if they are in small business. If they cannot start a business because they do not have the first bit of capital we have to find a way to get them to a job so that they have an income. An \$800 mortgage cannot be paid if there is no job in the first place to put food on the table.

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For those who suggest that somehow with a wave of a magic wand suddenly all is right with the world, it does not work that way, even a couple of weeks before Christmas.

I am sharing my time with my friend for Annapolis Valley—Hants. Before I sit down let me say I believe the committee, through its recommendations on children and poverty, people with disabilities, the old question of productivity, a better deal for the volunteer and charitable sectors, has done a marvellous job.

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak today on the prebudget debate, following my friend from Newfoundland who did an eloquent job. He did not need to put anybody down in doing it.

I would like to congratulate the members of the finance committee for their comprehensive report and many excellent recommendations. The committee has tabled a thoughtful report and has offered many positive and tangible actions our government can take to help improve the economy and help reaffirm our commitment to the principles of social equity and fairness.

When we look at the financial record of our government the numbers speak for themselves. Let us look at the facts. When our government took office the deficit was \$42 billion, 6 per cent of our gross domestic product. In three years we have reduced that number to a figure below 3 per cent of GDP. Recently the Minister of Finance confirmed that this figure will be down to 1 per cent of GDP, or \$9 billion, by the year 1998-99. This is significant because it will mean that our government will no longer have to borrow from the markets to fund the deficit. This, combined with low interest rates and a strong economic growth rate, will allow us as Canadians to have greater sovereignty over our economic affairs. As a result of our tough fiscal actions we now have broader options to set our own economic agenda rather than being at the mercy of international financial institutions.

• (1610)

In the past, it would seem that the deficit targets were never met. Governments would table budgets offering rosy financial outlooks and would then proceed to miss their targets year after year.

Our government, however, has reversed that trend. We are restoring Canada's fiscal credibility. Our government has shown that when we make a commitment, we keep it.

There are two specific issues raised in the report that I would like to focus on, child poverty and the need for active job creation measures.

In a country as prosperous as ours, it is unacceptable that 20 per cent of our children still live in poverty. I sit as a member of the

Standing Committee on Health and in recent months we have been conducting a study on the health of Canada's children. As part of our efforts we have heard from health groups and child advocacy organizations from across the country. These groups have raised many serious concerns and put forth many excellent recommendations.

I am pleased, and I think many children's organizations will be pleased to see that the committee has recommended an increase in the working income supplement in order to target the children of working poor.

The chair of the finance committee stated in his remarks in the House Monday that families among the working poor often have benefits of \$3,000 a year less than those on social welfare. In many instances this creates a disincentive to work.

I would strongly urge the Minister of Finance to accept this recommendation as a means of working to alleviate child poverty. But I do not believe that we can stop there.

I want to take this further and recommend that our government target increased assistance toward federal programs that deal directly with the issue of child health and child poverty. One such program I am sure members are familiar with and which I believe is worthy of increased investment is the community action program for children, CAPC.

I noticed in the finance report that the future of CAPC was addressed during public consultations. I agree with the recommendation that government funding intentions for CAPC be made clear and that the support for CAPC continue.

In communities across Canada 450 community based groups are using CAPC dollars to provide families with parenting education and support and children with opportunities for early learning experiences. I have seen firsthand this program and how it strengthens families and helps children achieve their goals.

However, in April 1997 the CAPC program is scheduled to face a 51.9 per cent reduction in federal funding. This could in turn threaten the very viability of this program at the community level.

Recently I hosted a meeting where members of the Nova Scotia Association of Family Resource Projects briefed members of Parliament about the important role CAPC programs play in their communities. At this meeting members of the organization played a cassette recording of comments by parents who have benefited from the program. There was no question in our minds that this cassette left members with a firm understanding of how a government can positively affect the day to day lives of people.

I would like to read for my hon. colleagues one of the comments that I was particularly touched by. This message was left by a young mother of two. She said: "I was trying to do the best I could

with the resources I had, but they were limited. I felt helpless not knowing where to find the skills, but I knew they were out there”.

● (1615)

Once she started attending the family resource centre, a CAPC funded program, she said: “I have learned so many new skills that I have been applying not only with our children but with other relationships in my life. Our family is much happier since I have been coming to the centre. I feel that the programming offered at the centre for our children is doing all that is necessary for our children to be prepared for school”.

We are making a difference through programs such as CAPC. I would urge our government to commit targeted resources toward this program and other similar proactive programs aimed at assisting poor children and families. By focusing on the elimination of child poverty now, we are making a direct investment in our own future as a nation.

I would now like to turn for a moment to the issue of job creation. In my riding of Annapolis Valley—Hants, job creation continues to be one of the most important concerns I am hearing. Even the finance committee’s report states that Canada is faced with a situation where employment growth remains strong but unemployment continues to persist at unacceptably high rates.

It is true that during the last three years jobs have been created. At last report there were some 670,000 new jobs created in Canada. While this is no small number, unemployment numbers across the country clearly show us that more needs to be done. I believe in the position put forward by our government that our primary responsibility is to create the right economic climate for job growth.

When I say that our government must play a greater role in job creation, I am not referring to costly short term, make work projects that have little long term benefit. Instead our government must continue to focus on creating new partnerships with the private sector, research and educational institutions and other levels of government. We need to be an active partner in those areas where we can help create new jobs.

A perfect example of this type of partnership is the national infrastructure program. The first tripartite agreement was a tremendous success. In my riding of Annapolis Valley—Hants a total of \$22.3 million was invested in order to address local priorities. This program showed that when governments are working to achieve common goals, our communities reap the benefits from this co-operative spirit.

I was pleased therefore to see that in the finance committee’s report there is a recommendation calling for a new infrastructure program. I was also pleased that as a part of this program the committee has recommended that we refocus our infrastructure dollars toward research and development. This is a recommendation I fully support.

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I would like to also add that as well as partnering with universities and health institutions, we should focus greater attention on R and D in the agriculture and natural resources sectors. These sectors are extremely important to rural communities like those in my riding of Annapolis Valley—Hants.

As well focus must be given to our transportation and communication infrastructures. This is particularly true in Atlantic Canada. By focusing more attention to these areas we can help create sustainable jobs in our rural communities.

There is a lot more I would like to say on this issue but I see that my time is running short. I will close by once again commending the work of the finance committee and the many excellent recommendations it has put forward. This document offers a thoughtful analysis of the many serious issues still facing our government and all Canadians.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I want to congratulate the member for Annapolis Valley—Hants for his thoughtful comments and remarks.

It is very difficult for a member to talk about his or her own work but other members can. I would like to let the hon. member’s constituents know that he has been one of the leading spokesmen in this place about family, children and has been an advocate on behalf of the CAPC initiative. He shared that experience and expertise within his riding with other members so that they could see the valuable contribution that makes to the strengthening of our families and children. I congratulate him on the excellent work he has done on behalf of this place.

● (1620)

My question has to do with the infrastructure program. I concur with the member that it has been helpful. Would the member care to elaborate a little on the initial infrastructure program that the government had and the contribution it made to his area? Maybe he could give some ideas on the specific things that might be of benefit to his constituency.

Mr. Murphy Mr. Speaker, I thank my colleague for his kind remarks.

The infrastructure program in my riding was very successful. The major success was that it built some infrastructure to help draw in new companies and industry to our area. That is very important. The infrastructure program is not meant just to create short term jobs; it is to set a tone, to set an infrastructure foundation for future growth and development. It did that in our area.

We worked very closely together. The communities and the municipalities chose the direction in which they wanted to go and I was there to help them do it. I went to every one of the chambers

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and talked about the infrastructure program with them. I heard what their priorities were and acted on them.

For the future, yes, we want to talk about partnering with universities and hospitals, partnering with provincial and municipal governments. But there is another aspect I would like to see us get into, which is the whole area of being in partnership with businesses. We could help businesses build their infrastructure so that they could employ more people with more sustainable jobs. That would be a really helpful endeavour for instance in my riding of Annapolis Valley—Hants.

I look forward to the government coming forward and initiating this project so that we can do what we said we would do and continue to do what we have been doing, which is creating jobs and economic development.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I am pleased to participate in this debate on the prebudget report. Naturally, I support the Bloc's dissenting opinion expressed in the report of the Standing Committee on Finance entitled "The 1997 Budget and Beyond: Finish the Job".

This government has made unprecedented cuts in health, social assistance and higher education, but we still have double digit unemployment. Compared to the 1989 employment situation, we are still 925,000 jobs short. The federal government is forcing the jobless onto welfare and forcing the provinces to make the most difficult choices in its place. We will recall that Liberals ran on a platform of "jobs, jobs, jobs".

Today, three years into the Liberal government's mandate, the unemployment rate, at more than 10 per cent, remains outrageously high, roughly double the American rate. We must recognize that, in the area of employment, this government's record is poor. I watched, last night, the Prime Minister's interview on the CBC. Several questions were about Canada's high unemployment rate. We heard accounts of the hardship individuals and families are going through across Canada today. The CBC itself just announced job cuts affecting more than 1,000 people.

It should be pointed out that the cost of high unemployment has become huge, totalling some \$91 billion a year. This figure, taken from a study conducted by the Department of Human Resources Development, includes the costs of lost productivity and crime, health costs and all the social costs associated with an employment crisis.

• (1625)

One of the social costs associated with the situation the jobless are in is malnutrition, which can result in chronic illness. Unemployment can also cause severe stress in some individuals, as well

as mental disorders, alcoholism, suicide, accidents and heart disease.

These social and health problems associated with unemployment represent additional costs to the federal government. In the end, the taxpayers have to foot the bill for this increase in costs. We find ourselves in a situation where not only citizens are provided with fewer and fewer services by the government, but they are paying more and more taxes.

I agree with eliminating the deficit and putting the federal government's financial house in order. But I disagree with the way the government is going about it. They are penalizing the unemployed, welfare recipients, seniors, immigrants and the most disadvantaged in our society, while at the same time protecting and favouring the wealthy.

More than five million Canadians are living below the poverty line, including more than 1.5 million children. I should point out that 1996 was designated International Anti-Poverty Year by the United Nations. Yet, poverty is growing in Canada.

The government tells us that fighting poverty, particularly among children, is one of its priorities. Let us not forget, however, that the federal government's Canada social transfer cuts have increased poverty among children and adults alike. This indicates that the government's choices are not consistent with the objectives of employment and fairness that it claims to be pursuing.

I also condemn once again the decision to use accumulated surpluses in the employment insurance fund to reduce the deficit. The government is reducing its deficit by about \$5 billion every year by dipping into this fund, to which only workers and employers contribute so they can have a social safety net.

By reducing the accessibility and duration of benefits, the federal government deprives a considerable number of claimants from money they have already paid into the fund. This is a disgrace.

The situation will get worse as of January 1, 1997, with the implementation of new drastic unemployment insurance measures. The unemployed and their families will have a rough winter.

The Liberal majority report mentions that the technical committee on corporate taxation will only submit its report by the end of 1997. This committee is not at all impartial. Indeed, it is made up of experts from the private sector whose role is to provide advice to major corporations on how to pay the smallest amount of tax possible. Some of these members are clearly in a conflict of interest.

The government has shown that it has a soft spot for major corporations. These are almost unaffected by cuts made to improve the state of public finances. By contrast, the federal government cuts into social programs and targets workers' rights. The only protection for wage earners is their right to collective bargaining,

particularly under the Canada Labour Code. However, this right has been violated by the government on a number of occasions.

In the dispute opposing Canadian International and the Canadian Auto Workers union, the CAW, the government once again sided with the employer. The labour minister unduly interfered in the union's internal affairs. It bypassed the action of CAW's democratically elected leaders by exerting unwarranted pressure and threatening to invoke some obscure section of the Canada Labour Code to force them to hold a vote on major wage concessions.

• (1630)

A duly signed collective agreement is in effect between the parties. For political reasons, and to favour Canadian International, a western company whose head office is in Calgary, the government resorted to political interference and forced the union to hold a vote. I hope this government will have the courage to demand from Canadian International officials a restructuring plan that will protect the jobs of its 16,000 employees.

I want to salute the courage of CAW's leaders, who stood up to the company and to the government. I also condemn the unjust attacks in this House by the leader and the reform members against this union, and particularly against its president, Buzz Hargrove, who is defending the legitimate interests of those of his members employed by Canadian International. These employees have already taken several pay cuts to keep this airline afloat.

As for the overhaul of the taxation system for corporations and for individuals, the government does not seem to be in any hurry. It does, however, seem to be in quite a rush to reduce UI benefits and transfer payments to the provinces for health, higher education and social assistance.

The federal government must clean up its own act and reduce its own spending. There are still too many examples of taxpayers' money being wasted or used inefficiently. This is why, year after year, the auditor general criticizes billions in unnecessary spending, and tax loopholes.

For over three years now, the Bloc Quebecois has been condemning family trusts and tax havens. It has been calling for an overhaul of the Canadian corporate taxation system. Federal tax revenue from corporate taxation has dropped considerably in the last 30 years, going from 23 per cent in 1961 to 9 per cent in 1995.

In addition, Canada is one of the G-7 countries where corporations pay the least tax. Its taxes are also well below the average for OECD countries. The same also holds for Quebec. The tax rate on profits is lower than elsewhere. The impact of federal cutbacks on Quebec is substantial. These cuts are reflected in a major shortfall

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in revenue for this province, estimated at \$16.3 billion for the period from 1982-83 to 1995-96.

Quebec will suffer cuts totalling \$636 million in 1996-97 and \$1.2 billion in 1997-98. If the federal government had not of-flooded its deficit since the early 1980s, Quebec would now have a balanced budget.

These federal cuts dramatically reduce the resources available to the Quebec government to pay for the social programs its population needs. I want to take this opportunity to condemn the attitude of a government that has laid off 45,000 employees in the federal public service. And for many years, it has refused to increase the salaries of its remaining employees.

I hope that the upcoming negotiations with the Public Service Alliance of Canada will lead the government to grant reasonable salary increases. In March 1997, the Public Service Alliance of Canada's 135,000 members will start their negotiations with Treasury Board. For six years, salaries have been frozen, there have been cuts in service and a huge reduction in the number of employees. They are asking for wage increases, the introduction of wage equity, reinstatement of the guidelines on workforce adjustment, employee training, and so forth.

I would also like to say a few words about the incredible salaries of business leaders, salaries we can only dream of.

• (1635)

The president of a large company earns more than the President of the United States and the Prime Minister of Canada. They make at least \$300,000 or \$400,000 a year, in addition to all their other advantages. And these advantages are often considerable: stock options, production bonuses and premiums, social benefits, and so forth.

I would like to give a few examples of well-heeled executives, and that is an understatement. The president of the National Bank, Mr. Bérard, takes home an annual salary of \$1.4 million, while his counterpart at the CIBC had a salary of \$1.83 million in 1995. Laurent Beaudoin, the president of Bombardier, earned a total of \$19.1 million, one of the highest compensation packages in the country. This \$19.1 million includes a salary of \$900,000, a bonus of \$525,000 and \$17.5 million in profits on options. The former president of Bombardier, Raymond Boyer, received an annual salary of \$7 million, including \$5.9 million in profits on options.

Frank Stronach, founding president of Magna International, made \$47.2 million in 1995, including option profits worth \$32.3 million. Gérard Pencer of Cott Corporation received \$13 million, including option profits worth \$12.5 million. David Walsh of Bre-X Minerals Ltd. got \$10 million, all in stock options.

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There are more heads of companies who earned very attractive salaries, often more than \$1 million per year. These include William Doyle and Charles Childers of Potash Sales Ltd.; Pudy Crawford at Imasco; George Petty, Repap Enterprises Inc.; James Dougham of Stone Consolidated Corporation; Larry Solari of Domtar, and so forth.

According to a study of 268 corporations whose shares are traded on the Toronto Stock Exchange, the presidents and CEOs received an average salary of \$776,000 last year. This is an increase of 32 per cent over 1993 and 12.6 per cent over 1994.

These incredible salaries are huge, compared with the earnings of those who work for the minimum wage, which varies between \$5 and \$7 per hour, depending on the province. These differences are out of all proportion.

The extremely high salaries of heads of companies are also a strange contrast with the social conditions of the unemployed and welfare recipients. While the first group lives in luxury, the second is working very hard just trying to find ways to survive each day.

This government's first priority should be to shrink the huge abyss separating the richest and the poorest. This concern must always be taken into account when difficult choices are made about reducing the deficit. The government must have the courage to ask the upper strata of society to make a little effort to help reduce the debt. This in turn would mean that fewer Canadians and Quebecers would be living in abject poverty.

On December 1, I held a brunch with the theme of social solidarity in my riding of Bourassa. More than 300 persons attended. They came from very poor backgrounds, community organizations, the Montreal North AQDR, business and unions. The subject was sharing the wealth and protecting workers and social benefits.

We had distinguished speakers. Clément Godbout, the president of the FTQ, spoke of workers' rights, as did Monique Simard, and Jean Campeau, a former Quebec minister of finance. I discussed the issue of social solidarity and the solidarity of the people of Quebec.

• (1640)

I invited the federal government to use this solidarity to revive the economy and especially to create jobs. The speakers also criticized the huge profits of Canadian banks: over \$6 billion for the six main banks.

On the other hand, cuts are being made to welfare, unemployment insurance, the system of subsidies, and so on. Things are tough. On the eve of Christmas, many people will be unable to buy gifts and to partake in the festivities.

In closing, I would first like to wish Merry Christmas to all my constituents in Montreal North and to the people, immigrants, seniors, young people and those hardest hit especially.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, when my colleague across the way began his speech he said he endorses the dissenting report of the Bloc Québécois in the report of the finance committee. In looking at this report, while the Bloc Québécois endorses the move to eliminate the deficit and to rationalize the federal government's public finances, it disapproves of the government's way of reaching the ends.

I looked at the report to see how the Bloc would eliminate the deficit. One of the recommendations is to increase the transfers to the provinces, which actually increases the deficit. The Bloc wants to reduce individual taxes which would increase the deficit. It is to stop using the notional surplus in the UI fund, some \$5 billion, to apply against the deficit. This again is an increase in the deficit. Finally, there was a recommendation to start fighting child poverty which is to spend money through various programs. All of those increase the deficit.

On the other side, there were two items. The first one was to increase corporate taxes by some \$3 billion, but it goes on to state that the \$3 billion should be spent on job creation initiatives. The final item is basically cutting government spending.

If the corporate tax increase is not available to reduce the deficit and all the other items in fact increase the deficit, I wonder if the member would care to outline for the House exactly what he is going to cut to cover the \$15 billion-plus increase in the deficit that his party is proposing.

[Translation]

Mr. Nunez: Mr. Speaker, as I said, I support the minority report tabled by the Bloc Québécois and every measure contained in it. The hon. member wants to know where the money required to finance federal spending will come from. I am telling you where to cut: in tax shelters. We have condemned such shelters. Family trusts are a disgrace and should be eliminated as soon as possible.

Also, all the unnecessary expenditures identified by the auditor general in his report must be cut. More cuts are required in defence. The cold war has been over for quite some time. A more equitable tax system must be developed and we do not think the government should use the \$5 billion UI fund surplus to finance its deficit. That money is not theirs to begin with. It belongs to those who have contributed to the unemployment insurance fund, that is to say employers and employees, and only to them.

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For these reasons, once again, I commend our finance critic for presenting such a fine report.

• (1645)

[*English*]

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, I will be sharing my time with the member for St. Boniface.

I appreciate the opportunity to participate in this prebudget debate. The government has done a good job of getting our finances back on track. The deficit has been reduced from \$42 billion to \$24 billion in 1996-97, and it is a projected \$17 billion in 1997-98. These numbers are as a result of a concerted effort implemented over a gradual period but it must be acknowledged that many Canadians have sacrificed to get there. Before I get into just who they are, I would like to also point out that there are parties present in the House today who would have moved faster and cut deeper, given the chance.

I look at the campaign that we all waged some three years ago and both the Progressive Conservative Party and the Reform Party pledged to eliminate the deficit inside the first term. I recall during a budget debate more recently when the leader of the Progressive Conservative Party specifically demanded that we cut deeper and faster, again repeating the expressed position that we should eliminate the deficit inside our first term in office. This course of action would have left devastation throughout the regions most affected by the reduction of government services such as the Atlantic region.

Now that we have made some progress, real progress in the area of deficit reduction, we need to start focusing on the future instead of focusing on the problems of the past. We also have to recognize that some problems have been neglected as we have pursued deficit reduction. We have to start working for those people, poor children and Canadians with disabilities to name just two groups.

I recently hosted a public policy forum in my riding of Fredericton—York—Sunbury to deal specifically with the budget. The discussion included questions around the deficit, the role of the private and public sectors with respect to economic growth and the harmonized sales tax.

The majority of individuals at the forum expressed the view that the country's social safety net cannot stand another round of cuts, that the government has cut those kinds of expenditures as much as it can. They proposed that we must now look at high end tax reform as there is a sense that many large corporations and Canadians at higher income levels are not paying their fair share.

Discussions around the role of the public and private sectors in the economy focused on whose role it is to create jobs and how to

do it. Forum members suggested that the government does have a role to play in intervening in the economy to protect disadvantaged Canadians and disadvantaged regions, to show leadership in dealing with global adjustment, school to work transition and lifelong learning.

Since the traditional safety net perhaps is not as comprehensive as it once was, we need to create an environment that will produce equality of opportunity. We have to start dealing with the problems of child poverty. We need to address the unique obstacles faced by persons with disabilities on a daily basis.

The government needs to make sure that the country is working for everybody. In other words, the role of the state is an active one. It is to mitigate the inequity of the market for underprivileged children, seniors, middle aged persons with disabilities. We have an obligation to intervene on behalf of those less likely to succeed in a market driven, survival of the fittest world.

This flies in the face of the ideologies of both the Reform Party and the Progressive Conservative Party which have said that the government should get out of the face of Canadians, that the market will correct itself. That will undoubtedly succeed for some, those who are active participants in and beneficiaries of a purely market driven system, but I ask: Is the government's job to work for those individuals or for the individuals for whom the market does not work? This is a fundamental question, one that these two opposition parties should stop and ask themselves.

When many of us on this side of the House were agonizing over the impact of the deficit reduction imperative, lobbying internally and fighting the good fight, the right wing parties insisted that we were not cutting quickly or deeply enough. Now that the economy is getting back on track, they have the unmitigated gall to complain that we are not spending enough, a position that pushes hypocrisy to a new level.

I want to reiterate that I believe there is a time for deficit reduction. After the last election our debt was at an all-time high. We were spending far more than we were taking in. This needed to be dealt with so that we could reclaim our sovereignty and stop looking over our shoulder at those threatening to take over our finances.

• (1650)

As we reclaim our fiscal sovereignty, we can now institute the programs that help those most in need without having to spend all our energy focused on interest rates. In other words, we see light at the end of the tunnel. We must restore the faith that Canadians have in us that we are going to be dealing with those social imperatives.

Mr. Speaker, I would like to bring to your attention an issue which I know is very important to you, Canadians with disabilities. I had the good fortune of recently chairing a task force that looked at the issue of how the Government of Canada should intervene in

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our society to make life fairer and more equal for Canadians with disabilities.

The government task force produced a report which calls on the government to consider 52 recommendations which included dealing with the cost of disability, allowing Canadians with disabilities to have more access to the workplace, and tax measures that would underwrite the cost of disabilities to a large extent by the government. Basically, it was to see to it that Canadians with disabilities have the same shot at the quality of life Canada is prosperous enough to offer to all.

I welcome the opportunity to speak to an issue I know is important to all of us. I urge the government to take very seriously the recommendations of our task force report. I also suggest that we take every opportunity to use whatever capacity has been generated by our good management to see that Canadians who have suffered during this fiscal imperative have their needs attended to.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint-Jean—retired Singer employees; the hon. member for Bourassa—immigration.

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I am very pleased to take part in this important pre-budget debate.

[*English*]

As a member of the Standing Committee on Finance I was very closely involved in the prebudget consultations. I am proud to be a member of the government which opened up the budgetary process to Canadians in an unprecedented fashion. The Minister of Finance is to be commended for having undertaken this innovative initiative which has been done since 1993. It was exceptionally well done again this year.

The finance committee was split into two groups. The western wing which covered the western provinces was headed by the able parliamentarian from Essex—Windsor, the vice chair of the committee. The eastern wing was headed by the chair of the committee, the member for Willowdale.

We heard from over 300 associations and individuals and received numerous representations from people from all walks of life. Therein lies the strength. We heard from people not only from every geographical region but virtually from every single segment of society. They told us what they thought ought to be in the next budget.

Hearings were held in Ottawa and across the country. By holding hearings locally we were able to make the consultative process that much more accessible. In addition, the finance committee agreed to

split in two, as I indicated. This was extremely useful because we were able to spend a full week on the road to hear Canadians, quite apart from the many meetings that we had here in Ottawa.

One consistent theme to the testimony was the support of Canadians for the government to finish the job that had been started. Canadians know we must continue to meet and surpass our deficit targets then move forward to begin to pay down the debt.

[*Translation*]

The committee is in favour of adopting the objective proposed by the Minister of Finance to bring the deficit back to \$9 billion, or 1 per cent of GDP by 1998-99.

[*English*]

To date as we all know, the government has successfully met and exceeded its deficit targets.

• (1655)

We recognize that these have been difficult times for all Canadians. However it is imperative that we work toward a more affordable and efficient government and an era of sustainable government programs. It is critical that our deficit targets be met so that we can start working on the debt.

During the consultations Canadians gave us guidance, a framework from which to work and to build for the future. Canadians made their priorities clear. They want us to begin addressing problems that have been neglected in the past in order to build on our future.

I will focus my discussion on a number of areas of priority that were mentioned by Canadians. I would suggest that the opposition parties would do well to listen to what is being said because they might glean some valuable insights that could help them make some constructive suggestions to the government as opposed to continually whining, berating and denigrating the excellent work of the Minister of Finance and the government in this area.

Priority areas of concern are those issues which came up time and time again during the consultative process. Those are the areas that we need to build upon for the future. The committee believes that action needs to be taken in future budgets. However, actions taken must be within the context of our ongoing commitment to meeting and surpassing our deficit targets, dealing with the issue of our enormous debt, the restoration of our fiscal health and I reiterate, finishing the job we started.

[*Translation*]

The committee recommends that Revenue Canada determine the changes to be made to the earned income supplement, to make it easier to adjust to changes in the employment situation of parents, and to provide assistance when needed.

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[English]

In 1989 the House of Commons unanimously approved a motion seeking to eliminate poverty among Canadian children by the year 2000. The committee very strongly believes that assisting children in poverty must be the main priority of government. We need to find a way to speed up the way in which resources get to those that need them.

A good example is the working income supplement. Currently this benefit is based on the previous year's income. As a result it is not responsive to changing circumstances, not as much as they ought to be, and we need to rectify this situation.

[Translation]

The committee congratulates the federal task force on people with disabilities for its excellent work and recommends the inclusion, in the next budget, of measures that will take into account the additional costs incurred by people with disabilities.

[English]

I had an opportunity to meet with my hon. colleague the member for Fredericton—York—Sunbury concerning the task force report. I must commend him and his colleagues for their excellent thorough report. What I took away from that meeting above all else is that Canadians living with a disability almost always have additional costs. Within federal jurisdiction we should take action in the area of tax policy to deal with this situation. In addition, any actions in the area of tax policy should be in support of the social policy objectives of inclusion, independence and productivity.

[Translation]

The committee recommends a significant increase in the support provided to literacy organizations under the National Literacy Secretariat, which currently stands at \$22.3 million per year.

[English]

During the consultations we heard from witnesses that the changing economy is demanding ever higher levels of literacy from all working Canadians. Our future will require workers, managers and executives with higher skills that are required today and constant upgrading I might add. Literacy is an essential tool in such a knowledge based economy and more so than ever before. Our challenge is to provide literacy and learning for all because without these tools workers and employers will fall behind their competitors. We believe that this problem can be addressed through partnerships with every sector of society, co-ordinated through the efforts of the National Literacy Secretariat.

Subsequent to the release of the prebudget report, I have received a congratulatory letter concerning literacy from Frontier College which reads in part: "This is great news. This is the knowledge and information age and every Canadian must be able

to read and write well in order to be part of it—.The finance committee gave us the assurance that we will have the resources to continue this fight".

There are a number of other such letters from members of other communities who felt that this prebudget report was of first quality and addressed the needs of Canadians. I would be delighted to share those with all of my colleagues.

• (1700)

[Translation]

Tuition fees are increasing everywhere in the country. The committee made three recommendations.

[English]

These recommendations dealt with carrying forward tuition fees as deductions against future income, doubling the \$500 exemption for scholarship, fellowship and bursary income, and special opportunity grants being provided for students with parental responsibilities. These recommendations recognize that an investment in education is an investment in our future. Research and development was recognized as key to Canada's ability to compete in the global economy.

[Translation]

The committee recommends that priority be given to increasing the funding of granting councils such as the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council, and the Medical Research Council.

[English]

The committee recognized the important work and the unique opportunities provided by the Networks of Centres of Excellence program. It recommended the renewal of the program for a third term.

Recommendations were made on the implementation of a second, more modest national infrastructure program. The committee recognized the great success of the first infrastructure program. Support was given for the second program which is well directed and available to traditional infrastructure projects such as waste treatment, water supply, transportation, et cetera, as well as to health care and educational institutions. Support for health care and educational institutions represents a long term contribution to Canada's overall level of productivity and our long term prospects for high level, high knowledge jobs.

We recognize the importance of charities and the voluntary sector. The committee had a number of recommendations concerning endowments, bequests, corporate donations, stretch proposals, withholding taxes, community economic development, program related investment and taxpayer awareness.

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[Translation]

To conclude on this issue, the committee believes that its proposals to increase tax incentives for charitable donations will help correct the imbalance resulting from the reduction of direct subsidies, and it recommends that these proposals be implemented.

[English]

We recognize the important role played by charities in our communities. We recognize the need to help them find sources of additional resources in a fiscally responsible manner and the role the government can play. I received a letter from an organization called Heritage Canada. It congratulates the committee for its recommendations in the area of charities: "Recommendations in the area of charitable giving are similarly welcome. Greater incentives to encourage more in the way of personal and corporate giving could clearly have a beneficial impact on the heritage field".

At a town hall meeting in my riding I had the opportunity to meet with members of my community, my advisory committee. Their recommendations were not unlike others. Constituents are supportive of our fiscal goals and deficit reduction targets. They want us to invest strategically in the future, in our young people and in certain research that could be value added. They want to make sure that universities and community colleges are not neglected. They want increased R and D funding that will create better jobs and a better quality of life for all Canadians. They urged us not to forget small and medium size business and they wanted to be sure that we considered another modest infrastructure program.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I rise to participate in this prebudget debate with two objects in mind, first to outline an alternative federal budget which would give Canada a fresh start for the 21st century, and second to define two distinctively different approaches which members of this House can take to the prebudget debate and the budget debate next spring. One approach is essentially negative and reactionary. The other approach is positive and constructive.

The people of Canada long for a federal budget that delivers high growth rates, many more jobs, higher incomes and increased personal security. Canadians want a federal budget that vastly accelerates job creation. Under this government we have 1.5 million unemployed, a youth unemployment rate of over 17 per cent, two million to three million underemployed people and one out of four workers afraid for the future of their jobs.

• (1705)

Canadians want a federal budget that strengthens social security because under both Liberal and Tory administrations, federal support of health, education and old age security has deteriorated in absolute terms.

Under the current administration, for example, federal health care spending has been reduced by over \$3 billion and reform of the Canada pension plan languished while government members preoccupied themselves with revamping the MP pension plan.

Canadians want a federal budget that reduces federal debt and increases personal incomes. Why? Under Liberal and Tory administration the federal debt has risen to over \$600 billion while the disposable income of the average Canadian family has declined by \$3,000 over the last three years.

High taxes kill jobs. Tax relief for consumers and private sector job creators creates jobs. Thus, Canada needs a federal budget that clearly establishes the link between job creation and tax relief and that makes tax relief, not further tax increases, a national priority.

Canadians need a federal budget that aims at federal surpluses, not further deficits. Why? Surpluses make possible reinvestment in those social programs like health care that have been crippled by cuts, and only with federal surpluses can one start making progress on debt retirement.

Because the federal budget that the Canadian people need is so much different from the budgets that have been produced thus far by the government, Reformers produced an alternative budget plan in our fresh start platform.

That fresh start budget calls for five actions. Number one, balance the federal budget by 1999, a faster timetable than that pursued by the government.

Number two, aim for surpluses after 1999, with the size of those surpluses increasing each year.

Number three, from those surpluses use \$5 billion to \$10 billion as initial down payment on the federal debt, with some fixed proportion of future surpluses being devoted to debt retirement.

Number four, increase federal transfers to the provinces for health and education by \$4 billion per year.

Number five, provide up to \$15 billion in broad based tax relief through seven specific tax relief measures, all targeted to increase consumer spending, raise the disposable income of families and stimulate job creation by private sector job creators.

That is the kind of federal budget Canada needs. It is the budget described not in the government's prebudget document but in Reform's fresh start platform.

This prebudget debate and the budget debate next spring will be a prelude to the 1997 federal election debate. There are two distinctively different approaches which members on both sides of the House can take.

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On the one hand, there is the negative and reactionary approach to ideas for improving Canada's budgetary situation, an approach which has unfortunately been taken so far by the Minister of Finance.

For example, on page 18 of our fresh start platform Reform presented a proposal for increasing, not decreasing, federal funding for health care and education by \$4 billion a year and presented a budgetary strategy for doing that.

How has the government reacted to this proposal? The finance minister stood in this House and charged the Reform Party with wanting to eliminate health care. In other words, the response of the government and the finance minister to one of our principle budgetary proposals was reactionary, 100 per cent negative, and in this case 100 per cent false.

On page 19 of our fresh start platform the Reform Party drew the attention of Canadians to the critical state of the Canada pension plan and put forward a four point plan to rescue the Canada pension plan from 30 years of Liberal and Tory mismanagement.

That rescue plan for CPP calls for guaranteeing that every citizen who is a senior receives every penny he or she is entitled to under CPP.

• (1710)

It proposes to extend the principle of RRSPs, personalized tax sheltered retirement income savings accounts, to lower income workers. It proposes to reduce poverty among elderly widows and widowers by allowing funds from a deceased person's RRSP to be transferred to the surviving spouse tax free.

Yet on November 18 the finance minister replied to a question from the hon. member for Beaver River, a member who has public credibility on the subject of pension reform because she opted out of the obscene MP pension plan. In his reply the minister made the astounding statement that Reform stood for abolishing the Canada pension plan. Again, that is a reactionary statement which is completely negative and 100 per cent false.

On pages 7 to 11 of our fresh start program Reform puts forward a budgetary plan containing the most comprehensive proposals for tax relief and job creation through tax relief ever presented in this Chamber. Six of our seven specific tax relief measures, over 90 per cent of the \$15 billion in tax relief offered by Reform's program, are aimed directly at lower income and middle income Canadians.

Reform's proposals to raise the personal and spousal income tax exemptions provide tax relief to every Canadian, especially lower

and middle income Canadians. More than 1.2 million low income Canadians would be removed from the tax rolls altogether.

Under Reform's tax relief measures an average family earning \$30,000 per year would have its federal taxes cut by 89 per cent. Under Reform's plan a single mother with one child and an allowable child care expense of \$4,000 per year would have her federal taxes cut by 100 per cent.

Yet what is the reaction of the Prime Minister, the finance minister, the Liberal government to these proposals? In Toronto the Prime Minister declared that there would be no national tax relief for Canadians under his administration. The Liberal government completely opposes faster deficit reduction so that tax relief and debt retirement can come about more quickly. The government is against increasing the personal exemption for every federal income taxpayer, as Reform proposes. The government is against increasing the spousal exemption and changing the child care tax deduction, as Reform proposes. In other words, it is against providing broad based tax relief to families and against making the tax system neutral with respect to the form of child care chosen.

The government is opposed to substantive cuts to payroll taxes and capital gains taxes, as Reform proposes, tax cuts designed to put more dollars into the hands of private sector job creators.

The government wants to retain the Tory 3 per cent and 5 per cent surtaxes, so bitterly criticized by Liberal MPs when they were in opposition, rather than remove them, as Reform proposes.

On November 18 in the House the finance minister even went so far as to describe the Reform Party's tax relief package as a tax cut for the rich. That can be found on page 6366 of *Hansard*. Again, a reactionary and negative statement, and one that is 100 per cent at variance with the facts.

What we have here is an approach to budgetary proposals from the government which is completely reactionary and negative. I frankly fear where this approach is going to lead. It is my experience that once a debate on any subject becomes completely negative and reactionary, and particularly when that approach is taken by people in positions of responsibility and authority, it simply breeds more of the same.

I do not know why the Prime Minister and the finance minister especially are so adamantly opposed to the consideration of a budgetary plan to deliver tax relief to Canadians. I do not care to speculate on their personal motivation, but what I can report on is what an increasing number of Canadian taxpayers are saying. It is their deep suspicion that well to do, tax sheltered, prime ministers and finance ministers simply cannot personally identify with the tax burden now carried by the hard pressed Canadian taxpayers.

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• (1715)

If all they see from the Prime Minister and the finance minister is negative reactions to tax relief, particularly negative reaction to tax relief for low and middle income Canadians, they will react in kind.

Therefore, it would not surprise me at all if those taxpayers, through their various associations and interest groups which are mushrooming all over the country, were to in their anger and frustration, produce a pamphlet, a newspaper ad or a TV commercial with the following headline: "Well-to-do, tax sheltered Liberal leaders indifferent to tax burden of working Canadians". If and when that happens, the Prime Minister and the finance minister will react in anger and frustration, as the finance minister has already in this House, and the whole subject of tax relief and alternative budgetary plans to deliver tax relief will be lost in a welter of negative reactionary recriminations.

Is there an alternative approach to the prebudget and budget debate which is more positive and constructive, one which would inspire public interest and hope for the future rather than anger and recriminations? I believe there is. That approach is for each major party to this debate, in particular the Liberal government and the Reform Party, to put forward their alternatives plans and proposals in as positive and constructive a light as possible, and let the public decide which course of action represents the best budgetary plan for Canadian citizens and taxpayers.

This is the approach that Reformers prefer to take to the prebudget debate, to the budget debate and to the federal election campaign itself.

In taking this approach, Reform will propose that this country aim for a trim \$94 billion a year federal government, one that balances its budget sooner rather than later, one that focuses on 10 major areas of national and international responsibility and decentralizes virtually everything else to provincial and local governments.

We would propose a \$94 billion a year federal government which focuses its social spending on three major areas: federal support of health, education and old age security, and which reduces its spending on virtually everything else in order to sustain and guarantee its commitments in those three areas.

In contrast, working off the prebudget documents provided by the government, the government is on course to present Canadians with a \$109 billion a year federal government. Under the government's plan, which is really an extension of the status quo, the federal government would attempt to continue to provide certain programs and services from regional development grants to the continuation of the CBC as a public corporation, to a plethora of social expenditures which Reform would either eliminate, privatize or delegate to lower levels of government.

The big difference between these two alternative budgetary approaches is about \$15 billion a year. The question for the Canadian people is which course of action is best for them and their children. Will that \$15 billion per year be more productive in terms of job creation and social security if it is collected by the Liberal tax man and spent by Ottawa or would that \$15 billion be more productive in the hands of Canadian consumers and private sector job creators through tax relief?

This is the great issue ultimately to be decided in the prebudget debate, the budget debate next spring and to be conclusively decided in the next federal election.

I want to conclude by appealing to members on both sides of the House. The prebudget debate, the budget debate and the federal election debate can be negative and reactionary. We are already seeing examples of where that can lead and all it does is divert media and public attention from the real issues and the decisions that have to be made.

On the other hand, we can approach this debate positively and constructively. Let the Liberals put forward their budgetary plans for a \$109 billion a year federal government with no tax relief and defend that as best it can. Let Reformers put forward its plans for a \$94 billion a year federal government plus \$15 billion in tax relief and argue as strenuously as we can for the benefits of that approach.

Let us take these alternative proposals before the great tribunal of the Canadian people and then, appealing to the good judgment and better instincts of our fellow citizens, let Canadians make the decision as to which approach will provide a fresh start for the Canada of the 21st century.

• (1720)

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, I think all members of the House are pleased that the leader of the third party has joined in the debate, a debate which is very important. As he has quite correctly pointed out, it involves an incredible number of choices that as legislators, as representatives of the people, we have to make on behalf of Canadians from every region of the country.

It is constructive that Reform members have made the effort to put before Canadians an alternative budget, an alternative strategy, that they have thought it out, that they have put numbers to it, that they are offering that type of alternative. Just as our debate on the prebudget report is the subject of extensive debate throughout the country, I welcome that he has put forward their alternative budget as a serious element of debate.

I commend the third party for doing this. It is a departure from the traditional role that opposition parties have played. Traditionally opposition parties have simply criticized. They have nit-picked, they have gone after the chinks that they saw or thought that Canadians might perceive to exist in the other party's platform. The Reform Party has dared to be creative. I commend it for the

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approach that it has taken. I know it has done that with a great deal of sincerity and a great deal of thought.

We have had on the finance committee through the excellent leadership of the Reform Party and its members very constructive debates from coast to coast throughout this country on many of the very important issues we face. I think members from all parties have been influenced by this exchange of philosophies and exchange of means of getting to a new end. All of us realize that we have to go beyond where we are today.

The Reform Party did a marvellous job over the past three years in pointing out the incredible problems that we face in Canada because for the 20 previous years governments of both stripes spent way beyond the means of Canadians and put us behind the eight ball. We are so far in the hole that our biggest expenditure today is \$50 billion on interest, which is two and a half times what we spend on our next biggest expenditure, seniors' pensions.

I do not denigrate the approach which Reformers have taken but I do put forward with a certain amount of enthusiasm the approach taken by the Minister of Finance under the leadership of the Prime Minister. There are not too many people who five years ago would have thought that it was going to be the Liberal Party that had to come to grips with the deficit and the debt.

We took an approach which has reduced the deficit from 6 per cent of GDP when we took office down to 5 per cent, 4 per cent, 3 per cent and it will be below 3 per cent of our gross domestic product and heading for zero, be it in the year 1998-99 or the year that the leader of the third party would like to see it hit zero, 1999-2000.

We are not going to be far off from what the leader wants in terms of that objective if we continue to surpass the deficit objectives the way we have. We agree probably with the Reform Party that government does not have a role of intervening in every aspect of Canadian life even though we might like to or feel that we have an obligation to help. We can no longer afford this. This has been demonstrated by the fact that incredible cuts have had to be made in budgets. There is a difference between our parties and the approach that we have taken.

• (1725)

First, our cuts have been gradual, not the draconian cuts that were called for by the other party. This has allowed provincial and municipal governments to adjust. It has enabled Canadians to adjust over a period of time to the tough, harsh realities. This is not a disagreement on what had to be done, but it is the timing and giving Canadians the opportunity to adapt.

Second, I think our vision of what the country is about is slightly different, perhaps vastly different. For example, none of our budgets cut equalization payments which we feel are so critical to maintaining that confederation, that community of provinces, that

community of neighbours, a country which is sharing and cares about every region.

This has been built on our history. It has been built on the fact that at the time of Confederation, Nova Scotia was the richest province. Before the big oil discoveries in the 1940s, Alberta was really a have not province.

Mr. Frazer: Mr. Speaker, a point of order. The comments are very apropos, I guess, but they are really not giving the member for Calgary Southwest time to respond.

The Acting Speaker (Mr. Milliken): I was watching the time. I was going to warn the hon. member for Willowdale in another minute or so that he was going to perhaps put himself in that position and I am sure that he did not want to do so. I expect he will conclude his remarks shortly.

Mr. Peterson: Mr. Speaker, I am certainly in your hands. Please, just tell me when my time has expired.

The very fundamental difference between the Liberal Party and the Reform Party is that we believe equalization is fundamental to the maintenance of the partnership that exists among all provinces, the federal government and Canadians no matter where they live.

We also have a fundamental disagreement on how we should treat health care. Part of the Reform platform is that it will allow provinces to opt out of the Canada Health Act, that private billing can be done and a two-tier medical system. Now, all of a sudden it said that it is going to pour \$4 billion a year more into medical care. This will be done through increasing transfers to the provinces. However, there will be no strings attached. How does Reform intend to do it?

We have fundamental differences and but we are fighting toward a lot of the common goals.

Mr. Manning: Mr. Speaker, I thank the hon. member, the chairman of the finance committee, for his generous comments. Perhaps the Christmas spirit has permeated this place, and we reciprocate.

However, let me respond to three of the points he made. He mentioned that one difference between the government and Reform is the pace at which we would balance the budget. The government has proposed to take the gradual approach. What he did not mention was the price that is paid for going too slow. Part of the price has been that the government has accumulated over \$100 billion in debt because it has gone slow on deficit reduction. That is the other side of the story.

The interest charges on that debt have resulted in the government having less money to spend on social services. That is another part of the price. And the biggest part of the price of going slow on deficit reduction is not being able to get quickly to a surplus position. Therefore, the government cannot offer substantive debt retirement, it cannot offer substantive social reinvestment and it cannot offer tax relief. We say the price the government paid for gradualism is too high. It would have been better to have gone

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faster, to follow the timetable followed by the majority of the provinces.

With respect to equalization, let me say that we support equalization, but we support a true and focused equalization. Right now under equalization, three provinces are carrying seven. We believe we ought to strive more to a situation where there will be four or five carrying six and five rather than the current situation, and target equalization even more steeply to the most disadvantaged provinces.

The third point is on health care. The Reform position, as I argued earlier, is to increase the funding for health care. We are able to do that because we have a plan that gets to surpluses faster than what the government is doing. We would argue that is a more sound approach to preserving health care than the approach that the government is taking. It is the government itself, not Reform, that has reduced federal transfers for social and health programs by over \$7 billion.

My last point would be to respond to the member's question. He asked how we can hold the provinces to spending transfers that the federal government may say are targeted to health care, education or something else when there are no strings attached to those transfers. There is one simple answer to that.

If both levels of government listen to the public they will find the public has a set of social spending priorities. If both levels of government listen to the public that is where they will get their direction as to how social dollars ought to be spent and they will both hear the same message because they are talking to the same taxpayers.

The Acting Speaker (Mr. Milliken): It being 5.30 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

RADIOACTIVE WASTE IMPORTATION ACT

The House resumed from October 31 consideration of the motion that Bill C-236, an act to prevent the importation of radioactive waste into Canada, be now read the second time and referred to a committee.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I believe that you will find consent for the following. I move:

That at the conclusion of the debate on Bill C-236 this day, the question be deemed put, a recorded division be deemed requested and that the said vote be deemed deferred until Thursday, December 12, 1996 at the end of the time provided for Government Orders.

(Motion agreed to.)

Mrs. Marlene Cowling (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, thank you for the opportunity to conclude this debate in the House of Commons on the proposed legislation, Bill C-236.

Throughout the debate we have heard many arguments for and against this bill. The members opposite repeatedly stressed that they want to prevent Canada from becoming the world's dumping ground for radioactive waste. The image of a dumping ground is misleading. Today radioactive waste in Canada is managed in an environmentally reasonable way. All forms of radioactive waste management and disposal are strictly regulated by the Atomic Energy Control Board, the independent federal nuclear regulator.

As the House is aware, the Government of Canada has recently introduced modern and comprehensive legislation, the Canadian nuclear safety control act. Bill C-23 updates the Atomic Energy Control Act. During the debates the Government of Canada presented its reasons for not supporting Bill C-236 and the three main reasons can be summarized as follows.

First, this bill is simply not needed. The regulatory system in Canada already strictly controls the management of radioactive waste, including imported waste specifically. Canada has the knowledge base, the expertise, the infrastructure and the regulatory systems to ensure that radioactive wastes are treated in such a way that they pose no undue risk to human health or the environment.

In Canada an independent federal agency, the AECB, strictly regulates the nuclear industry. This bill adds nothing to Canada's current regulatory system. It adds nothing to the regulations under the Atomic Energy Control Act, nor to those under the Canadian Environmental Assessment Act.

• (1735)

Compliance with these regulations is mandatory for all licensed applicants to the AECB whether they be individuals, companies or groups, including aboriginal groups. There are no exceptions.

The current concept for the disposal of nuclear fuel waste in Canada is intended for handling waste from domestic CANDU reactors. There are no plans to import nuclear fuel waste from other countries.

In Canada, the owners and the producers of low level radioactive waste are planning for the disposal of their own waste. Under the radioactive waste policy framework, waste producers and owners

are responsible for funding, organizing, managing and operating disposal and other facilities for these wastes.

Uranium mine and mill tailings will be decommissioned at the mine sites.

Second, the bill is a threat to Canadian companies exporting medical equipment containing radioactive substances or the substances themselves.

Let me offer two examples to highlight the government's concerns. Nordion International Inc. is a worldwide leader in the production of medical radio isotopes. In 1995 its total revenue was \$191 million. About 98 per cent of its sales come from exports and it sells to more than 70 countries. Should the bill pass, the company expects to lose half of its annual revenues.

This is because its clients around the world in developed as well as developing countries require sales contracts to include a take back clause for the spent radioactive sources. These spent materials are considered radioactive waste.

Nordion is quite willing to include such a clause since Canada can indeed effectively deal with the disposal of such waste. Take back provisions and practices are highly recommended by international organizations such as the International Atomic Energy Agency since it ensures that the wastes are managed by the most capable authorities under effective regulatory regimes.

Theratronics International Ltd. is a worldwide leader in cancer therapy machines. It would also be hurt by this bill. In fact, Theratronics executives say that the legislation would probably put the company out of business since the repatriation of radioactive sources for disposal is an integral element in its contract and is often a condition for new sales.

The company feels that it has an obligation to offer disposal services such as services for a good way to keep track of spent radioactive sources. This tracking is essential to avoid the kind of tragic radiation accident that occurred a few years ago in Brazil where several people died after being exposed to radioactive materials that had been carelessly abandoned.

If we are not prepared to take back the spent radioactive substances resulting from the use of medical equipment abroad, then Canada may have to stop exporting to countries that cannot deal with the waste.

This would deprive the people in those countries of access to modern medical devices. The result could be needless illness and death in client countries, the disappearance of these successful Canadian high tech companies and significant job losses.

Third, the bill would impair our co-operation on radioactive waste management initiatives with other G-7 nations, especially the United States. It would also hurt our reputation with developing countries.

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Again, let me be more specific. The law in both Canada and the United States covers on-site storage of radioactive waste at hospitals. Under some circumstances it may be more practical, effective, efficient and environmentally sound to use the disposal or storage facilities across the border, but this co-operation has to work both ways.

Developing countries, many African nations for example, have recognized that they do not have the expertise, the infrastructure or regulatory authority to safely handle these wastes and have banned their import. They are well aware that they will have to export such waste if they are to avail themselves of modern medical devices that contain radioactive material. This is not the case for Canada, which has leading expertise in this area.

• (1740)

If passed, this legislation would send a signal to developing countries that we are indifferent to their medical needs. As a developed nation, Canada is an active and effective participant in international fora to develop conventions, codes and guides to ensure that all countries adopt proper radioactive waste management practices.

Up to now Canada's views have commanded respect in the international community. Our opinions are actively sought because we have the expertise, the infrastructure and the regulatory authority to deal with radioactive waste safely. This legislation would show the G-7 countries that Canada is no longer prepared to effectively participate in international fora.

I will address the specific issue of nuclear fuel waste. Canada has developed something called the deep geological concept, a proposed method for disposing of nuclear fuel waste generated in this country by burying it deep within the stable granitic rock of the Canadian Shield. In the international scientific community there is general agreement that the deep geological method is the best form of disposal for nuclear fuel waste.

I re-emphasize that Bill C-236 offers no advantages and entails many harmful consequences related to the import of radioactive waste. This bill would produce no benefit whatsoever for Canadians and would add nothing to Canada's current regulatory system. On the contrary, it would inhibit environmentally responsible practices both here and abroad and would result in significant job losses in the nuclear medical equipment industry in this country. I strongly urge members of the House to vote against this bill.

[*Translation*]

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, I welcome this opportunity today to express my views on Bill C-236, standing in the name of the hon. member for Fraser Valley-East, which would prevent the importation of radioactive waste into Canada.

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The hon. member is to be commended on his initiative, and I want to say that I support his proposal, because this is a very serious matter, involving future generations for which we are responsible.

Much has already been said by my colleagues who support this bill and who spoke earlier in this debate. After the events of Chernobyl, none of us can afford to ignore the terrible impact such dangerous materials have had on the local population. Ukraine, with thousands of people dead, people who are sick and children who have become invalids, knows the consequences.

We have no right to put humans at risk nor, for that matter, the animal and vegetable species of this planet. We must not expose our country to potential disaster for financial considerations.

That is why legislation is needed to ensure that commercial interests do not look to the market in radioactive waste as a golden opportunity to make a quick buck, at the expense of the health and safety of the public.

Let me explain. Certain groups see attempts being made by countries to get rid of their own radioactive waste as an opportunity to make a huge profit. We must have the courage to speak out, again and again, because the huge amounts of money they can charge for burying radioactive waste are the only reason why they are prepared to ignore the very real risks involved.

It is surprising that despite the potential risk, there is no legislation to control the importation of radioactive waste. Because of our vast uninhabited areas, Canada is the ideal destination for industrialized countries that are incapable of dealing with the disposal of their radioactive waste.

I cannot imagine my riding, Abitibi, most of which is covered by the Canadian shield, being selected for this purpose. I might as well say right away that the people of Abitibi, like Canadians generally, do not want radioactive waste in their backyard, especially if it comes from a foreign country.

• (1745)

The people in my riding held a major debate some ten years ago, when there was a possibility of excess PCB material being stored in our region. I expect that the debate would be stormy if the subject were nuclear waste.

It is, of course, our responsibility to get rid of our own nuclear waste, but other countries must make the same commitment. We have no responsibility in the problems currently faced by the United States, for example. The United States is no doubt a country of excess, in economic and other terms, but surely in terms of its radioactive waste as well.

For example, the Hanford site, 300 kilometres south of the British Columbia border is a huge radioactive waste disposal site. To give you an idea of the size of it, it is some 26 times the size of a football field and a metre thick. You can imagine the cost.

The American government estimates the cost to be approximately \$57 billion, only to convert the site. As I mentioned earlier, you can imagine that certain groups see this as an opportunity to make huge profits by importing waste and burying it here. They figure the profits will be good. The cost of cleaning up all of the States is estimated at \$230 billion. With a net profit of 1 per cent, these companies could make a tidy sum eliminating these products, but at what risk and to whose advantage?

Are we prepared to become the nuclear graveyard of the U.S. or any other country in exchange for financial compensation? I think the people of Canada would say no.

Why do countries trying to get rid of their waste by selling it not keep that money and invest it in research to find a solution to the problem they have created for themselves? Because, however advanced the technology may be today, it cannot be denied that there are still risks involved.

I digress for a moment to say that Canada is not necessarily better than any other country, as it is not considering the use of other technologies to eliminate large amounts of nuclear waste.

For example, the Tokamak nuclear fusion project in Varennes offers unique high technology facility for research on clean energy, because unlike fission, fusion produces energy without radioactive waste. If it could be commercially developed, this process would allow atomic energy to be produced without any waste.

The federal government refused to finance half of the \$14 million project by investing \$7 million into it, arguing that it could not afford to spend that kind of money, when it has spent \$23 million on the flag project. The way of the future may be to manage our own nuclear waste, but it would certainly be brighter if very little or no waste was produced.

I would like to remind the federal government that Canada is party to the convention signed in Switzerland on March 22, 1989, that came into force on May 5, 1992. The terms of this agreement were clear. They provided among other things that no country will import dangerous waste that poses a threat to the environment. Everyone will readily agree that there is a very serious threat to the environment involved. This is an indisputable risk, given that nuclear material can have effects that last for thousands of years.

However, under the convention, the export of waste is allowed if the exporting country does not have the necessary facilities to dispose of the waste, and if the importing country can recycle and manage that waste. One can see the danger for companies trying to

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prove that they can manage and bury their hazardous waste, in order to make a profit.

The fact is that we have not found a solution to stock our own waste. We have been searching for a solution for 10 years and we have invested several millions of dollars without being sure of finding a solution. The Canadian shield may be a solution to deeply bury our own radioactive waste, but that solution cannot apply to all the countries in the world.

• (1750)

Daily newscasts remind us that the issue of atomic waste must be taken very seriously. We must not confuse the recycling of plutonium from nuclear warheads, as part of the disarmament process in the United States and in Russia, with other requests. Canada can indeed do its share to promote nuclear disarmament in the world, but some would probably take this opportunity to get rid of other dangerous radioactive material in their country.

As member of the Standing Committee on Natural Resources, I discussed Bill C-23, which seeks to replace the old Atomic Energy Control Act. Bill C-23 will still allow the commission to import radioactive material, but does not specify the nature of this material. The bill of my colleague, the hon. member for Fraser Valley East, Bill C-236, is intended as a complement to this to prevent any legal possibility of importing radioactive waste.

In closing, I should like to return to the speech made by my Liberal colleague, who said this was not necessarily the right time to introduce this bill. On the contrary, I believe that, given the present turn of events, this is the ideal time to introduce a bill on this matter, so as to protect Canadians and Quebecers.

She also said that the public is sure that current waste processing operations are safe. This is not true. At the present time, regardless of the studies, there is no certainty that this is a risk-free undertaking, even if the Canadian shield, a very good location, is used.

She also said that there were no plans for importing waste at this time, while in the same speech she referred to Nordion, which was taking back the waste from its sales. I also believe that the purpose of a law is prevention, and there must be prevention before we have to face the consequences.

You will conclude that the Bloc Quebecois and myself are in agreement with legislation in this area. If the Liberal government thinks this is not totally justified, it will have the option of tabling a bill which might not be totally airtight, perhaps, but it absolutely must see that a bill on the importation of radioactive waste is necessary. And we shall be voting in favour of the bill.

[English]

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, it is a pleasure to speak today on Bill C-236. It is very timely to talk about setting ground rules for the transport of nuclear waste. It is something that

has been in the news the last couple of nights. I was rather shocked a few minutes ago to hear the parliamentary secretary for natural resources say that there are no plans for the movement of any nuclear waste between countries, that there are no plans anywhere.

Whatever researcher wrote that speech obviously must have done it prior to April because the Prime Minister agreed openly and publicly to accept Russian nuclear waste at the Russian conference. He said Canada would do its part to take nuclear waste. I am not talking about medical waste. I am talking about war grade plutonium.

Just two days ago one of the ministers in Mr. Clinton's cabinet noted that Canada had agreed to take U.S. nuclear waste and that a test project would be undertaken in the next few months. It is kind of scary that the parliamentary secretary for natural resources would say that the government has no plans. The Prime Minister announced the plans and other ministers have confirmed those plans. To say it is untimely to talk about this and that something like this is not necessary is totally and absolutely incorrect.

Members are getting used to having different things said at different times and the interpretations are left for the public which will see what the truth really is.

For decades there have been problems with the waste from the the 413 commercial nuclear reactors that now exist in the world. Not only is it a problem in Canada, it is a problem in many countries. I would like to relate to the House an experience in the last month when we were in the Scandinavian countries looking at the problem of Russian nuclear waste.

• (1755)

In Murmansk there are 80 submarines containing nuclear waste which it would be so dangerous to move that they would need a cement ship built around them. They would then have to be transferred in a special rail car with a special rail line built to transport them.

The question is how that nuclear waste can be transported to Canada. Two icebreakers are 3,000 feet under the ocean leaking nuclear waste. That needs to be cleaned up. Eighteen nuclear power plants are as bad or worse than Chernobyl. The world has a serious nuclear waste problem and we need to look at what Canada's role should be.

It is very fitting that we talk about the transport of nuclear waste. How is the nuclear waste to be moved from one point to another? How is the nuclear waste from the U.S. to be moved to Canada? How is it going to be moved from places like Murmansk? Do Canadians want to be the nuclear dumping ground for the world?

What are nuclear wastes like? I am not chemist or physicist and I do not know the details about this, but I am told that a grapefruit sized ball of plutonium conceivably would destroy a city the size of Toronto. We are then told that the intensity can be downgraded

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so it can be transported safely. Let us have the details concerning that transportation.

The next item we need to have some details on is terrorism. How is the transfer of this plutonium, of this nuclear waste, of these spent rods, from Russia to Canada to be secured? How can this plutonium be guarded so that it is not open to terrorists to get their hands on it? If they are that dangerous, Canadians at least need to have that item discussed.

A serious study was done, the Bellona report, which resulted in the top Russian nuclear scientist committing suicide and the second in command nuclear scientist in Russia now being held in prison without a trial because he released some information on the dangers of the nuclear waste.

One does not fool around with this stuff. It is not something about which you make an ad hoc deal with the Americans or the Russians around tea some place. This is the sort of thing that should be openly discussed with Canadians, that should be openly debated in the House of Commons and the decisions are made after that debate.

For the parliamentary secretary to say that we have no plans for moving nuclear waste is wrong. The Prime Minister signed a deal in April in Moscow saying we would do our part and take war grade nuclear wastes.

One can argue that is our part to the international community but to say that we do not have any plans, there are plans. There are plans in Russia and in the U.S. Those are clear, open and we know about them.

There are more questions to be asked. If we can get it here without terrorists getting their hands on it, if we can transport it safely without it being dangerous to the population, then we have to find out how much of it can be burned. Only about one-third of that waste can be burned. The two-thirds that are left have to be stored. That means transporting nuclear waste here, of which only one-third can be burned and the other two-thirds will have to be stored. How are we going to store them? How much is it going to cost? How are we going to deal with the problem? As far as I know, there is no answer to those questions.

• (1800)

Mr. Strahl: We would have to store it for 2,800 years.

Mr. Mills (Red Deer): The half life is 2,800 years. Where are we going to store these nuclear wastes for 2,800 years and who is going to pay the bill?

In Russia the spent rods are stored in a gully. They have been dumped there and they are leaking. In Canada we store the rods in an air conditioned, liquid filled cement vat and the cost is

phenomenal. In Russia they turned off the air conditioning because they could not afford the power so there was no air conditioning for the stored rods. Is there a time bomb there? You had better believe there is a time bomb there and it is one we have to deal with.

It can be argued that accepting nuclear waste creates a lot of jobs. If that is the case then we have to weigh the jobs versus the costs and the benefits versus the dangers. The point I am making here is the fact that we must have an open debate on this subject. I believe that this bill is saying that before we agree to transport any nuclear waste, we must know the facts and they must be clear.

It does concern me as a Canadian that the government does not have a plan, that this is going to be done ad hoc. It will be sprung on us and there will be only two days of debate or a take note debate some night and at the end of it we will not get to vote and we will be stuck with tons of nuclear waste.

To say that we have legislation and that this bill is redundant is totally untrue. We need legislation and a long term plan. Obviously if we are talking about 2,800 years, that is a pretty long term plan.

To simply say that this bill is not timely or that it is not important to the Canadian public is really misrepresenting the entire issue of nuclear waste. I know Canadians across the country are going to start asking these questions. They are going to expect answers to the many questions members are raising during the discussion.

In conclusion, I am saying that Canadians need information, an open debate, open discussion, open presentation to the House of Commons. It affects every one of us. Before any further planning is done in this regard, we need to deal with it here.

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I am pleased to have the opportunity to clarify Canada's approach to the safety of radioactive waste management.

I just want to mention I believe that the hon. member for Red Deer referred to plutonium in his remarks. In looking back at the remarks of the hon. member for Fraser Valley East when he spoke on the bill, he said: "From the outset I want to make it clear that this bill would not ban the importation of plutonium from the U.S. and Russian warheads". He went on to say: "That is not waste. We can still do that and Canadians are willing to consider that option because they feel it is part of what we can do. If we can get rid of the number of nuclear weapons around the world, we certainly are prepared to do our part".

Before I get into a discussion on the Canadian approach to the safety of radioactive waste management, I also want to draw the attention of the House to one of the unintended but important negative aspects of Bill C-236. I am pleased that the parliamentary secretary raised this in her remarks because two of the companies

she mentioned are in my riding, MDS Nordion and Theratronics. They literally could be put out of business if the bill becomes law.

Fifty years ago the company we now know as MDS Nordion began operations with three employees in a temporary government building beside the supreme court, just a few hundred yards away from this building. Today in its segment of the health care industry it is recognized as a world leader in the development, production and marketing of radioisotope products and technology.

• (1805)

The radioisotopes it produces and distributes are used in nuclear medicine to diagnose and treat disease. Every year roughly 20 million diagnostic imaging tests are carried out in hospitals around the globe using Nordion's radioisotopes. Industrial processes too, such as quality assurance and non-destructive testing, rely on radioisotopes supplied by the company.

MDS Nordion is also the world leader in the supply of radiation processing equipment and cobalt 60 used to sterilize medical and surgical supplies and a wide range of consumer products from bandages to contact lens solutions to baby powder. This same technology can be used to eliminate salmonella bacteria in poultry and E. coli, a deadly bacteria sometimes found in red meat, particularly hamburger.

MDS Nordion is a major economic contributor to Canada's economy. It employs more than 600 well educated and highly skilled men and women in Kanata, Vancouver, Laval and overseas. Ninety-five per cent of the products it produces at its main production facility in Kanata are exported to more than 70 countries.

Theratronics employs some 240 people in Kanata. It is recognized internationally as the leader in the manufacture of cobalt teletherapy units and cobalt teletherapy treatment planning systems. It has one of the largest installed bases of cobalt units and treatment planning systems in the world. As a supplier of cobalt sources for these units, Theratronics has a moral obligation to offer disposal services.

Many countries do not have the infrastructure to properly dispose of radioactive material. This is because the quantity of the material generated does not warrant a full program. Developing countries often do not have the financial resources to commit to the disposal of radioactive material or do not have the required expertise. Smaller countries with large populations do not have the land or geography required to set up a radioactive material repository.

As with MDS Nordion, the radioactive material which is being imported for disposal by Theratronics originated in Canada and was created through a nuclear process at the Chalk River laborato-

ries. Cobalt 60 is totally Canadian or being replaced by Canadian made sources.

I wish to make it absolutely clear that the control of nuclear energy falls under federal jurisdiction. To prevent undue risks to human health and the environment, any practice involving radioactive waste management would be strictly regulated by the Atomic Energy Control Board, the AECB, and the Canadian Environmental Assessment Agency.

The Government of Canada is well aware that the nuclear regulatory body must be competent and empowered by appropriate legislation if it is to ensure that operations in the nuclear industry are conducted safely. The government has introduced modern and comprehensive legislation, the Canadian Nuclear Safety Control Act. This act updates the Atomic Energy Control Act and is currently before the House. I remind the House of this fact in view of statements made during the last two House debates.

During the last two debates members on the other side of the House argued that Canada should not even think of accepting radioactive waste from other countries since it cannot properly manage its own radioactive waste. To support this premise they referred to the May 1995 report of the Auditor General of Canada on federal radioactive waste management. Clearly these hon. members are not aware of the expertise acquired by Canadians over the years. They risk alarming the Canadian public unnecessarily.

The main message of the auditor general's 1995 report was not that Canada cannot properly manage its radioactive waste, but rather that it has not kept pace with some other countries, namely Finland, France and Sweden, with regard to some aspects of disposal plans.

Federal officials closely follow developments in other countries and they know about the processes driving the scheduling of radioactive waste disposal around the world. In fact, countries around the world have already expended considerable effort to come to an agreement on the transboundary movement of hazardous and radioactive waste and to establish appropriate principles for the import and export of these materials.

In Canada steady progress is being made in the field of radioactive waste disposal. For example, on July 10, 1996 the Minister of Natural Resources announced a radioactive waste policy framework that will guide Canada's approach to radioactive waste disposal into the next century.

The framework establishes a comprehensive and integrated approach to long term management and disposal of radioactive wastes. The government developed the framework in consultation with waste producers and owners. The policy framework recognizes the federal government's responsibility for developing policy, regulating the industry and ensuring that waste producers and owners comply with legal requirements and meet their funding and operational responsibilities.

Adjournment Debate

• (1810)

Under the policy framework, the polluter pays. In accordance with this principle, waste producers and owners are responsible for funding, organizing, managing and operating disposal and other facilities for their waste. The policy framework emphasizes the Government of Canada's commitment to sustainable development.

I assure the House that the first priority of the Government of Canada is the health and safety of Canadians. The AECB, through various processes, including inspection and ongoing assessments, reviews, and licence renewal, works to satisfy itself that the operations of its licensees are safe.

The bill we are discussing today does nothing to contribute to safety. It adds nothing of value to regulations under the Atomic Energy Control Act nor to those under the Canadian Environmental Assessment Act. Existing regulations are strictly enforced. National and international organizations continue to develop safe practices for the management of radioactive waste including its import and export. The Government of Canada will continue to ensure that any projects or policies that involve the management of radioactive waste do not pose any undue risks to health, safety, security or the environment.

Canada clearly has the ability to properly manage the waste we generate domestically. Banning the import of radioactive waste on the specious grounds that we cannot even manage our own supply is simply not warranted.

I believe votes in this House should be based on credible information. There is no real doubt that Canada has the knowledge base, the expertise, the infrastructure and the regulatory system to ensure that radioactive waste, including imported waste, is treated in such a way that it poses no undue risk to human health or the environment. I urge all members of Parliament to reject this bill.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it is a privilege to speak to Bill C-236 which was introduced to the House by my colleague from Fraser Valley East. Bill C-236 has a very simple bottom line. It would ban the importation of high level radioactive waste into Canada.

I will speak as a citizen of the province of Saskatchewan which has a nuclear industry. In fact one of Saskatchewan's major industries is the uranium mining industry. It has generated a lot of income. I am not an alarmist who gets fearful. My knees do not begin to shake when I hear about nuclear energy. When electricity was invented and was being developed, it had a dangerous component and a beneficial component. The automobile can be very useful; it can get us to Ottawa, it can get us around our ridings but it also has a potential for danger.

The problem with the nuclear industry is the waste material associated with it. Some may want to pretend it is not a serious

matter. Others may want to be alarmists and suggest that the whole industry should be immediately shut down. Both responses are very irresponsible.

It would be wrong to shut down electricity producing plants, whether for hydro or nuclear electricity, just because a person had been electrocuted. It would be wrong to ban automobiles because someone had been killed in a car accident. Those would be rather extreme reactions to very real problems.

In the agricultural sector which I am involved in, there is waste. The trick is learning how to deal with that waste. In Canada we have high level radioactive waste and we do not know how to deal with it. We are developing the technology but we are not there yet. My colleagues have outlined a number of these problems.

If we have problems here at home, why are we even considering the importation of high level radioactive waste into Canada? We should be developing the technology to handle and control radioactive waste. Once we have the technology down, once we know how to handle our own problems then perhaps rather than importing radioactive waste from outside Canada we should be selling that technology to other nations around the world so that they can effectively deal with their high level radioactive waste.

It is common sense. Reformers always talk common sense. I know, Mr. Speaker, you have been persuaded and I appreciate this very brief opportunity to make a very cogent point.

Mr. Strahl: Mr. Speaker, I rise on a point of order. This being the third hour of debate on this bill, could I ask the permission of the House for 30 seconds or so just to wrap up this discussion on my bill?

The Acting Speaker (Mr. Milliken): Does the House give its consent?

Some hon. members: No.

The Acting Speaker (Mr. Milliken): I hear nos. It being 6.15 p.m., pursuant to order made earlier this day, the question on the motion is deemed to have been put and a recorded division deemed demanded and deferred until Thursday, December 12, 1996 at the expiry of the time provided for Government Orders.

ADJOURNMENT PROCEEDINGS

[*Translation*]

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

RETIRED SINGER EMPLOYEES

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, today I want to speak about the Singer affair.

Over a period of some time, we have asked three different ministers a dozen questions in all concerning Singer. Unfortunately, we are still getting vague answers. It is clear from the minister's latest answers that the door to any out of court settlement is being slammed shut. I find this completely disgraceful.

Of course, we could have asked that this matter be raised during proceedings on the adjournment motion each time, but you know that an MP's duties are already sufficiently thankless, difficult and numerous. We do not always have the time, but since we have been stepping up our questions over the last few weeks, we felt it very appropriate today to table a request for a reply from the government. I am pleased that the House is able to grant me four minutes so that I can at least explain the problem.

Today, I want to tell you about a terrible injustice. Between 1942 and 1967, the federal government was trustee of a retirement fund for Singer employees, who, at the time, had great confidence in the federal government. They told themselves that, if the government was looking after it, there was no problem.

Unfortunately, several decades later, there is an enormous problem. From 1942 to 1967, surpluses accumulated in the fund. Instead of observing the terms of the contract it had signed at the time with Singer employees to the effect that these dividends could be paid out at the end to employees, the federal government allowed Singer to stop paying premiums.

Instead of paying its annual share for the employees' pension plan, the company, seeing that there was a surplus, said: "This year, we will pay only part". If the surplus was greater, it said: "We will not pay at all".

Employees continued to pay their fair share, but Singer did not, with the result that, at the end of 1967, the accumulated dividends should have been \$450,000. It does not take long to figure out that, if the amount is doubled every eight years, it would be close to \$6 million today.

Therefore, if the federal government had kept its part of the bargain, these retired employees, whose average age is now 80, would be receiving \$6 million. Unfortunately, the employees and ex-workers perhaps placed a little too much trust in the federal government, because we have asked these questions of three ministers, and three ministers have shut the door in our face.

These employees won their first suit, because there are a number of potential suits. I was telling you that, from 1942 to 1967, the Canada Pension Plan was involved, and then, from 1967 to 1986, the Quebec Pension Plan. They have just won their case against the

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Quebec Pension Plan and many other cases are pending. One of them is the case involving the federal government, where we will have to get involved in lengthy legal proceedings if the minister shuts the door in our face tomorrow and the day after, the last days before the House rises. There is a statute of limitation, and employees will have to go to court.

• (1820)

People in their eighties have a rather short life expectancy. Although the minister has said some nice things, and told us he will act with all due diligence, being forced into a lengthy lawsuit at this time does not leave these employees very hopeful.

I have some typical examples. My own father worked for Singer for almost 45 years. Do you know what he now gets from the Canada Pension Plan, the federal plan? My father gets \$12 a month, after 45 years of contributions. It is a complete travesty. These retired employees are getting \$20 a month on average.

They are victims of the federal government and of Montreal Trust, because, beginning in 1967, Montreal Trust also held the money in trust. When their spokesman, Mr. Châteauneuf, to whom I give my regards by the way, lodged his claim, the court agreed to freeze the Montreal Trust fund with approximately \$2 million in it.

Despite all that, Singer's counsel took their fees out of the Montreal Trust fund. Montreal Trust was guilty too. Singer, which had changed its name to TSCO in the United States, got away with approximately \$10 million. The workers are up against employers who have exploited them all their lives, while these same workers have worked all their lives to build up a pension fund. Now they are staring at nothing.

In conclusion, I tell you that time is of the essence. This case must be resolved. Singer has been granted a \$30 million tariff exemption. Now it is the employees' turn. We are asking the department to resolve this matter before the House rises.

[English]

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, it is my pleasure to respond on behalf of the Minister of Human Resources Development to my hon. colleague's question.

Based on the advice we have received we believe that the Government of Canada has fulfilled all its contractual and legal obligations concerning the contract between it and Singer.

However, the points of law raised by the former employees are serious and complex, and existing precedents do not provide a definitive answer to the issues raised.

The Minister of Human Resources Development had to refuse the offer to settle out of court made by the lawyer representing the

Adjournment Debate

former Singer employees. The legal issues raised by the employees are, briefly stated, simply too serious and complex.

The minister must ensure that the plan is administered in compliance with the Annuities Act and that the rights of all citizens are respected. The department has nevertheless shown compassion by co-operating fully with the receiver, that is the liquidator, appointed in 1995 by the Régis des rentes du Québec.

Consequently, HRDC employees have done a considerable amount of work without charging liquidator's fees to help divide surpluses held by a private trustee by providing detailed information about each annuitant to the actuaries hired by the receiver.

We should also remember that the Government of Canada has always borne all the administrative costs incurred under the Annuities Act, which today amount to approximately \$3 million per year.

The government finds the situation regrettable. Let us remember, however, that the Government of Canada has not abandoned its seniors. Through the combination of old age security benefits and the guaranteed income supplement, the Government of Canada offers low income seniors a monthly income up to \$875.16.

We want to repeat that these former Singer employees, if they are to go to court, the Government of Canada will try to ensure that any costs that they may incur are kept to a minimum and that the case progresses as quickly as possible.

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, on December 5, I put a question to the Minister of Citizenship and Immigration about the \$975 head tax immigrants must pay when they apply for permanent residence in Canada.

Since it was introduced by the federal government in February 1995, this tax has been vigorously and repeatedly condemned in this House by the Bloc Québécois. It is a particularly odious, unfair and discriminatory tax, especially when imposed on refugees.

This tax has met with almost unanimous opposition from agencies involved in assisting and defending immigrants and refugees, human rights organizations, labour unions, the Bloc Québécois and now the Liberal Party of Canada.

At the last convention of the Liberal Party held in Ottawa from October 23 to October 27, a resolution was passed demanding that the tax be either reduced or abolished altogether. The resolution indicated that these expenses were an obstacle to large families intending to immigrate to Canada and a heavy burden on those who were trying to become part of the Canadian economy. This document went on to say that the admission fee should not be

payable until after the arrival of the new immigrant. The minister should therefore act on his party's resolution immediately.

On November 3, in Vancouver, I met Maria Barahona and her five children, who had sought refuge in Trinity United—St. Mark's Anglican church to avoid deportation. This family has lived in the basement of this church for a year, since December 6, 1995, exactly.

They are living in difficult conditions, despite generous support from the church ministers, administrators and congregation as well as from labour unions and community organizations, but not, however, from the Liberal member for Vancouver Centre.

Maria Barahona is 34 years old and comes from El Salvador. She applied for refugee status in 1991. Her application was turned down by the IRB. She and one of her children suffer from asthma. Children are unable to attend school.

I was deeply touched by this tragic situation. I ask, in fact I beg the Minister of Citizenship and Immigration to stay the enforcement of the deportation order and to grant this family a ministerial permit, followed by permanent residence in Canada.

I hope that the Christmas spirit will prompt the minister to render a favourable decision in this case. I also wish to raise the problem of Zairian nationals in Canada, who are currently being returned to their country of origin.

As everyone knows, the situation in Zaire is very precarious. It is therefore dangerous to deport these people to Kinshasa. Would it not be more appropriate to stay the removal orders against Zairian nationals in Canada, given the involvement of this government in the African Great Lakes region?

Why is it that, while it is considering taking part in an international humanitarian operation in that region, the federal government continues to deport people to Zaire? There is a glaring inconsistency that will have to be corrected to preserve the credibility of this country on the international scene.

Mr. Speaker, allow me to conclude by wishing a Merry Christmas and a Happy New Year to my family and to my staff, who are sitting in the public gallery.

[*English*]

Mr. Ovid L. Jackson (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, it is my pleasure to respond on behalf of the minister of immigration to my friend, the hon. member for Bourassa.

It surprises me that the hon. member for Bourassa seems to be concerned about the unity of the Liberal Party, given the present condition of his own party. Perhaps he and his colleagues should get their own house in order before they start criticizing others.

Adjournment Debate

It is true that the Liberal Party's membership has asked the government to examine the right of landing fee, and that is exactly what we are going to do. We will take the recommendation from the party very seriously.

The Minister of Citizenship and Immigration has already said that she will look at the question in depth. Such a review will need to take into consideration several factors, including the views of the party, the wishes of the Canadian people and the fiscal restraints facing the government.

When the Government of Canada introduced the right of landing fee it created a loan option for immigrants and refugees to help get the financial assistance they need to help pay the fee. Not all immigrants have immediate resources necessary to pay costs associated with becoming a permanent resident. The government knows that and that is why we developed a loan program in the first place. The loan is available to newcomers who can show that they need it and have the potential to repay it.

The loan option helps to maintain a balance between Canada's humanitarian commitments and the government's response to program review. It helps us to ensure that no one will be denied permanent residence just because they did not have enough money in the bank.

We have a good system in place which helps us to meet our immigration needs and our humanitarian commitments. We are constantly striving to make the system even better. If it means re-examining our policies, we would not hesitate to do that, which is exactly what the government is going to do.

The Acting Speaker (Mr. Milliken): A motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.29 p.m.)

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