



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, April 22, 1997**

**Speaker: The Honourable Gilbert Parent**

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# HOUSE OF COMMONS

Tuesday, April 22, 1997

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*English*]

### SUSTAINABLE DEVELOPMENT

**Hon. Sergio Marchi (Minister of the Environment, Lib.):** Madam Speaker, as members know, Canadians are celebrating Earth Day, the largest international environmental event when over 100 countries will be pausing and reflecting on the status of our environment and earth.

To mark that occasion I have the honour to table, in both official languages, the first ever sustainable development strategy for the Department of the Environment.

All departments by the end of this year will have to table their reports which will be analyzed by the first ever sustainable development commissioner, whom this government appointed a few months back.

I hope we can make the earth a little cleaner and a little healthier.

\* \* \*

### FEDERAL COURT AND TAX COURT OF CANADA

**Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Madam Speaker, pursuant to Standing Order 32(2), I am pleased to table on behalf of the Minister of Justice the auditor general's report on the Federal Court of Canada and the Tax Court of Canada.

I am tabling the report in both official languages and I wish to thank the auditor general for his work in this regard.

[*Translation*]

### GOVERNMENT RESPONSE TO PETITIONS

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

pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 26 petitions.

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[*English*]

## WAYS AND MEANS

### NOTICE OF MOTION

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Madam Speaker, pursuant to Standing Order 83(1), I wish to table a notice of ways and means motion respecting the imposition of duties of customs and other taxes to provide relief against the imposition of certain duties and taxes and to provide for other related matters.

I ask that an order of the day be designated for consideration of the motion.

Although I am not sure whether one should be proud of this, this is the largest ways and means motion ever presented.

\* \* \*

• (1010)

[*Translation*]

## CONSTITUTION

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Madam Speaker, I have the honour to inform the House that, later today, I will be giving notice to bring this constitutional amendment resolution before the House and to refer it to a Special Joint Committee, which will be asked to report back to Parliament.

One week ago, on April 15, 1997, the Quebec National Assembly voted unanimously in favour of a resolution for a constitutional amendment that would end the application to Quebec of subsections (1) to (4) of section 93 (education) of the *Constitution Act, 1867*.

On receiving such a proposed amendment, members and senators must ask themselves three fundamental questions. First: what amending formula is applicable to this particular case? Second: is the proposed amendment a good thing for the citizens affected by it? And third: does this amendment enjoy a reasonable degree of support from the citizens affected by it? I will give the Govern-

*Routine Proceedings*

ment's answers to each of these three questions in the case of the amendment we have received from the Quebec National Assembly.

First question: which amending formula applies? In the opinion of the federal government, section 93 can be amended pursuant to section 43 of the *Constitution Act, 1982*. Section 43 deals with the provisions applicable to one or more, but not all, provinces. The amendment can be made with the approval of the House of Commons and "chaque province concernée" in the French version, or "each province to which the amendment applies" in the English version, which is more specific here. This means that the amendment will affect only Quebec, but will not change the constitutional provisions applicable to the other provinces.

Before the constitutional amendment of 1982, it would have been impossible to amend section 93 unless the traditional means provided by the *Constitution Act, 1867* had been used. It would have been necessary to ask the Westminster Parliament to ratify the amendment.

The constitutional amendment passed by the National Assembly clearly falls within the class of bilateral amendments provided for in section 43 of the *Constitution Act, 1982*. The legal opinions we have received are quite definite on that point. And that is what I told my counterpart Jacques Brassard, Quebec's Minister of Intergovernmental Affairs, at our first meeting on this matter on February 7 this year.

Since this is a bilateral amendment, it must be debated by each of the two Parliaments. But these debates should not be simultaneous, in order to avoid possible confusion. For each of the four bilateral amendments made to date, the debate was held first in the province's legislative assembly, since the initiative came from the province. And again on this occasion, since the initiative came from the province, and in view of the fact that it concerns one of its areas of jurisdiction—education—it was necessary for the debate to take place first in the National Assembly. That debate has just ended with a unanimous vote in favour of the proposed amendment.

The Canadian Parliament can now play its part. Since the Constitution requires its assent, it must make its own decision as to the value of the proposed amendment. Indeed, it is its duty to do so, since it represents the citizens affected by the amendment, as does the provincial assembly. The Parliament of Canada is also the Parliament of Quebecers. Federal institutions are also the institutions of Quebecers.

The Canadian government believes that the proposed constitutional amendment is a good thing, and I will now explain why.

The origins of section 93 of the *Constitution Act, 1867* predate Confederation. This section was included in the Canadian Constitu-

tion to grant education to the provinces and to reassure religious minorities as to their rights at the time when the single Province of Canada was about to be divided to create the provinces of Quebec and Ontario. The purpose of the sections was to protect the Catholic and Protestant religious minorities. Those guarantees were then extended to other Canadian provinces.

Until the Quiet Revolution, Catholic and Protestant Quebecers were apparently satisfied with this system based on 19th century political and social values. However, following the report of the provincial commission of inquiry on education in 1966, there were many discussions in Quebec on the appropriateness of a system with denominational foundations. Like most other western societies, Quebec society was now secular.

• (1015)

On the francophone side, the present organization of school boards makes it more difficult to integrate newcomers into francophone society, as provided by provincial legislation.

[English]

The anglophone community long regarded the Protestant school board as an institution vital to its development. However, these school boards have never encompassed Catholic anglophones. On the other hand, they have accepted a growing number of children whose language of instruction is French. As a result, there is a danger that in the medium term the anglophone community may lose control of boards that are an increasingly inadequate reflection of the social reality and that, in any case, cannot respond to the needs of the Catholic populations.

[Translation]

That is why many voices, both francophone and anglophone, Catholic as well as Protestant, have been heard over the last twenty years advocating a system based on language rather than religion. A consensus on the need to reorganize school organization along these lines has existed in Quebec for some time.

However, for various reasons, all previous attempts have failed, including the proposal by Quebec's Minister of Education, Pauline Marois, last June. The Government of Quebec then contemplated a constitutional amendment to allow secularization of school organization. This amendment raises the issue of religious rights, but also, indirectly, the issue of linguistic rights, in view of the historically close links between Protestant school boards and the anglophone community.

Let us look first at the religious issue. The contemplated amendment will end application of subsections (1) to (4) of section 93 of the *Constitution Act, 1867* to Quebec, and will accordingly eliminate these religious guarantees.

*Routine Proceedings*

Although Quebecers approve of secularization of school organization, many are attached to religious instruction. Quebec's Minister of Education, Pauline Marois, has already indicated that schools that so wish may retain their denominational orientation. Furthermore, the right to religious instruction is still guaranteed by section 41 of the Quebec *Charter of Human Rights and Freedoms*.

Let us now consider the language issue. The proposed amendment would not weaken the constitutional rights of the anglophone minority. The Act which amended the Canadian Constitution in 1982 guaranteed minority language educational rights for the first time, in section 23 of the *Canadian Charter of Rights and Freedoms*.

While it is true that the National Assembly does not recognize the *Constitution Act, 1982*, the resolution it is sending us is preceded by a "whereas" clause which "reaffirms the established rights of the English-speaking community of Quebec". Indeed, section 23 of the Charter was drafted at the time bearing in mind Quebec's policies on the language of education. And the Government of Quebec does not contest its applicability. The resolution I am tabling today is preceded by a "whereas" clause which reaffirms that the *Canadian Charter of Rights and Freedoms* applies everywhere in Canada.

Section 23 of the charter provides strong constitutional guarantees to the minority language community. Section 93 guarantees only the existence of denominational administrative structures in Montreal and Quebec City, and the right of dissent in the rest of the province, but it does not protect language rights. Furthermore, the control and management of linguistic school organization are in fact guaranteed by the case law flowing from section 23 of the charter and not from section 93.

In the *Mahé* judgment (1990), the Supreme Court ruled that section 23 "confers a right which places positive obligations on the government to alter or develop major institutional structures." Since that time, other judgments have confirmed the interpretation of the *Mahé* decision.

[English]

It is true that the scope of the right to instruction in the minority language provided in section 23 varies according to the number of students involved. In the case law, however, the bar for granting the minority the right to establish and control an administrative structure such as a school board, or simply to participate in it, has not been set very high. Although there were only 242 francophone children attending a school in Edmonton at the time of the *Mahé* decision, the Supreme Court ruled that this created a right for the minority to manage and control its schools through a system of linguistic minority representation within the school boards.

• (1020)

[Translation]

It is, in a way thanks to the constitutional amendments of 1982 that the Government of Quebec can proceed as it is intending to do today. It is precisely because the right to instruction in the language of the minority and the concomitant right to administer structures are protected by the *Constitution Act, 1982* that it is possible for the Quebec government to propose that denominational rights no longer apply within the province.

Now, moving to the support for the proposed amendment, the third question, it is certainly preferable that a proposed constitutional amendment garner the support of the population in question, including minorities if they are affected. This is especially important when dealing with constitutional matters.

Not that minorities are always right. (By that logic, we would still be under the sway of aristocrats!) But members of Parliament are duty bound to be guided by a favourable bias towards minorities. This principle applies to constitutional matters in particular, for constitutional democracies exist to protect individual rights as well as minority rights. At least, that is the Liberal government's vision of Canada.

In the matter before us, the Government of Canada notes the unanimous vote in the National Assembly and the existence of a reasonably broad consensus, which includes members of all components of Quebec society.

Some Catholics are opposed to the amendment but their bishops do not object to it.

[English]

Some groups from the anglophone community would have liked the national assembly to take this opportunity to strengthen the linguistic minority's constitutional rights. This is, to be sure, a noble objective. The Government of Canada would welcome with open arms any province that wanted to strengthen the rights of its linguistic minority and become an example to the other provinces.

We did not demand of the province of New Brunswick that other provinces adhere to official bilingualism before agreeing to New Brunswick's request to entrench the equal status of its two linguistic communities in the Constitution in 1993. Our passion for equality must never be synonymous with the lowest common denominator.

However, the fact that the constitutional amendment does not strengthen the minority is not a sufficient reason to object to it. The important thing is that the amendment not infringe on this minority's rights and that it garners a reasonable level of support with the minority community.

*Routine Proceedings*

[Translation]

The broader the consensus, the easier it will be to implement the constitutional amendment under the right conditions. The Government of Canada believes that the parliamentary committee it intends to form could provide an opportunity to broaden the consensus. The important issues raised by the amendment will be studied within a parliamentary framework, in accordance with the democratic culture that Quebecers share with other Canadians. A variety of experts, groups and citizens could thus be given the opportunity to express their points of view and to listen to the responses of their members of Parliament.

In order to match speed with due parliamentary procedure, this will be a joint committee, enabling MPs and senators to do their word simultaneously.

To conclude, the government is of the view that the proposed constitutional amendment we have received from the National Assembly falls within the class of bilateral amendments provided for in section 43 of the *Constitution Act, 1982*. The government believes that this amendment should be passed expeditiously, in accordance with parliamentary procedure, for it will have positive consequences for Quebec society, including both of its linguistic communities.

Quebec society has succeeded in reaching a consensus on a constitutional issue which touches upon the vital issues of schooling language and religion.

This demonstrates the remarkable nature of Quebec society and the extent to which it contributes, in its way, to Canada's greatness.

• (1025)

**Mrs. Pierrette Venne (Saint-Hubert, BQ):** Madam Speaker, I welcome this opportunity to speak to the proposal of the Government of Quebec to amend the Constitution Act, 1867. The Quebec government's objective is to abolish the denominational school system it inherited from Queen Victoria and establish, within its territory, linguistic school boards which reflect the reality of Quebec society today.

The proposed amendment to the Constitution Act, 1867, is relatively straightforward. It would involve adding a new section 93A providing that subsections (1) to (4) of section 93 do not apply to Quebec. The new section would have many advantages. It would fully maintain the application to Quebec of the preamble to section 93, in which the provinces are given exclusive jurisdiction over education, and it would free Quebec of all the constraints in subsections (1) to (4) of the section 93, an essential prerequisite for rebuilding the school system on any other than a denominational basis.

For some time there has been a very broad consensus among both francophones and anglophones on the need to secularize the school system administration in Quebec. More than 30 years ago, the Parent commission appointed by the Liberal government of Jean Lesage recommended replacing denominational school boards with unified school boards that would administer all schools, both French and English, in their respective districts.

Since then another trend has developed favouring linguistic school boards, an approach strongly supported by anglophones. All the governments that tried to replace denominational school boards with unified school boards and linguistic school boards came up against the uncompromising provisions of section 93.

In 1984, the National Assembly passed legislation to reorganize school boards on the basis of language of education. This legislation was thrown out by the courts because of section 93, although it merely diminished the territory of denominational school boards, without removing the boards.

Subsequently, we had Bill 107 in 1988. To comply with the provisions of section 93, this legislation provided that linguistic school boards would be established but denominational school boards would continue to exist. This legislation never came into force, because implementation would have led to unprecedented fragmentation of the public school system.

For instance, the City of Montreal would have had four school boards: one Catholic, one Protestant, one francophone and one anglophone. By adding linguistic school boards on top of existing denominational school boards, the new plan would create a school system that was fragmented, segregationist and costly, at a time when the emphasis was on streamlining administration, on integration and intercultural dialogue and bringing together citizens of all origins and faiths.

We must realize that section 93 clearly puts certain constraints on attempts to modernize school boards in Quebec.

Some may think that the proposed constitutional amendment violates the rights of the anglophone minority in Quebec. However, section 93 does not have the slightest connection with the rights of the anglophone minority in Quebec. It concerns neither the language of education nor language teaching. It concerns only the privileges granted at the time to two specific groups on the basis of their religious affiliation. In the 19th century, in Quebec City and Montreal, some English speaking Catholics preferred at the time to be identified as Catholics.

The assumption that constitutional guarantees for Protestant school boards were intended to protect the anglophone minority has already been rejected by the courts.

*Routine Proceedings*

• (1030)

In this regard, I refer you to a decision by the Supreme Court in 1981 in which the court stated that section 93 provided religious and not linguistic guarantees. The theory that section 93 protects the anglophone minority was not upheld either by the drafters of the Canadian Charter of Rights and Freedoms, who felt it appropriate to introduce section 23, which serves to guarantee rights to education in English in Quebec and the right for this education to be provided in institutions of the anglophone minority.

If we want to promote the rights of the anglophone minority in the area of school administration, we would do much better to permit the creation of linguistic school boards, as the Government of Quebec is proposing, than to maintain the Protestant school boards. Quebec's demographic reality imposes this approach.

Of the students enrolled in primary or secondary public education in Quebec, whose mother tongue is English, 34.3 per cent consider themselves Catholic, 32.4 per cent consider themselves Protestant and 33.2 per cent practice another religion or declare none.

On the Island of Montreal, the variances are much more impressive: 43.4 per cent of anglophone students consider themselves Catholic compared with 10.4 per cent who consider themselves Protestant. The others, some 46.2 per cent of Montreal's anglophone students, hold other religious beliefs or have none.

Maintaining existing Protestant school boards is no guarantee for either the Protestant or anglophone minorities. Furthermore, no political party in Quebec and none of the organizations involved in the matter to a varying degree has any argument with maintaining the English educational networks in Quebec from kindergarten to university.

Raising the spectre of alleged language persecution as a means of opposing the reform of school boards, as Alliance Quebec is doing, is totally absurd. The effect of the reform will in fact be to enable anglophones to administer the schools that provide teaching in English.

Since the National Assembly voted unanimously in favour of a resolution to amend section 93 of the Constitution Act, 1867, since a broad consensus was formed in Quebec on the question, since the Government of Quebec has given the anglophone community some reassurance in amending its proposed resolution to reaffirm the enshrined rights of English speaking Quebecers, we are entitled to ask why the federal government now wants to put the proposed constitutional amendment to a joint parliamentary committee.

In his speech, the Minister of Intergovernmental Affairs said there had been a consensus for 20 years in Quebec on the need to reorganize the educational system. By setting up a joint parliamen-

tary committee, the minister now wants to establish a broader consensus on the constitutional change. However, the scope of this consensus leaves me with the impression that he wants unanimity on the issue.

Is this a stalling tactic? Democracy has spoken in Quebec, and Parliament has no lessons for Quebec on the democratic process. The 15th anniversary of the patriation of the Constitution serves to remind us. On the subject of democracy, it is absurd to have senators, who have no democratic legitimacy in either Quebec or Canada, on the joint committee. Need I point out that the senators are not elected but appointed directly by the Prime Minister.

The Minister of Intergovernmental Affairs states that the committee will submit its report on May 31. We all know that the general elections will be called in a few days, thus dissolving the committee. This means then that we are not about to see the actualization of the Government of Quebec's proposed constitutional amendment.

• (1035)

Despite all, the Bloc Québécois is prepared to take part in and work with the special standing joint committee on the Quebec government's proposed constitutional amendment, so long as it sits this week to permit passage of the amendment before Parliament is recessed.

I hope that the federal government will act in good faith in the process so that the amendment of section 93 of the Constitution Act may be done as quickly as possible and in accordance with the wishes of the government and National Assembly of Quebec.

[*English*]

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Madam Speaker, it is a privilege to respond today on behalf of the Reform Party of Canada to this ministerial statement.

I note that the Reform Party has not taken a position as a caucus on the issue since it was just tabled in the House today. However I would like to express a few thoughts which may guide individual members during the discussion of this important issue and which may help members of the Reform Party in their decision about whether to vote for the resolution.

I am somewhat surprised but pleased that this request to change the Constitution comes from a legislature which denies the validity of the Constitution. I suppose we in Parliament are pleased that although the political rhetoric from Mr. Bouchard is running high, his actions run contrary to his words in actual fact with his recognition of the Constitution as the rule of law in the country. He is abiding by it. We in the Reform Party wish that he would make a public commitment to abide by the Constitution with respect to the

*Routine Proceedings*

question of the sovereignty of Quebec. I will return to that theme in a moment.

Reformers are committed to the principle of grassroots participation in decision making, especially when it comes to our most basic law, the Constitution. Decision making on political issues needs to be pushed as far down the political ladder as possible to those most affected by the decision.

Although politicians in the legislature of Quebec have voted unanimously for the resolution, there is a large group of people from whom we have not heard. Those are the parents of the children in the schools. They may support the resolution or they may be against it, but the point is that we simply do not know. There have been no public hearings held on the resolution in Quebec as far as I know. That is a fundamental flaw in the political process which the government has not addressed.

Many Reform Party members will vote against the resolution for this reason alone. We are changing the legal rights of religious minorities and other minorities without hearing from the people who might be affected. As I mentioned, many Reformers will find that very unpalatable and very hard to support.

I am pleased that at least the federal government is referring the resolution to a joint committee. It is my hope that the government will take its time and not rush the matter through without hearing from all those affected, simply because there is an election in the offing and the federal government may want to appease the Government of Quebec. I hope that will not happen.

In my province constitutional change must be approved in a provincial referendum before any change is accepted by the province of British Columbia. I believe that is the proper way to do it.

The last time we dealt with a change to the Constitution in Parliament was at Newfoundland's request. Most Reform Party members found that although we had questions about whether it was a wise decision and questions about minority rights and all the things that concerned us, most of our concerns were put at ease. There had been wide public consultation in the province of Newfoundland. There had been public debate. There had been a referendum on the question. The people of Newfoundland expressed the opinion that they were in favour of the change.

If the province of Quebec had done that on this issue and come to the House asking for the change, it would have been so much easier to support, knowing full well that the people had been consulted in the most democratic way by having a referendum on the question.

• (1040)

When the joint committee begins its investigation some questions will be raised, if the committee is allowed to do its work properly, by parents, bishops, minority groups in Quebec, Alliance

Quebec and others. They will come before the committee to raise several questions.

They will raise the question that it is not wise or prudent to toss aside a century old tradition and constitutional requirement to have confessional schools. They will say it is not good enough to make a blanket declaration that Quebec society is now secular and therefore that justifies broad changes to the Constitution.

Many Quebecers may well want these changes. That question will be put by the bishops and by many others that have contacted our office and other MPs' offices saying they want to have a say in the matter. They want to put some questions and bring their concerns to the table. I am sure that would be one way they would do that.

People will come forward to say that in the past there has been positive contribution from many confessional schools or religious schools. The schools have been a check and balance on the Government of Quebec using its influence within the school system to mould the future youth. It is interesting how so many different players are involved in moulding our youth. Certainly the parents have the primary role but many other factors mould the next generation.

Our schools are a big factor. Our religious institutions suffice it to say have a huge influence on the next generation. I do not know the numbers exactly of how many are Catholic or Protestant and how many are French or English. They help to balance the third influence, the government.

People will raise the question that it is a good check and balance on the system to have different players such as parents, religious authorities, the government, people devising curricula and all the different factors coming into play to help mould the next generation. Sometimes those checks and balances are necessary to make sure that no one group forces its agenda on the table.

I hope the hearings will allow those people to come forward. The government will realize that sometimes it is not always wise to throw the baby out with the bath water. There are some necessary checks and balances. Many people will be coming forward to indicate that these changes take some of those checks and balances away.

The rights of linguistic and religious minorities must be respected in Quebec as in all of Canada. The resolution has the potential, many people will argue, to abuse those rights. We have assurances from the minister that he does not believe that will happen. We have assurances from the Bloc that will not happen.

The record of the separatist government in Quebec is not very good. In some statements its members have made they have blamed ethnic minorities and other people for different actions, everything from unemployment to whatever. During the hearings people will be bringing forward the idea that religious and linguistic minorities may be losing some of their rights through this change. Again that will be discussed. The joint standing committee



that will be struck will want to review that in detail to make sure it is not the case.

I hope the federal government will avoid any rash political decisions in this most important debate because an election is probably only three or four days away.

• (1045)

I hope it is sincere in that it does want to allow a joint Senate-Commons committee to do the investigative work, to call witnesses, to put people's minds at ease where it can be done, and to raise any troubling concerns that people in Quebec may have about this proposed constitutional change.

I hope the federal government will do that. I think this is a most important debate that we will be entering into and it will centre around our desire to preserve our values of tolerance, our appreciation of the past, our religious freedoms and our national unity. I look forward to that debate. I thank the minister for his intervention.

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## COMMITTEES OF THE HOUSE

### FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Mr. Bill Graham (Rosedale, Lib.):** Madam Speaker, I have the honour to present, in both official languages, the seventh report of the Standing Committee on Foreign Affairs and International Trade relating to circumpolar co-operation.

This report is unanimous and has the support of all parties that participated in it. It concludes a year long study by the committee and makes 49 recommendations developing a stronger Canadian foreign policy to meet the increasingly important challenges of circumpolar co-operation heading into the 21st century.

[Translation]

I believe every party cooperated and collaborated to prepare this report, proving that this House can work together for the good of all Canadians.

Pursuant to Standing Order 109, the committee requests that the government table an answer to the report.

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[English]

## INTERPRETATION ACT

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-408, an act to amend the Interpretation Act (definition of child).

He said: Madam Speaker, this bill is co-sponsored by my colleague from Mississauga East. It harmonizes all federal govern-

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ment legislation to bring it in line with the December 13, 1991 UN Convention on the Rights of the Child.

It was agreed at that convention that country members will harmonize all their legislations when dealing with the definition of a child so that a child is defined as anyone under the age of 18.

Currently Canada lacks a uniform legal definition of who is considered a child. This lack of legal definition poses particular difficulties when we try to describe rights and responsibilities of older teenagers, especially those between the ages of 16 and 18.

In Canada inconsistent and often contradictory laws and regulations do not always provide a sufficient basis for a stable and adequate policy toward children. In some cases contradiction can be found in existing legislation. For example, the definition of a child as defined by the Income Tax Act set the upper limit of eligibility for the child tax benefit at age 18. At the same time, under the goods and services tax, a child is considered to be a dependent child until he or she is 19.

In light of Canada's commitment to children, it would seem only logical that we undertake a task of harmonizing all federal legislation dealing with children, in particular by ensuring that our legislation is in conformity with the UN Convention on the Rights of the Child.

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

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## DIVORCE ACT

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-409, an act to amend the Divorce Act (definition of child).

• (1050)

He said: Madam Speaker, this act also amends the definition of a child of the marriage in the Divorce Act by including in the term persons between the ages of 16 and 18. This also reflects the definition of child proposed by the United Nations in the Convention on the Rights of the Child, an agreement which was ratified by Canada in 1991.

According to Statistics Canada there are about 1,869,000 people between the ages of 15 and 19, representing approximately 7 per cent of the total population. This age range is perhaps the most significant development age of one's life and includes not only physical changes but also social, intellectual and psychological development.

It is important for us to review the way we define our children both legally and socially and seek to clarify the rights and responsibilities of parents, the state and, most important, children.

*Routine Proceedings*

The spirit of the UN Convention on the Rights of the Child is to ensure that countries develop and maintain legislation to serve the best interests of the child. Basically this amendment will do just that.

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

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**FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-410, an act to amend the Federal-Provincial Fiscal Arrangements Act.

He said: Madam Speaker, the purpose of this bill is to ensure that there is a standard school leaving age of 18 years across Canada by making provisions for the definition from the Canadian health and social transfer to a province if the school age is not 18 years.

About 30 per cent of all children in Canada leave school before they reach the age of 18, many of whom get low paying jobs or end up on employment insurance or social assistance. Some can not really carry on a full and productive life.

The purpose of the legislation is to set a standard age for when a child could leave an educational institution, an apprenticeship program, a learning facility or a vocational training facility.

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

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**CANADA PENSION PLAN**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-411, an act to amend the Canada Pension Plan (definition of child).

He said: Madam Speaker, this bill amends the definition of child in the Canada pension plan to reflect the definition proposed by the United Nations in the Convention on the Rights of the Child, an agreement that was ratified by Canada in 1991.

Also, the UN Convention on the Rights of the Child was the first internationally recognized document stating a legal code of rights and measures that should be undertaken to ensure the worldwide protection of children. It was adopted by the United Nations General Assembly on November 29, 1989 and was ratified by Canada on December 13, 1991. The convention is predicated on previous United Nations manifestoes beginning with the Geneva declaration in 1948, the universal declaration of human rights in 1948 and the declaration of the rights of the child in 1959.

This amendment would ensure that the best interests of the child are protected.

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

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**MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-412, an act to amend the Members of Parliament Retiring Allowances Act (definition of child).

He said: Madam Speaker, this bill amends the definition of a child in the Members of Parliament Retiring Allowances Act to reflect the definition proposed by the United Nations Convention on the Rights of the Child, an agreement which was ratified by Canada in 1991. It will also streamline this act.

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

\* \* \*

• (1055)

**YOUNG OFFENDERS ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-413, an act to amend the Young Offenders Act (definition of child).

He said: Madam Speaker, this bill amends the definition of a child in the Young Offenders Act to reflect the definition proposed in the United Nations Convention on the Rights of the Child, an agreement which was ratified by Canada.

To date there is no uniform legal definition of child in Canada. The word child is both broadly defined and used commonly in everyday language. As a result this contributes significantly to the legal ambiguity which often occurs when the court attempts to distinguish between childhood and adulthood.

Most statutes assign their own definition of a child and frequently use terms such as minor, dependant or young person to refer to those individuals under the age of 18.

For example, the Young Offenders Act defines a child as a person who is, or who in the absence of evidence to the contrary appears to be, under the age of 12, while those between the ages of 12 and 18 are considered young persons.

Notwithstanding the different aspects of the Young Offenders Act when we deal with offences, this bill makes the unequivocal statement that a child is anybody under the age of 18 and then we can move on and deal with the other aspects of the legislation.

It really ensures that we have uniformity in line with the UN Convention on the Rights of the Child.

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

**BANK ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-414, an act to amend the Bank Act (definition of infant).

He said: Madam Speaker, this bill deals with the definition of the term infant. The Bank Act refers to a child as an infant. This amendment provides the definition of the term infant for the purpose of ensuring that it is interpreted consistently with the definition of child proposed in the UN Convention on the Rights of the Child as a person who is less than 18 years of age.

The term infant is used instead of child in this act because of wide use of infant in the common law of contracts to mean a minor.

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

\* \* \*

**BILLS OF EXCHANGE ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-415, an act to amend the Bills of Exchange Act (definitions of infant and minor).

He said: Madam Speaker, in the Bills of Exchange Act when we refer to a child we do not use the word child. We use different definitions. We use the words infant as well as minor.

This bill will provide the definition of infant and minor as being a person under 18 in order to ensure that the act is interpreted consistently with the definition of child as proposed by the UN Convention on the Rights of the Child.

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

\* \* \*

• (1100)

[Translation]

**CANADA BUSINESS CORPORATIONS ACT**

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-416, an act to amend the Canada Business Corporations Act (definitions of infant and minor).

He said: Madam Speaker, this bill is aimed at amending the Canada Business Corporations Act with respect to the definitions of infant and minor.

This enactment defines infant and minor as persons who are less than 18 years of age, so that the federal legislation be interpreted according to the definition of "child" proposed in the United Nations Convention on the Rights of the Child.

*Routine Proceedings*

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

\* \* \*

**CANADA HEALTH ACT**

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-417, an act to amend the Canada Health Act (definition of child).

He said: Madam Speaker, this bill, aimed at amending the Canada Health Act with respect to the definition of child, defines a child as a person who is less than 18 years of age, so that the federal legislation be interpreted according to the definition of "child" proposed in the United Nations Convention on the Rights of the Child.

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

\* \* \*

**CANADA SHIPPING ACT**

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-418, an act to amend the Canada Shipping Act (definitions of child and infant).

This bill is aimed at amending sections 652 and 660, including section 6.1, regarding the definition of infant. The enactment defines child and infant as persons who are less than 18 years of age, so that these terms, when found in the Canada Shipping Act, be interpreted according to the definition of "child" proposed in the United Nations Convention on the Rights of the Child.

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

\* \* \*

[English]

**CANADA STUDENT LOANS ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-419, an act to amend the Canada Student Loans Act (definition of full age).

He said: Madam Speaker, this bill provides a proper definition of full age within the Canada Student Loans Act. Full age is defined as 18 years of age or older to ensure that this expression in the Canada Student Loans Act is interpreted consistently with the definition of child proposed by the United Nations Convention on the Rights of the Child.

There are many bizarre things in federal legislation and we have not yet tackled provincial legislation. For example, according to tax legislation, persons 18 years of age and under are considered to be dependent children. This provision enables parents to claim a dependent credit and to receive a child benefit allowance. Discrepancies do arise. When the income of a child reaches a level which is above the allowable limit, the child has to pay income tax.

*Routine Proceedings*

Working teenagers between 16 and 18 years of age are required to pay taxes as adults, yet they cannot contribute to the Canada pension plan or the Quebec pension plan nor can they contribute to a registered retirement savings plan. I believe the amendment to this legislation and other legislation would pave the way for the federal, provincial and territorial governments to tackle the whole issue of the definition of a child. It will ensure we have a uniformity when we deal with issues such as those I have just mentioned.

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

\* \* \*

• (1105)

#### CANADA-UNITED KINGDOM CIVIL AND COMMERCIAL JUDGEMENTS ACT

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-420, an act to amend the Canada-United Kingdom Civil and Commercial Judgements Act (definition of infant in matters originating in Canada).

He said: Madam Speaker, this amendment to the Canada-United Kingdom Civil and Commercial Judgements Act provides a definition of infant as being a person under the age of 18. For Canadian matters the amendment will ensure that the Canada-United Kingdom Civil and Commercial Judgements Act is interpreted consistently with the definition of a child proposed by the United Nations Convention on the Rights of the Child.

With respect to United Kingdom matters, the definition is of course for the United Kingdom Parliament to deal with.

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

\* \* \*

#### CORRECTIONS AND CONDITIONAL RELEASE ACT

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-421, an act to amend the Corrections and Conditional Release Act (definition of child).

He said: Madam Speaker, this amendment also deals with the definition of a child to ensure that its interpretation is consistent with the definition proposed by the United Nations Convention on the Rights of the Child which was adopted by Canada.

We are dealing with children in the law. In 1991 about 146,000 or 22 per cent of the 670,000 federal statute charges were laid against young offenders. About 18,800 or 13 per cent of the 146,000 charges laid against them were for the perpetration of violent crimes. This represents an increase of 102 per cent, up from 9,300 cases in 1986.

The number of charges laid against young offenders for committing violent crimes has risen steadily in the last number of years, especially when compared to the number of charges laid against adults for committing similar crimes. For example, of the 2.6 million non-traffic Criminal Code offences that were reported by the police in 1990, 22 per cent were committed by young offenders.

I am not saying that an amendment to this legislation will solve the problem. It is one step in the right direction of how we deal with children in terms of our responsibilities and their rights.

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

\* \* \*

[Translation]

#### EXCISE ACT

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-422, an act to amend the Excise Act (definition of adult).

He said: Madam Speaker, this bill amends the Excise Act, under the definition of adult. It also amends section 2 of the Act and section 15 is amended by addition in the alphabetical order. Finally, this bill gives a definition of adult so that this term may be interpreted in accordance with the definition of child proposed in the United Nations Convention on the Rights of the Child, which says that any person less than eighteen years of age is a child.

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

\* \* \*

• (1110)

#### EXTRADITION ACT

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-423, an act to amend the Extradition Act (definition of child).

He said: Madam Speaker, this bill amends the Extradition Act (definition of child). It amends item 12 of schedule 1 in the Extradition Act by replacing any reference to a child in order to set some consistency and determine that a child is any person less than eighteen years of age.

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

\* \* \*

#### GOVERNMENT EMPLOYEES COMPENSATION ACT

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-424, an act to amend the Government Employees Compensation Act (definition of infant).

*Routine Proceedings*

He said: Madam Speaker, this bill amends the Government Employees Compensation Act (definition of infant). It amends section 2 of the Government Employees Compensation Act and all the following sections in the alphabetical order by adding the definition of "infant" as being any person who is less than eighteen years of age.

Furthermore, it ensures that the term "infant" will always be interpreted as designating any person who is less than eighteen years of age, pursuant to the definition proposed in the United Nations Convention on the Rights of the Child.

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

\* \* \*

**HAZARDOUS PRODUCTS ACT**

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-425, an act to amend the Hazardous Products Act.

He said: Madam Speaker, this bill amends the Hazardous Products Act (definition of child), in section 2, by adding in the alphabetical order: "'child' means a person under eighteen years of age". The purpose of this bill is to harmonize the definition of "child" in the Hazardous Products Act.

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

\* \* \*

**CANADA COOPERATIVE ASSOCIATIONS ACT**

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-426, an act to amend the Canada Cooperative Associations Act (definition of infant).

He said: Madam Speaker, in the act, when we refer to children we use the word "infant", not "child". Therefore, this bill seeks to amend subsection 3(1) of the Canada Cooperative Associations Act by adding the following in the alphabetical order: "'infant' means an individual who is less than eighteen years of age".

The purpose of this amendment is to ensure consistency in the act by specifying that a child is a person who is under 18 years of age.

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

\* \* \*

**EXCISE TAX ACT**

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-427, an act to amend the Excise Tax Act (definition of child).

He said: Madam Speaker, this bill provides that a "child" is "a person who is less than eighteen years of age", so as to reflect the

definition of "child", as proposed in the UN Convention on the Rights of the Child.

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

\* \* \*

• (1115)

[English]

**INDIAN ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-428, an act to amend the Indian Act (definition of infant child).

He said: Madam Speaker, this particular bill attempts to amend the Indian Act dealing with the definition of infant child. Also, if we were to look into this act, this legislation would ensure that the term "infant child" as is mentioned in the act in relation to guardianship and administration of the property of Indian children would be interpreted consistently with the definition of child proposed by the United Nations Convention on the Rights of the Child as a person who is less than 18 years of age.

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

\* \* \*

**ROYAL CANADIAN MOUNTED POLICE ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-429, an act to amend the Royal Canadian Mounted Police Act (definition of child).

He said: Madam Speaker, this particular bill seeks an amendment to the Royal Canadian Mounted Police Act (definition of child). This bill would amend the Royal Canadian Mounted Police Act to add the definition of child to the section that relates to children who testify to be accompanied by a parent. This would ensure that the act would be interpreted consistently with the definition of child proposed by the United Nations Convention on the Rights of the Child as a person who is less than 18 years of age.

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

\* \* \*

**INSURANCE COMPANIES ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-430, an act to amend the Insurance Companies Act (definition of infant).

He said: Madam Speaker, this is a bill to amend the Insurance Companies Act (definition of infant). Its purpose is to ensure that the term "infant" as it is seen in the context of dealing with issues in regard to insurance will be interpreted consistently with the

*Routine Proceedings*

definition of child as proposed by the United Nations Convention on the Rights of the Child.

As members know, under that convention country members have agreed to amend all of their legislation in order to ensure that they have a cohesive policy when dealing with children. This amendment will ensure that is the case.

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

\* \* \*

**LAND TITLES ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-431, an act to amend the Land Titles Act (age of majority and definition of infant).

He said: Madam Speaker, this is an act to amend the Land Titles Act (age of majority and definition of infant). This act has been replaced with respect to the Northwest Territories and the Yukon Territory but remains in force with respect to Nunavut.

This bill changes the meaning of full age of majority and various provisions of the act to 18 years old. It also ensures that infants and infancy in relation to land transactions will also mean a person under 18 years of age. The act would then be interpreted consistently with the definition of child proposed by the United Nations Convention on the Rights of the Child as a person who is less than 18 years old.

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

\* \* \*

• (1120)

**CANADA TRANSPORTATION ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-432, an act to amend the Canada Transportation Act (definition of adult).

He said: Madam Speaker, this bill attempts to amend the Canada Transportation Act (definition of adult). This bill amends the Canada Transportation Act to add the definition of adult. This ensures that the act would be interpreted consistently with the definition of child proposed by the United Nations Convention on the Rights of the Child.

Some people may ask why we did not have one act to cover all those together. Simply put, it is not feasible. No matter what, each act would have to be amended and that is why this bill has come forward.

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

[Translation]

**PENSION FUND SOCIETIES ACT**

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-433, an act to amend the Pension Fund Societies Act (definition of minor child).

He said: Madam Speaker, this is an act to amend the Pension Fund Societies Act (definition of minor child). Specifically, we propose an amendment to section 2 of the Pension Fund Societies Act, to include the following definition of "minor child": "a person under eighteen years of age".

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

\* \* \*

**PRIVACY ACT**

**Mr. Mac Harb (Ottawa-Centre, Lib.)** moved for leave to introduce Bill C-434, an act to amend the Privacy Act (definition of minor).

He said: Madam Speaker, this is an act to amend the Privacy Act. More specifically, this bill amends section 77 of the Privacy Act. Its purpose is to amend the Privacy Act by adding to the section providing for the making of regulations and a definition of "minor", so that the act will be consistent with the proposed definition of "child" under the UN Convention on the Rights of the Child, that is a person under eighteen years of age.

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

\* \* \*

[English]

**TERRITORIAL LANDS ACT**

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-435, an act to amend the Territorial Lands Act (definition of adult).

He said: Madam Speaker, this is also one of the series of bills the intent of which is for us to address each specific aspect of the federal legislation as an entity on its own. Simply put, it is imperative for us when dealing with the federal statutes to study each statute separately in order to see its ramifications when it comes to children. There is not one piece of federal legislation that would not have an impact on a child. To that extent, the intent is to address each specific piece of legislation.

For example, if these bills were introduced as an omnibus bill as the province of Ontario did and if one member of Parliament or one cabinet minister had a problem with one of those pieces of legislation, we would vote against all the legislation.

To that extent, because it is such an important initiative and such an important commitment that Canada has made to the United Nations and its other member nations, it is imperative for us to give this matter the priority it deserves and to address it in a cohesive, comprehensive and progressive fashion.

That is why all those pieces of legislation are being put before the House today, hopefully for study after the election. When we come back, we will have a chance to reintroduce them. Specific committees could look at each one and try to strengthen each piece of legislation to ensure that the interests of the child are protected and paramount.

• (1125)

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

\* \* \*

### WAGES LIABILITY ACT

**Mr. Mac Harb (Ottawa Centre, Lib.)** moved for leave to introduce Bill C-436, an act to amend the Wages Liability Act (definition of adult).

He said: Madam Speaker, this is a bill to amend the Wages Liability Act. I am trying to harmonize this act with the definition of a child and to ensure that child means anyone under the age of 18.

This is part of a series of legislation I have proposed today. There is a lot more to come over the next few days. The intent is to bring to the forefront the whole notion of the United Nations Convention on the Rights of the Child and the issues that were dealt with at that time.

We have started to see movement by the provincial governments. In particular the province of Alberta set up a task force to deal with the involvement of children in prostitution. The committee unanimously recommended to the federal government that it amend the relevant Criminal Code sections to reflect all provisions and all prostitution related offences perpetrated against youths as those involving persons under the age of 18.

The same task force said that at the provincial level Alberta should change all of its legislation in order to define a child as anyone under the age of 18. We are starting to see movement at the provincial level to harmonize legislation in terms of children.

There is one more important thing to put on the table. My colleague from the NDP tried to harass me earlier about why I am introducing so much legislation that deals with children. In the province of Ontario the NDP was in power for a number of years and had plenty of time to address the provincial legislation that dealt with the notion of children. It had plenty of time to harmonize its legislation to be in conformity with the UN Convention on the

### Routine Proceedings

Rights of the Child. There are in excess of 75 pieces of provincial legislation that deal with the issue of children. In many cases the legislation is extremely contradictory.

I am proposing this legislation at the federal level with the hope that it will be considered. We have no authority over what the provincial governments do with their legislation. We have a moral authority and a moral obligation collectively as taxpayers and as elected officials across the land to collectively harmonize all of our legislation provincially and federally.

A committee was struck by the UN and in passing, I thank Senator Landon Pearson and her capable staff member, Yolande, who supplied me with a copy of a UN committee report. It praises Canada for what it has done in terms of its commitment to children. The committee took note of the effort made by Canada in participating in international projects relating to children in co-operation with UNICEF and other governmental and non-governmental organizations.

The same committee indicated its concern about the lack of conformity and the lack of uniformity when it comes to federal, provincial and territorial legislation in Canada. The committee has given Canada the deadline of 1999 to harmonize all federal, provincial and territorial legislation for consistency and conformity with the UN Convention on the Rights of the Child.

Unless we have that consistency we cannot take collective action, set priorities or take our proper responsibility. We cannot devise a national action plan to deal with the notion of children unless we agree on what constitutes a child. Parents must know when they legally stop being responsible for their children. When do children have rights? When does society as a whole have to take action? All those elements were addressed by the UN Convention on the Rights of the Child.

• (1130)

I want to conclude by saying that I agree with Mrs. Clinton when she said that it takes a village to raise a child.

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

\* \* \*

### SUNSHINE DAY

**Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.):** Madam Speaker, I believe you would find all-party support for the following motion. I move:

That June 21st be declared Sunshine Day in Canada.

The Sunshine Foundation is a national charitable organization with offices in all provinces and has over 30 active chapters. The foundation makes dreams come true for special children challenged by life threatening illnesses or severe physical disabilities.

*Routine Proceedings*

It is funded solely by donations and does not look to any government level for support.

The foundation chose June 21 as its special day because it is the longest day of sunshine throughout the year. It works for special children throughout Canada and truly appreciates the all-party support the House will give to the motion today.

**The Acting Speaker (Mrs. Ringuette-Maltais):** Does the hon. member have unanimous consent of the House to move the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to.)

\* \* \*

[Translation]

## PETITIONS

### TAX ON BOOKS

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Madam Speaker, I am pleased to present this petition on behalf of many Manitobans.

[English]

The petitioners ask members of Parliament to remove the GST from books, magazines and newspapers, an idea I have supported for a long time and still do.

### AGE OF CONSENT

**Mr. Ed Harper (Simcoe Centre, Ref.):** Madam Speaker, I have three petitions to present today on behalf of concerned Canadians.

The first one concerns 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.

### GOODS AND SERVICES TAX

**Mr. Ed Harper (Simcoe Centre, Ref.):** Madam Speaker, the second and third petitions concern the taxation of books. One is from my riding of Simcoe Centre and the other is from the riding of Mission—Coquitlam.

The petitioners ask that the Prime Minister carry out his September 1992 promise to remove the GST from books.

### PARKS CANADA

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Madam Speaker, I have the privilege and pleasure today to present a petition pursuant to Standing Order 36.

The petition is signed by in excess of 5,000 Canadians from coast to coast, all of whom are concerned about the future of Parks Canada.

The petitioners note that the federal government is making plans to “offload functions at Parks Canada through employee take-overs”. This is a contracting out scheme that will have a devastating impact on many remote communities where national parks are located.

They also note that they care a great deal about the national parks system and the environment and state they will lose the integrity of the park system if it is privatized.

• (1135 )

The petitioners request that Parliament stop the employee take-over proposal and work with the citizens and Parks Canada workers to develop cost saving ideas while at the same time preserve Canadian heritage.

### NATIONAL HIGHWAY SYSTEM

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Madam Speaker, I have a second petition today signed by a number of residents of my constituency, specifically from the city of North Battleford, the towns of Speers and Jackfish Lake, and a few others.

The petitioners note that 38 per cent of the national highway system is substandard and that the national highway policy study identified job creation, economic development, national unity, saving lives, avoiding injuries, lower congestion, lower vehicle operating costs and better international competitiveness as benefits of the proposed national highway program.

Therefore the petitioners call upon Parliament to urge the federal government to join with provincial governments to make national highway system upgrading possible.

### TAXATION

**Mr. Tony Valeri (Lincoln, Lib.):** Madam Speaker, pursuant to Standing Order 36 it is my honour to table a petition on behalf of my constituents in Lincoln.

The petitioners would like to draw to the attention of the House that charitable organizations are being called upon to provide an increasing number of services for individuals in need.

Therefore the petitioners request that Parliament change the taxation formula so that an equal percentage of political and charitable donations are deductible.

[Translation]

**The Acting Speaker (Mrs. Ringuette-Maltais):** I wish to inform the House that, due to the ministerial statement, Government Orders will be extended by 34 minutes.



*Government Orders*

[English]

**QUESTIONS ON THE ORDER PAPER**

**Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.):** Madam Speaker, I ask that all questions be allowed to stand.

**The Acting Speaker (Mrs. Ringuette-Maltais):** Is it agreed?

**Some hon. members:** Agreed.

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**GOVERNMENT ORDERS**

[Translation]

**BUDGET IMPLEMENTATION ACT, 1997**

**Hon. Douglas Peters (for the minister of Finance)** moved that Bill C-93, an Act to implement certain provisions of the budget tabled in Parliament on February 18, 1997, be read the third time and passed.

**Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.):** Madam Speaker, it is with enthusiasm that I begin the debate for third reading on Bill C-93, the omnibus bill implementing the budget for 1997. As we know, this legislation will ensure the implementation of a whole series of measures introduced in the budget tabled in February 1997.

[English]

The Parliamentary Secretary to the Minister of Finance has spoken in support of the legislation on previous occasions prior to second reading and when the legislation was reviewed by the Standing Committee on Finance.

[Translation]

It must of course be remembered that before this bill was introduced for passage in the House, the issues it deals with were broadly discussed in the debate over the last budget.

Since these issues have already been discussed at length, my comments will be brief, and I hope my colleagues will pass this bill shortly.

As I have already said, the 1997 budget not only builds on the government's remarkable progress in putting its fiscal house in order but makes first class strategic investments for the benefit of Canada and Canadians. The bill before us today will allow these investments to be made.

[English]

It will invest in immediate employment and growth by enhancing the ability of small businesses to create new jobs. It will invest in long term jobs and growth by improving Canada's infrastructure for innovation. It will invest in a stronger society and improve support for children in low income and lower income families.

● (1140)

As I have said before in the House these issues should not be divided along partisan lines. On the contrary, they should bring us together with an urgent and truly national sense of purpose. I can think of no more worthy a national purpose than our country's children, particularly those children who are not getting everything they need for a proper start in their lives.

Bill C-93 takes an important step in advancing the welfare of these children now that fiscal improvement has given us some scope for renewed social investment. The bill will pave the way for a national child benefit system by launching an enriched child tax benefit. Under the proposed approach the enrichment of this federal benefit will enable the provinces and territories to redirect some of their spending to better services and benefits for low income working families.

The enrichment of the current \$5.1 billion child tax benefit to create a new \$6 billion Canada child tax benefit will take place in two stages. Effective this July the working income supplement will be enriched by \$195 million or \$70 million more than that proposed last year. This will directly translate into an increase in the maximum working income supplement from \$500 per family regardless of size to \$605 for families with one child, \$1,010 for those with two children and \$1,440 for those with three children. A further \$330 will be paid for each additional child.

The second stage will occur in July 1998 when the working income supplement will be combined with an enriched child tax benefit to form the Canada child tax benefit. The maximum benefit for low income families will be \$1,625 to the one-child family, \$3,050 to two-child families and increasing by \$1,425 for each additional child.

Overall more than 1.4 million Canadian families with 2.5 million children will see an increase in federal child benefit payments by July 1998.

The government is committed to doing more for Canada's children as the resources become available. In the meantime, I am confident that no hon. member can object to the increase in benefits for children proposed under Bill C-93. It is fitting that children be a priority of the government, not only because they are the most vulnerable in our society but because they are in a very literal way our nation's future, society's future.

*Government Orders*

Bill C-93 proposes other investments in Canada's future, including one of the most important initiatives we have seen in recent years for long term growth and jobs in the country. I am referring to the Canada foundation for innovation.

It has become commonplace to acknowledge that education, knowledge and innovation are keys to seizing the economic opportunities of tomorrow, but scientific knowledge and industrial innovation demand a commitment to research. The foundation will provide much needed financial support for research infrastructure at Canadian post-secondary education institutions and research hospitals in the areas of health, the environment, science and engineering.

What is more, the federal government's \$800 million investment in the foundation could lead to as much as \$2 billion in needed investment in research infrastructure through partnerships with research institutions, the private sector and/or the provinces.

The foundation for innovation has been widely hailed as an important measure to enhance Canada's longer term growth and job prospects, but Bill C-93 also includes initiatives that will help Canadians who want and need jobs. I am referring in particular to the new hires program which will provide employment insurance premium relief to small firms that create new jobs this year and those that create new jobs in 1998.

Under the bill eligible firms, those with less than \$60,000 in EI premiums in 1996, will pay virtually no employer premiums for new employees hired this year. They will benefit from a 25 per cent reduction in premiums for new employees in the year to come.

• (1145)

The new hires program, together with the general 1997 EI premium rate reductions, is expected to generate as many as 20,000 new jobs in Canada.

Bill C-93 includes a broad range of proposed measures. Others in the Chamber have spoken about this legislation at earlier readings and I have confined my remarks today to those which carry broad significance for a large number of those of us living and working in this country.

However, the other elements of Bill C-93 are nevertheless important to the stakeholders they affect. They include measures that will discourage tobacco consumption, provide greater self-reliance and autonomy over taxation to First Nation bands and measures to help assure the continued viability of a national airline in a way that is fiscally responsible and, at the same time, competitively equitable.

I have outlined today an important and widely beneficial piece of legislation, good news legislation, whose merits are apparent and whose review by the House have been extensive. I urge all members, all colleagues on all sides of the House, to give support to this worthy bill, C-93.

[*Translation*]

**Mr. Richard Bélisle (La Prairie, BQ):** Madam Speaker, Bill C-93 is an Act to implement the 1997 budget. I will describe its major elements.

Compared to the billions of dollars cut from social transfers and taken from the unemployment insurance fund, the meagre \$50 million spent this year on the child benefit sounds like a drop in the bucket. This is the extent of the compassion felt by the Minister of Finance for the poor children of this country. We will not see the \$600 million announced until 1998-99, while we now have 1.5 million children living in poverty in Canada.

The Minister of Finance could have taken advantage of the present favourable conditions to lower UI premium rates by three or four times as much in order to really create jobs while spending the billions of dollars in the UI fund to increase the protection lost in the wake of the employment insurance reform.

The Minister of Finance could also have taken advantage of those three and a half years in his portfolio to undertake a real reform of corporate and personal taxation, as the Bloc Québécois has been calling for since the beginning.

We know, for example, that he could have used up to \$3 billion per year from corporate tax expenditures to support small and medium size business which create jobs, as we demonstrated last November.

The minister could have done all this and more while getting the deficit down to zero by the year 2000 thanks to the government's room to manoeuvre, the extent of which the finance minister is trying to hide from us.

This budget is hiding the true face of deficit reduction. On page 7 of the budget speech, the minister claims, and I quote:

—we will meet our objectives, as in the past, by focusing on getting spending right—not by raising taxes.

The truth is the minister has hardly done anything to better manage government finances. The brunt of his deficit reduction has been borne by the taxpayers, who, in the last four years, have had to put up with \$2 billion in tax increases and \$14 billion in cuts, over half of which were made to transfer payments to the provinces.

Departmental operating expenditures were reduced by only \$3 billion or 8 per cent between 1993-94 and 1997-98, while transfers to the provinces were cut by 27 per cent during the same period.

To stimulate job creation, the minister is announcing a scant \$25 million—or one dollar per Canadian—in new money, including \$15 million for tourism and \$10 million to connect the region to the Internet, compared to the billions he can play with. I would say the budget the minister brought down is anti-jobs.

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As I said before, this budget is full of misinformation, especially when it comes to the finance minister's forecast of the amount of money at his disposal.

• (1150)

He is hiding something. The deficit cannot have dropped by a mere \$2 billion between 1997 and 1998 when it fell by \$9.6 billion between 1996 and 1997. The minister is hiding behind a margin which he narrows deliberately to justify his inaction and the absence of true job creation measures. Most of all, he is hiding the real anticipated deficit for 1998-99 in order to avoid taking a stand on an extremely important question before the next election, that is, what to do with the eventual surpluses.

We should have commended the minister for the \$800 million spent on setting up the Canada Foundation for Innovation, but we suspected all along that there was something fishy. Not surprisingly, transfers to the provinces for 1997-98 will be \$800 million lower than anticipated in the 1996 budget, mainly because the economic situation has improved.

Instead of giving the money to the provinces, the federal government is using it to create a foundation which duplicates and competes with measures already implemented by the provinces. Finally, there is not a single word about compensating Quebec for the harmonization of the GST in 1991, even though it would be appropriate given the \$1 billion paid to the maritimes.

This is clearly a pre-election budget. The minister does not shy away from repeating, in the budget, all the good news already announced over the last few months, but he keeps silent on the \$4 billion in cuts to take effect this year. In our opinion, the Minister of Finance is showing a total lack of respect for the voters by offering them "electoral goodies" when he just cut social programs in a very unreasonable way.

All the new initiatives of the federal government really infringe on the exclusive jurisdiction of Quebec, adding to duplication, overlap, inefficiencies and costs, naturally borne by all taxpayers. The game the government is playing is very simple: cut ruthlessly in social transfer payments and implement new initiatives, often partisan in nature, without any regard for the common good.

Having created new social programs, the federal government withdraws its financing unilaterally, but continues to insist on so-called national standards.

The Minister of Finance did not revise his deficit forecast for the next two years, he is keeping it at \$17 billion for 1998 and \$9 billion for 1999, although he was more than \$5 billion under target for 1996-1997, that is \$19 billion instead of the \$24.3 billion forecast. Therefore, the minister is allowing himself considerable leeway and his measures for employment and the fight against poverty are ridiculous when you compare them to what could have

been done while, at the same time, aiming for a zero deficit in year 2000.

The Bloc Québécois believes that the Minister of Finance has \$8 billion to work with this year, 1997-98. He is one year ahead of his deficit reduction schedule. He will probably reach the \$9 billion mark next year, instead of \$17 billion, hence the \$8 billion I just mentioned.

The finance minister refuses to reveal exactly how much money he can play with, because he does not want to be pressured by the provinces and by public and labour associations that would ask him to refinance social transfers to the provinces, which have been greatly reduced, as we have seen.

Thus, from 1993-94 to 1997-98, the deficit has dropped from \$42 billion to \$17 billion, a \$25 billion reduction. To achieve this, revenues were increased by \$22 billion and spending was cut by \$14 billion.

Consequently, over 52 per cent of the \$14.2 billion reduction in program spending between 1994 and 1998 comes from reductions in transfers to other government levels, mainly the provinces.

• (1155)

We know how the Quebec government's budget was directly affected by these transfer reductions. Between 1993-94 and 1998-99, the deficit will have fallen from \$42 billion to \$9 billion, a \$33 billion reduction. In this case, to achieve this, revenues will be increased by \$28 billion and spending reduced by \$16.5 billion.

We may conclude that over 49 per cent of the \$16.5 billion reduction in program spending between 1994 and 1999 comes from reductions in transfers to other government levels, mainly the provinces.

Since the Liberals came to office, personal income taxes have grown faster than the economy, than the GDP. This increase in the personal tax burden does not come from a review of the tax system, which the Bloc Québécois had asked for in order to increase fairness. On the contrary, it comes especially from several subtle tax increases, such as the non-indexing of tax tables and credits.

The cuts announced in the 1994, 1995 and 1996 budgets will reduce the federal deficit by \$4.6 billion this year. We may then talk about \$4.6 billion in cuts and tax increases that were announced in the past, but that will come into effect this year. In 1998-99, the cuts announced in the past will reduce the deficit by \$28.9 billion, that is \$2.8 billion more than in 1997-98 and \$7.4 billion more than in 1996-97.

The finance minister has gotten into the habit of putting off his bad news until later. But, in his 1997 budget, he bragged that he was announcing no new cuts or tax increases. Nevertheless, there

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are \$4.6 billion in cuts and tax increases being implemented this year, as announced in the three previous budgets.

An election year is no time for the Liberals to spend billions. By artificially increasing future deficits, the Minister of Finance has avoided setting off a debate on the use of possible future budgetary surpluses. Indeed, as long as people think we are still deeply in debt, the Liberals can go on saying that we must stay the course.

On the other hand, if a zero deficit had been announced for 1999, the next election campaign could have centred, for example, on the use of the surpluses created in the federal government's next budget, compelling the Liberals to commit themselves on this important issue.

These past few months, several economic forecasting firms commented on future deficits. Their estimates are quite different from what the Minister of Finance predicted in his last budget. The minister already had more than \$1 billion in leeway this year, in 1997. Moreover, we are heading toward a \$9 billion deficit in 1998, rather than \$17 billion as claimed by the minister, which will give us the \$8 billion surplus that I mentioned earlier. Finally, we will have a zero deficit in 1999, at least one year ahead of schedule, which will definitely allow a surplus that could even reach \$9 billion.

There is nothing very original about the infrastructure program. The federal government is investing \$425 million in a second phase of the Canada infrastructure works program. This amount is in addition to the \$175 million remaining from the first phase, for a total of \$600 million in 1997.

The budget provides that the funds allocated to the Canadian Tourism Commission will increase by \$15 million a year over the next three years. This is very little, considering that the commission's partners from the private sector are already investing more than \$65 million this year. An amount of \$50 million will also be set aside for the Business Development Bank of Canada, so it can help finance tourist facilities in the private sector.

• (1200)

The budget also provides for a \$7-million increase, in 1997-98, in the funds allocated to the National Literacy Secretariat. This is somewhat ridiculous, given the efforts required and already made by the provinces, which have jurisdiction over this area.

There is nothing original about the federal government's new job creation strategy. The government is dragging its feet and proposing an antiquated job creation strategy that lacks originality and dynamism. Here is a government which got elected under the slogan "Jobs, jobs, jobs", but which no longer has any idea on how to create employment.

There is nothing in the Liberals' election-minded budget for those Quebecers and Canadians who are looking for work. In terms of new money for active job creation measures, the government is only allocating \$25 million for the coming year, that is \$10 million for connecting the regions to the Internet and \$15 million for tourism. This amounts to less than one dollar per Canadian and less than \$20 per unemployed for this year.

Yet, as we showed earlier, the Minister of Finance has a financial margin of several billion dollars. For example, he could have undertaken a review of the corporate taxation system, free up \$3 billion per year, and reinvest the money in the system, so as to concretely support job creation.

The budget announces a 10-cent reduction in employment insurance premiums, as of January 1, 1998. This will bring premium rates to \$2.80 per \$100 for employees, and to \$3.92 for employers. Such an announcement is usually made in November. The finance minister will then have the opportunity to announce this good news twice. The 10-cent reduction is much less than what it could have been, in view of the annual surpluses accumulated in the UI fund.

The accumulated surplus is large enough to allow more flexibility in the insurance eligibility rules as well as a more substantial reduction in the level of contribution. You will agree that any additional yearly surplus is a hidden tax. The estimated cost of cutting 10 cents from the contribution rate in 1998 is \$700 million. When this cost is compared to the annual surplus expected to reach about \$5 billion in 1998 and to the accumulated surplus that should come to about \$15 billion by the end of 1998, we see that the minister is not making much of an effort.

The yearly surplus in the UI account expected for the coming years will presumably come to between \$5 billion and \$6 billion, basically because of the new provisions that came into effect on January 1, 1997 and make it even harder to qualify for benefits in addition to decreasing benefit levels.

Here are some figures which illustrate how little effort has gone into reducing the level of UI contributions. Each percentage point change in unemployment rates could affect the cost of the program by some \$1.2 billion a year. Likewise, each 10 cent change in employee contribution rates, such as a decrease from \$2.95 to \$2.85 per \$100 of insurable earnings, means about \$700 million in contribution revenues for the government.

The last recession has engulfed about \$20 billion in UI costs. However, the chief actuary, Mr. Bédard, told the *Financial Post* on October 1, 1996, that because of the government's permanent cuts to program spending, the next recession would not be as costly. The current and projected surpluses in the UI account are outrageous. In fact, it is thanks to workers and employers that the finance minister is able to artificially reduce his deficit. The UI contribution rates are a hidden job tax. The surplus should go into a distinct account so that it cannot be used to artificially reduce the deficit. We agree

that there should be an accumulated surplus in the unemployment insurance fund, but it should not be excessive. Relatively stable contributions are needed if we are to avoid raising contribution levels during economic downturns. Unemployment insurance contributions are by far the most important of payroll taxes.

• (1205)

If unemployment insurance rules in 1996 had been similar to those in 1989, only \$3 billion more would have been available for the unemployed in Canada. Eligibility requirements are increasingly restrictive for maternity leaves also.

While the Government of Canada, out of compassion, is about to spend a few hundred million dollars on poor children, it is taking billions out of their parents' pockets. In 1996 alone, UI benefits were cut by \$3 billion, while the Canada social transfer for health, education and welfare, the cost of which the federal government is deftly unloading onto the provinces, fell by \$4.5 billion over two years.

The government has undertaken to improve the child tax benefit by injecting \$600 million in new money and reallocating \$250 million already announced in the 1996 budget.

This will be a two-step process. First step: in 1997, the government will increase the working income supplement, which will now be calculated per child rather than per family. The maximum annual level of the working income supplement, now set at \$500 per family, will climb to \$605 for the first child, \$405 for the second child and \$330 for the following children. This will cost \$195 million in 1997-98, \$125 million of which has already been included in the 1996 budget.

Second step: more concrete measures are to follow discussions with the provinces. The current proposal is to merge the tax benefit and the working income supplement into a single benefit. The increase will be higher for low income families with many children.

The interim measure and the measures to be taken in 1998 do not affect families with an income over \$25,921. Also, the bill does not provide for cost-of-living adjustments.

So, from all of this, we can conclude that, after making the parents poorer by cutting the social transfer and UI benefits and failing to create jobs, the Liberal government suddenly cares about the children and has cynically decided, five years later, to recycle the money promised in 1993 for child care.

Family policy and the fight against poverty are provincial areas of jurisdiction. Continuing interference by the Canadian government in these provincial areas of jurisdiction is unacceptable to us

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and is hampering the implementation of a truly consistent policy by the provinces.

Thus, after ripping their shirts on the non-indexation of benefits by the Conservative government, the Liberals have yet to remedy the situation.

The Caledon Institute and anti-poverty organizations estimate that an additional \$2 billion a year is a minimum needed to start fighting poverty whereas the government will spend only \$850 million starting in July 1998. Thus, this measure is quite unsatisfactory.

The Liberal government is using the fight against poverty as an excuse to slash social programs like unemployment insurance and social assistance.

The Liberal government broke its promise to create new child care spaces and the money that was supposed to be spent in that regard, that is, \$720 million, vanished into thin air. Will the same happen to the amounts set aside for fighting child poverty?

• (1210)

Lastly, the Quebec government considers this new benefit to be another interference in Quebec jurisdictions. However, Quebec can hardly reject out of hand the federal proposal to inject additional funds into programs for children, since those funds can be reallocated by the Quebec government to other programs for children.

In short, the Bloc Quebecois has already expressed its opposition to the following aspects: federal meddling in an exclusively provincial jurisdiction; the non-indexation of benefits, which hurts families with children; and replacing a sound family policy with the fight against poverty.

In pretending to follow the recommendations of the National Forum on Health, the federal government has announced additional funds of \$300 million for health care, including \$150 million over three years supposedly to help the provinces launch pilot projects to provide home care or drugs; \$50 million over three years to put in place a national information system on health; \$100 million over three years to improve existing programs, namely the Community Action Program for Children and the Canada Prenatal Nutrition Program.

It is difficult to imagine, at first glance, how the program will work. Will the health minister have a veto over how the funds will be allocated? Will there be new national standards? We can be sure of one thing: health being a provincial jurisdiction, the new funds announced amount to further federal interference in a provincial area of jurisdiction.

The government ignored an important recommendation made by the National Forum on Health that cash transfers for health and social services be set at a minimum \$12.5 billion, the amount

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forecast for 1997-98, instead of reduced to \$11 billion, as anticipated.

The new funds concern activities which are a direct provincial responsibility. It will be tempting for the federal government to implement all these policies and continue to meddle in provincial areas of jurisdiction.

In conclusion, all these examples show without a shadow of a doubt that the finance minister is not making any serious effort to help the most disadvantaged in our society, to help small businesses to grow, which would help create jobs and ensure the financial independence of families and individuals. This is exactly the opposite of what the government has done in the budget tabled by the finance minister in February.

[*English*]

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it is a pleasure to address Bill C-93.

This legislation and much of the legislation that passes through this place is remarkable not only for what is in it but especially for what is not in it. As we approach what probably will be an election call in the next few days it is very important to take a look at the agenda put forward by the government with respect to issues that are important to Canadians, particularly economic issues.

The government blew a wonderful opportunity in this year's budget. It had a chance to get its priorities in line with the priorities of regular Canadians. As someone who has been to many different provinces this past year I can say that the government simply does not understand the priorities of the Canadian people.

I was in Moose Jaw and Saskatoon last week. I was in British Columbia the week previous to that. I will be in Toronto this week. It seems that no matter where I go Canadians have a very different agenda from that which the government has proposed.

• (1215)

When I talk to people I find that they have some very modest expectations. They do not ask a lot. They have very modest dreams. When I talk to people they say things like "Would it not be nice to be able to find a job? Would it not be nice to be able to set some money aside so that I can buy a house or start a family? When we start a family, would it not be nice if we could set some money aside to put the kids through school? If we chose, would it not be nice if one of us could stay home to look after the children? Ultimately, would it not be nice to set money aside for retirement?" I do not think these are exorbitant requests. They are very modest dreams. What we have run into is a succession of governments which seem to have worked against the very modest dreams which people have.

On the one hand, people want opportunities. They want the chance to do those things. On the other hand, people want some security. If they become unemployed through no fault of their own they want to know that there will be some kind of a social safety net to help them. If they become ill they want to know that the health care system will provide for them in a timely fashion. Again, those modest expectations of security are not being met by this government and they have not been met by previous governments.

Husbands want to know that when their wives go out to a parking lot at night they will not have to fear for their lives. They want to know that when their kids go to school they will return home unharmed. Many Canadians do not have that sense of security. The government should be providing that type of security through a strong criminal justice system.

I do not see those types of priorities being met by this government. Certainly I do not see that happening with this budget. The government should be castigated. The principal role of the government should be to get its priorities in line with the wishes of the Canadian people. It is simply not happening.

I want to talk a bit about where the government should be going. Governments have completely reversed their priorities over the last many years. As I pointed out, people have very modest expectations. They are not asking the government to be involved in a lot of them. They just want the government to provide opportunities. If those expectations are to be met, the government must not tax the people to death. Obviously if a person wants to buy a house, go on a vacation or set money aside to put the kids through school, the more money that is left in the pockets of the taxpayers, the better chance they have of doing that.

Somehow that pretty simple truth has alluded successive governments, including the Conservatives. They raised taxes endlessly, 71 times. This government has raised taxes 36 times. Those governments have missed the simple truth. If people are to be able to realize their very modest dreams those governments must stop picking their pockets.

Right now in Canada we have three levels of government exacting about half the paycheque of the average family of four. That makes it virtually impossible to do the sorts of things that people want to do. According to a Decima poll, 74 per cent of two income families said that if they had their druthers, if they could afford to, they would have one parent at home looking after their children.

We should respect those decisions. We should do what we can to get government priorities in line with the wishes of Canadians. Unfortunately Bill C-93 and other budget bills and legislation which has come before the House have failed to recognize how important these things are to Canadians, whom this place is supposed to serve. Governments somewhere along the line went drastically off track with what they thought they were supposed to be doing for Canadians.

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• (1220)

Somewhere along the way we had a group of people who, admittedly, were extraordinarily well educated but determined that they knew better than Canadians themselves what was good for Canadians. Somewhere along the line, I would say 30 years ago, that happened. Since then we have seen the Ottawa agenda rise to the fore in this place and in the Senate.

As a result, instead of Canadians expecting Ottawa to represent their views, they have come to expect Ottawa to bring forward an entirely different agenda from what Canadians want for themselves.

I point to some examples of exactly what I mean. A minute ago I said that Canadians expect the government to provide them opportunity on one hand and some security on the other.

Let us look at where the federal government is at today with respect to all the different types of things it does. Is it really providing Canadians with opportunity?

In 1995 we set a record for bankruptcies in this country, an all time record. In 1996 we eclipsed that record by 20 per cent. We set a new record for bankruptcies. At the beginning of this year we are setting more records, more bankruptcies.

The finance minister tried to put a good face on it but those are alarming facts that everybody should be concerned about. That is not all. We have record debt, \$600 billion worth. That is a staggering amount of money, somewhere in the range of 75 per cent of our GDP.

We will have another deficit again this year. The deficit will come in probably around \$15 billion. It has been 30 years since we had a balanced budget. That is ridiculous. I cannot believe that we have staggered on as a country for that long without a balanced budget.

It does not end there. Of course where there is a \$600 billion debt there are massive interest payments of \$46 billion, \$47 billion a year in interest that we are paying; 37 cents of every tax dollar goes to pay interest on the debt.

Flowing from that, when there are interest payments that are that high, evermore we pay taxes. That certainly is the legacy of the previous government. The Conservatives raised taxes 71 times.

A Conservative government, somebody who believes in real conservatism, would never do that. They understand that money is much more valuable in the hands of taxpayers.

Somehow conservatism got lost for the Conservatives and they embraced some other type of ideology, some other form of thinking which this government to a certain degree has also embraced. That is why we have had a further \$100 billion increase in debt under the Liberal government and another 36 tax increases.

We have had all that happen. It has not been without its repercussions. I mentioned a minute ago bankruptcies. I would argue very strongly that many increases in taxes could come only from one place, from taxpayers.

There will be more bankruptcies. It is a pretty direct cause and effect relationship. One of the most startling facts I have uncovered since we have been here is the one that comes from the Fraser Institute. It tells us that since 1993 when this government came to power the average family has seen its disposable income fall by \$3,000.

That to me is a shocking statistic. We should all be very concerned about it. When there are those sorts of impacts on Canadian families, is it any wonder that we have staggeringly high levels of bankruptcies?

One of the other major repercussions of record high debt, taxes, bankruptcies and all those sorts of things is unemployment of over 9 per cent for 78 months in a row. It is the worst record since the Great Depression.

• (1225)

Economists tell us that our economy has been growing since the early 1990s, since about 1991. We have had six years of growth. I can assure the House that there are many Canadians who have been unemployed for a long time and who have not seen that growth in the economy. For them there has no been end to the recession. The recession has continued on and on.

We have seen almost one-third of a generation grow up in a very recessionary economy. Certainly the domestic economy has been asleep for a very long time and has never fully recovered.

This should give us all pause. We should be asking ourselves why this is happening. We should also refer back to what people have told us for a long time: is it not the responsibility of the government, with respect to our economic well being, to provide us with opportunity?

I would make the argument as forcefully as I can that the Conservatives failed miserably to provide us with opportunity. Their record is shameful, sorrowful and speaks for itself. I would also say, with great respect to government members, that the government simply has failed to fulfil not only its election promises but the expectations of Canadians who have been asking successive governments to create the opportunity for jobs, hope, prosperity and growth in the economy, the things that typically governments have done in this country for decades.

It was precisely because governments heeded what Canadians said with respect to living within their means. We took that for granted for a long time. It just seemed like such common sense. However, starting in about 1968, if I had to pick a date when former Prime Minister Trudeau came to power, we got some really strange ideas in our heads about what exactly an economy was capable of doing, especially when we continued to spend more money than

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we brought in. We had some very strange ideas. I think those ideas have continued on even to this day.

I know that some hon. members across the way will make the argument that yes, but they have done better. They have slowed down the amount of money that they spend relative to what they take in. I accept that they have. I think that is true. However, if the past week is any indication of how this government reacts the moment it looks like an election is coming, I think we are in big trouble.

I have gone through the numbers. If we look at all the different things that could be construed as ways of currying favour with the public with an election pending, it amounts to billions of dollars that the government is proposing to spend.

The GST harmonization deal with Atlantic Canada cost \$1 billion. That, in a way, relates to both the last election and this election. That was not something that was demanded by Atlantic premiers or the people of Atlantic Canada. It was done initially to get the government off the hook for its 1993 campaign promise but is now being done, I would argue, as much to prepare for the 1997 election campaign.

All of a sudden the government has realized that for all these years it has been wrong about pay equity. On the eve of an election campaign, seemingly or perhaps just a wild coincidence, the government has decided it needs to come up with a billion dollars for that.

The Pearson airport deal was causing the government tremendous grief. Its name was being dragged through the mud. What did it do? It produced \$260 million to deal with that. It goes on and on. We have the armouries in Liberal ridings.

**An hon. member:** You are exaggerating.

**Mr. Solberg:** My hon. friend across the way is trying to interject, but I would ask him to let me make my point because I think it is important.

I do not see in this budget implement act money being set aside for armouries. I certainly do not see money being set aside precisely for the Prime Minister's riding, for the Deputy Prime Minister's riding and for the riding of the health minister. I am looking through Bill C-93 and I do not see it in here. I do not recall the reference to it in the budget speech.

• (1230)

I do not recall the reference in the budget speech to the \$63.7 million for the sock factory in Montreal. I know Montreal has a lot of people and those people vote, but I am troubled because that is a lot of money.

The government went out of its way to ensure that it met its promise exactly when it said it would cut health care spending and it did. The government cut big time. It cut \$7.5 billion from

transfers to the provinces for health care and education. It cut every penny of it. It made sure of that. It raises some questions when it comes to money for a sock factory in Montreal because there are a lot of people there and they have tended to vote in a certain way.

Bill C-93 talks about the Canada foundation for innovation. The idea behind the foundation is to pay grants to modernize and enhance infrastructure for research in Canada. Is the \$63.7 million for the sock factory part of an initiative from the Canada foundation for innovation? Is this the type of money that the government is spending on research? I hope not.

Canadians have other priorities. Health care is 50 times more important to Canadians than spending money on sock factories. It is 50 times more important than spending money on armouries in the Prime Minister's riding, the Deputy Prime Minister's riding and the riding of the health minister. I am alarmed at some of the things the government spends money on.

It was not very long ago that we raised the issue of the federal government spending money on golf carts. I cannot believe it either but it is true. Canadians would much rather see that money put into opening up hospital beds that the government closed when it cut \$7.5 billion to the provinces for health care.

In a round about way I am saying the government is off track with respect to paying attention to what the priorities are of regular Canadians. It is completely off track because way back when Canadians said—and I think they continue to say it—that they expect the government to provide opportunity. It has failed to do that. They also say they expect the government to provide some security. It has also failed to do that. I want to expand that argument a bit more.

If Canadians are asked, there are 10 or 12 things they think the federal government and only the federal government can do and should do extraordinarily well. In my opening remarks, for instance, I talked about how nervous many Canadians are about going out on to the street at night. They are concerned about crime. I think my hon. friends across the way will agree that is a fact today, especially in big cities around the country.

Instead of focusing efforts on putting money into sock factories or buying golf carts, instead of having the bureaucracy focused on doing those types of things, would it not make a lot more sense to take that money and those efforts and focus them on ensuring that we deal once and for all with our crime problem? Would that not make a lot more sense?

I would love to see a country that is known around the world for having the best justice system. That should be the goal of the government. The federal government should set as its number one goal the provision of the best justice system in the world. It should



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ensure the rule of law is absolutely adhered to in Canada. The government could do it if it placed emphasis on it.

With the election pending we saw yesterday that the justice minister was desperate to get through the anti-gang legislation. Our party co-operated fully because we have tried to make criminal justice a huge issue in the country. We want to protect ordinary Canadians from crime. We think that should be the number one responsibility of the government.

• (1235)

It is not enough to try to rush something through in the last days of a regime. It is important the government make it a priority every day. Can we imagine if we focused all that government spending on fixing the criminal justice system?

My friend from Fraser Valley West told the House about a woman in his riding who was brutally raped for 90 minutes—and I will spare the House the details—only to have the offender go before the court and because of legislation the justice minister brought forward, Bill C-41, he was allowed to walk free without spending a day in jail. Can we imagine instead of bringing those examples forward the hon. member was able to say he has discovered that crime is no longer an issue in his riding? Can we imagine that? It would be wonderful. That is something the government should focus on.

Only when there are a couple of days left before an election campaign does the justice minister bother. He brought forward all kinds of stuff which, to be polite, are at the fringes of the whole idea of justice. Elementary things, the things most Canadians consider to be important, have been absolutely and completely ignored.

The members for Fraser Valley West, Crowfoot, Wild Rose and Calgary Northeast have repeatedly asked the government about a victims bill of rights. That is the number one responsibility of a justice minister and a federal government. Somehow the government has forgotten its priorities.

It foals around with legislation that deals with the fringes of criminal justice. Through Bill C-41 it provides judges with the opportunity and the latitude not to impose any jail time even for serious violent offences. That is what the government did. It saw it as more of a priority than giving victims the right to protection in the law. That is so wrong that it is unbelievable we should even have to discuss it.

The federal government is not in line with the priorities of Canadians with respect to justice. It is not in line with the priorities of Canadians with respect to internal trade barriers, for instance. One thing the federal government should do, can do and has the right to do under the Constitution is to say to the provinces that it is time to have the same ability to trade between provinces as we do

with the United States. At the risk of sounding like I am talking down to members across the way, that is pretty much common sense. The people back home would agree it makes sense that Ontario should be able to trade with Quebec as easily as it can with Michigan.

That is not the fact. There are internal trade barriers. There is an important role the federal government should assume. It currently does not play much a role, despite what the government has said about these things in the past.

The government should focus on the military, something about which we have had a lot of discussion in the House. Approximately two weeks ago we celebrated the 80th anniversary of our great victory at Vimy Ridge. There are few veterans of that battle left but those who are left, and if others could return, are very concerned, if not ashamed, at the state of the leadership of the Canadian military today.

If the federal government spent as much time working on matters such as fixing the Canadian military as it does handing out ridiculous grants to all kinds of special interest groups, we would have a far stronger military and Canadians would forever be in debt to the federal government.

Many Canadians who served in both world wars, the Korean conflict and peacekeeping since then, and people who are currently serving today, are demanding that the federal government fix the problems in the Canadian military. They should not be put off. They should not wait for some other administration down the road to fix them. They should not be left to die a death of a thousand cuts. The government should find out what is wrong with it and fix it. We should be given the best military in the world for the size of our country. That should be the goal of the Canadian government.

• (1240)

If it focuses on doing all the things only the federal government can do, such as foreign affairs, international trade, the monetary system, and does them extraordinarily well, Canadians will say the federal government has done something wonderful by giving them excellent government and great service. It would also mean the government would not be spending near the amount of money it currently spends on all kinds of things at the margin and pretty frivolous.

If the government did that it would be able to balance the budget for the first time in close to 30 years. That would be a real step forward. If it were able to focus its spending it would also find that it had a big surplus, which is exactly what my party is proposing.

Bill C-93 is talking about spending more money. Our party says that the federal government should focus on doing those things only the federal government can do and do them extraordinarily well. It should give the provinces and municipalities more respon-

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sibility for some of the other things. It should allow families and individuals the opportunity they have asked for, for a long time.

If the government does that we will have a better country. It would make a lot more sense to ordinary Canadians who want to be left alone and have basic services provided. It would make a lot of sense for national unity to allow the provinces to play a bigger role.

We read in the newspaper about how it took 32 years to get a labour training agreement with the Quebec government. With respect, that flies in the face of common sense again. The provinces are closer to the people and can provide training better. They know what their people need and want. Why in the world did it take 32 years for that to happen? It is ridiculous.

Why not allow the provinces to do what they can do better and allow lower levels of government closest to the people to do as much as they can possibly do? That makes absolute sense. Instead of continuing to usurp powers to the federal government, powers that according to the Constitution do not really belong to the government, it should allow provinces, municipalities, families and individuals, the private sector, charities and all various groups that in the past have demonstrated they know perfectly well how to run their own affairs, to take a leadership role. That is something the government should do.

When the government does that it opens up some room. It gives it a big surplus. If it has a surplus the world is a much brighter place than when it has a deficit. It has a lot more options when it has a surplus. The government could heed the request of Canadians who say they would like more money to be put back into health care. The government took \$7.5 billion out of health care and education. They want some money put back in. My party says that we should run a surplus, focus the government and give back money to the provinces for health care. It makes a lot of sense.

It should put \$4 billion back. When there is a big surplus it only makes sense to pay money toward the \$600 billion debt. We must start to reverse the trend. If we start to pay down the debt we will not have to pay big interest payments any more. They would get smaller all the time. That would free up even more money for things that are important to Canadians.

Let us take the rest of that money and offer it to Canadians in the form of lower taxes. I know what some members across the way will say. They will say one of two things. I have heard them say that Canadians do not really want lower taxes. They have also said they believe in targeted tax relief. That is fine. I accept that. After 107 tax increases in the last 12.5 years I would argue Canadians need more than a targeted cut. Canadians instinctively know they will have a lot of trouble competing with the rest of the world if they have a much higher tax regime than other countries.

• (1245 )

My hon. friend from Prince Albert who sits across the way knows that personal taxes have gone up relative to GDP by about 15 per cent since the government came to power. Personal taxes have risen exponentially compared with other G7 nations. They have gone through the roof in the past many years.

We have to do something about that because it hurts our ability to compete in the world. It also hurts the ability of ordinary individuals and families to get the things they want. They are the priorities of Canadian families to which I referred earlier. They are people's fairly modest expectations. People want to set aside enough money to buy a house. That is not unrealistic. They want to set aside money to start a family which is okay with most people. It is okay to have money to go on a vacation. If the government is taxing half your income it becomes very difficult to do that. It is very difficult for a family to choose to have one spouse stay at home with the children if half your income is being taxed away.

In order to realize those expectations it is necessary to give Canadians lower taxes. In order to create an economy that produces jobs for Canadians we must have lower taxes. I have heard the finance minister say that payroll taxes are a cancer on job creation. I agree with the finance minister but I wish he would heed his own observation.

The EI surplus is building and building. It will be \$10 billion or \$15 billion by the time the government ever gets around to balancing its budget, if it ever does. Instead of allowing those premiums to stay so unreasonably high when unemployment is over 9 per cent, why not balance the budget quickly and start to lower EI premiums so the economy will create jobs and put Canadians back to work?

I cannot believe when I go to Newfoundland that we have a province with a 20 per cent unemployment rate. That is alarming. I come from Alberta where the provincial government has been very responsible with its finances. Taxes are the lowest in the country and as a result the level of unemployment is relatively low. I was staggered when I went to St. John's last September and saw the unemployment. It is a national tragedy. I was in Cape Breton a little over a year ago and I could not believe the situation that economy is in. It is horrible, a national tragedy. It speaks volumes about the need for the finance minister to come to grips with the deficit and to start to lower payroll taxes. That is a contradiction of where the government is heading with respect to payroll taxes for CPP, but I will discuss that later.

The government has gone really off track and does not recognize that Canadians have very legitimate aspirations. It has not been able to meet those aspirations, nor did the previous Conservative government.

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My party believes we need a lot of tax relief. That is why we believe in a \$2,000 cut for the average family of four by the year 2000 as a start toward tax relief. We want to bring about \$15 billion in tax relief so that Canadians can take the money they previously gave to the government that very often spent it on things that I think are very unfortunate and quite wasteful in the worst instances and use that money to pursue their own dreams. That is what we would do with that money.

I will backtrack to the government's priorities and speak for a moment on the government's approach to health care when you have a balanced budget. I am on the finance committee. The president of the Canadian Medical Association was before us not too long ago. She made the point that today if someone is waiting treatment for breast cancer or prostate cancer, on average, the waiting time is 14 weeks. People have to wait over three months for treatment for those two virulent forms of cancer. The cancer does not stop because the government does not have enough money to put toward treatment. The cancer rampages on.

• (1250)

I cannot believe that the government has decided that spending money on interest payments for money it has borrowed around the world, which is what it does when it does not balance the budget, that spending money on sock factories, golf carts, armouries and any one of a hundred different things is more important than spending money on health care and preserving the health of Canadians. I do not understand why the government is being so obstinate about dealing with this problem.

Why does the government not recognize that health care is a priority? Why does it not get its agenda in line with the wishes of the Canadian public? Why will it not address the problem? Why are we being subjected to the Prime Minister lining up photo opportunities and giving out taxpayers' money for all these crazy ideas when Canadians have made it clear health care is the number one priority? It makes absolutely no sense.

I am going to conclude my remarks where I began. The role of the government is to recognize what the priorities of Canadians are. The role of the government is to serve the public. It is a pretty radical idea, I know, but the government should listen hard to what Canadians are saying about their priorities.

If the government listens hard it will come to the same conclusion to which the Reform Party came, which is that Canadians want smaller government and a government which focuses on the things that are priorities for Canadians. They want a balanced budget. They want to run surpluses and they want to reinvest in those things which are priorities. They want to take that surplus and give Canadians lower taxes. They want to use the surplus to pay down the debt.

Ultimately, if the government can do those things, the country will have an economy which will provide Canadians the opportuni-

ty I spoke of earlier, which is the opportunity to create the jobs which Canadians so desperately want.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I am glad to take part in the third reading debate on the Budget Implementation Act. It seems that this year's budget is not aimed at the real problem, which is unemployment, despite our numerous remarks on the subject.

The budget is aimed at the wrong target. People tell us to repeat our arguments again and again, but what use is it? We recently had the example of the American pensions which showed that by insisting, by constantly asking questions and making request upon request, we can get somewhere. Getting results on an issue like that gives us renewed energy to try to bring the government to recognize our arguments. The fight against unemployment was totally omitted from the Liberal government's 1997 budget, but I have some concrete measures to propose to create jobs because we need jobs on an urgent basis.

In my riding, be it the Kamouraska, Rivière-du-Loup, Témiscouata or des Basques regional county municipality, we need jobs to allow local workers to earn a living and to support their families so they can be proud to live and work in the area.

The first measure would be to plan the use of the surplus in the employment insurance fund because, right now, this surplus is used to hide the deficit.

• (1255)

Because the federal government did not have enough discipline to cut departmental spending significantly, it is using the surplus in the employment insurance fund to mask that reality.

In that regard, a concrete measure that could be taken would be to reopen the employment insurance reform to give control of the fund to the people who are paying for it, namely employers and employees. Right now, the situation is somewhat peculiar in that the people who are funding this insurance plan have no control over the way the money is used.

Usually, when there is a surplus in an insurance company, it is used to improve the quality of services, to reduce premiums and so forth, but we have seen no such concrete measure from the government. Yet, had the government decided to reduce unemployment insurance premiums significantly, this would have left more money in the economy, which would have helped to create jobs.

Another concrete measure that can be put on the table to stimulate job creation is to bring radical changes to the government

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procurement policy. Last week, the Standing Committee on Government Operations tabled a report. I will read to you some of the conclusions contained in that report. This comes from both Liberal members and opposition members. There is a consensus on this issue. The problem is that it took three years to get to this point and, during those three years, the Liberal government did not do anything to make its procurement policy work in favour of regional development. We see no such trend for the future.

This is confirmed by what the report says: "The Treasury Board is not enforcing its policies, directives and guidelines for the approval and execution of contracts by departments, agencies and Crown corporations that fall within its jurisdiction".

In other words, the Treasury Board is not playing its role as a watchdog. The departments can pretty much do as they please. It also says: "There is a general lack of public awareness of the federal government's contracting process in many sectors of the Canadian economy, including the small and medium-sized enterprises (SME's) as well as a general lack of understanding of how to access it".

It is even more complicated for francophone businesses, because although government requests for proposals are themselves often bilingual, when more specific documentation is sought, it is not available in French.

In my riding, I have businessmen who have told me horror stories of their experiences with government procurement policies. One firm in Les Basques, for instance, went after a contract to manufacture fibreglass huts for the Minister of National Defence. This is one of the departments with the most impenetrable procurement policy. There is always a relative of somebody on the base, which is often located in Ontario, who wins the contract year after year; when a competitor turns up, there is no way to break in. This was one of the things we noticed.

The result of this in 1994 was to deprive Quebec of \$1.3 billion in contracts. When you compare our share of the population to the number of contracts received, the economy of Quebec comes up \$1.3 billion short. When we are calling for ways to ensure the development of the economy of each of our regions, this is one concrete measure, because \$1.3 billion represents 22,000 jobs, or an average of 300 jobs a riding.

You can see that, with a policy of equitable regional procurement, 200 or 250 additional full time jobs in my riding would be a far cry from the situation we now have.

As we head into an election campaign, we must therefore make sure that, in its next term of office, the government implements the committee's recommendations as quickly as possible. It has taken three years, and it should not take until May 1998, as the

committee is recommending, before we know what action the government is going to take.

During the election campaign, I think voters should ask each of the candidates the following question: What is your party going to do about procurement? The Bloc Quebecois's position on this is very obvious. It is essential that the government's procurement policy be amended quickly, that there be full and speedy access for small and medium size businesses, which create the most jobs in our society, in particular by making information available in French, thus allowing our entrepreneurs to win these contracts and eliminating the chance and often partisan nature of the current political decisions.

Another specific proposal we have to ensure preservation of jobs is to loosen the federal government's grip on transfer payments.

• (1300)

In health alone, the federal government has cut \$750 million in two years in Quebec. If our health system in Quebec had had that \$750 million available to it, would we not have been able to retain many more jobs in the health system? Could we not have carried out a reform that would have been both easier and more appropriate? Changes were needed, but with that money in hand there would have been far fewer problems relating to staff allocation and keeping jobs.

The federal government could have chosen to loosen its grip on transfer payments; it could have made cuts to government operations. The 19 per cent cut planned there ended up as only 9 per cent. The difference between the two can be seen in the cuts to transfer payments. This is very easily seen. The federal government is turning off the tap. The province has less money and is obliged to manage with what it has left. The bottom line is that the jobs cut are jobs in the health field, the main area of concern for Quebecers and Canadians.

It is important to understand this because, in each province where adjustments had to be made, the tendency is to blame the provincial government for not doing its job properly, for not making cuts in the right places. The provincial government's problems are connected to this cut in the federal government's transfer payments, in particular.

If the federal government really wants to implement an active job creation measure in the coming months, in the coming year, it still has time to loosen up on the transfer payments in order to ensure that each province will have sufficient funds. As well, it could re-examine the control of expenditures in each of the departments, in order to make sure that the mandate has been properly fulfilled, instead of just putting the cuts off to another day and never making them, while refusing to give an inch on transfer payments to the provinces. This is an issue that ought to be raised

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in the next election campaign, and it is a major issue, one that could help create employment.

We have three proposals, therefore. First of all, the government could draw up a plan to use the employment insurance fund surplus, ensuring that there will be more money spent in the communities, particularly those where there is seasonal industry, as there is in the region I represent. Then, revise the government procurement policy, in order to ensure that Quebec gets its share, and the regions get theirs. Finally, loosen the grip on transfer payments, so that a satisfactory employment level may be maintained, particularly in education and health.

There are other suggestions as well. It has long been said that Quebec gets its share from the federal government. As an experiment, the Bloc Québécois' presence has been very conclusive; because now that we sovereignists are in Ottawa, we can look into transportation and infrastructure spending, for instance, which have a bolstering effect on the economy, and we have discovered that there is much that has not been done.

This is another proposal to get the economy rolling. There is the infrastructure program which is interesting but port infrastructure also offers interesting solutions. Now that Bill C-44 has been passed, it is of the utmost importance that the Department of Transport divest itself of ports as soon as possible so that local companies can take over under good conditions.

It means, for instance, that in a riding like mine, Rivière-du-Loup, we must create as quickly as possible the conditions that will allow industry to take over the ferry wharf and ensure that the development corporation in Cacouna can actually take full control of the facilities during the next mandate.

It is the same in Trois-Pistoles. We have received financial support on an irregular basis, at election time. There has to be a guaranteed long term future for the ferry. Money must be invested there, money that would allow job creation.

We see the same thing happening in Témiscouata, a region that borders on New Brunswick. There is one highway, highway 185, where there has been a major increase in truck traffic for several years, ever since the railroad tracks were dismantled, and the highway badly needs repairs. We have to show some initiative in this respect. We can no longer expect the traditional ways of funding to kick in, so we suggested, as recommended in the report presented by the transport committee, setting up projects in partnership with the private sector in this country.

Liberal members and members of the Bloc Québécois made this suggestion so that our national highway network could be renewed faster than would otherwise be the case.

• (1305)

We all know governments have less money than they did in the past. They had to find new and different ways to fund these projects. The private sector-public sector partnership works as follows: the government announces that it wants such and such a project to be carried out. The private sector responds to a call for tenders and says yes, it will take care of construction or renovation and maintenance over a period of 25 or 30 years, and the government awards a service contract for that period of time. The government continues to own the highway. The highway is not sold. It is not wholly privatized. The service contract is a way for the federal government or any other government to avoid having to provide funding during the first few years. This means the project can be fast-tracked.

This approach was welcomed by the mayors of municipalities along highway 185, and I can understand why. For many years they have been waiting for investments. Since the highway is part of the Trans-Canada highway, it is important for the federal government to do its share.

Mr. Speaker, I would like to know whether the proceedings will be interrupted.

[*English*]

## SUSPENSION OF SITTING

**The Acting Speaker (Mr. Harvard):** In view of the sirens that are sounding, we will adjourn to the call of the Chair.

(The sitting of the House was suspended at 1.06 p.m.)

[*Translation*]

## SITTING RESUMED

The House resumed at 1.25 p.m.

**The Acting Speaker (Mr. Milliken):** Resuming debate. The member for Kamouraska—Rivière-du-Loup may now continue.

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, after this interruption that was quite beyond the House's control, I remind members that we are looking at Bill C-93 concerning certain measures in the budget.

Before the interruption, I was saying that this budget did not contain any real measures to combat unemployment, the major problem in Quebec and in Canada. I proposed several specific

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solutions to turn the tide and promote employment in our various ridings.

The first was a plan to use the surplus in the UI fund not just to lower the deficit but to really create jobs, particularly in regions with a lot of seasonal employment. This would make it possible to diversify our regional economies.

For example, the number of weeks of work could be increased for forestry workers, as is done in our region, by processing forest products, in order to increase the number of full time jobs in the forestry industry in the future.

I also spoke about changing government policy on procurement, which has been sadly lacking in Quebec, among other places, in recent years. In 1994, Quebecers were short \$1.3 billion compared to what they should have received, given their percentage of the population. That is 22,000 jobs for Quebec, or almost 300 jobs per riding. This would make all the difference between towns having trouble surmounting these difficulties and towns with an SMB that could win federal government contracts. This is a concrete way to do something about employment.

The other way to do something is to loosen the federal government's grip on transfer payments, to ensure the return of the \$750 million in health cuts over two years in Quebec alone because of lost transfer payments. If it had really decided to make cuts in departmental operating budgets, this kind of cut could have been avoided and the money would be there for jobs. The provinces would not be stuck with the problems they are now facing.

There are also active measures under the infrastructures program. The federal government announced that it was divesting itself of ports and other infrastructures, that it was turning them over to the public, to interested groups. But when it does this, these facilities must be in an acceptable condition. Action must be taken rapidly. Market conditions are changing. Our economic stakeholders must, therefore, be able to take advantage of the best transportation infrastructures possible.

Shipping as well as road, rail and air transportation are all sectors in which prompt action must be taken. However, where ports are concerned, the federal government has already announced its intention of unloading them. Let it hand the money over to the communities concerned, so that they may take things over, as soon as possible, in order to breathe new life into these really important elements for job creation.

After Quebec became aware that it absolutely must assume responsibility for manpower, after 32 years of repeated demands—particularly in the past three years as the Bloc kept asking questions in the House in order to ensure that the money available for manpower was given to Quebec, which already had responsibility for education, which already possessed all of the tools necessary, and which was lacking only the necessary funds for these programs to be effective—it finally came to pass. In future, we will have to obtain the same type of responsibility for transportation.

• (1330)

We became aware in the past that, because the federal government was responsible for rail, air and maritime transportation, while the provinces were responsible for highways, there had never been any true connection between the governments in order to ensure effective intermodal transportation.

We have reached the point now where all means of transportation, and all infrastructures, must be brought in line with one another, so as to properly meet the new challenges of the North American markets created by the North American Free Trade Agreement with the United States, Mexico and South America. This, then, is another step that must be taken.

Under the current system, it is certain that we will never obtain real jurisdiction, because the federal government has a sort of natural inclination to prevent such transfers. But at the very least we would need to obtain the same as for manpower, during the next mandate, so as to be able to act on the economic markets and to ensure that the economic strategy is consistent with a transportation strategy which takes all means of transportation into consideration.

I will give an example of this. A few years ago, the rail line linking Rivière-du-Loup with Edmundston was dismantled, with federal government authorization. Since that time, the highway system has been jammed with truck traffic. There is also increased economic activity between the maritimes and Quebec. Had there been only one government intervening in the two sectors, we would have realized that the solution lay not in making miserly savings by dismantling the railway system. What we needed was a more integrated approach which would have made it possible to put trailers on trains and move them by truck at the end of the line. There would have been economic choices, but they were not made.

Today we face a new reality. The federal government is responsible for this highway. It is part of the Trans-Canada highway. We proposed with the Liberal members a public-private partnership project, which would mean the early completion of repair work.

I think the federal government would do well in the next election to endorse public-private partnership projects and, as the Liberal and Bloc members of the Standing Committee on Transport recommended, pilot projects, with Highway 185 being an interesting example.

In short, the budget we got in 1997 was along the same lines as those of previous years. The Minister of Finance tried to fight the deficit. He had some success, but the number one problem governments are facing today is not the fight against the deficit anymore, but unemployment and how to help people in the regions.

If we want results, we cannot wait another year. Canadians will have to react quickly and tell the government, during the election campaign, that they want corrections to be made, that they want a budget to implement such corrections as soon as Parliament returns after the election, so that, in one, two or three years, we will see

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results because something will have been about unemployment and about using the potential of all Canadians.

I am thinking in particular of those who have no specialized training. We must make sure these workers have jobs. When I am told there are no jobs available and when I am asked what to do about it, I say that we must make money available, we must make the employment insurance surplus fund available to allow these workers to gain more experience and to accumulate more weeks of employment. For example, why not use the employment insurance fund to promote secondary or tertiary processing of forestry products?

As you know, our softwood lumber exports to the United States are subject to a quota. However, when that wood is processed and given added value, it is no longer subject to that quota. This means that more wood can then be exported to the United States. We could use the surplus in the employment insurance fund to implement concrete projects and hire people who do not necessarily have specialized training, but who have practical experience in the forestry industry.

In conclusion, the government will have to go back to the drawing board very quickly in order to deal with the number one problem: unemployment. Given its performance regarding the deficit, the government has no reason to brag. Canadians want action now.

• (1335)

[*English*]

**Mr. Ted White (North Vancouver, Ref.):** Mr. Speaker, the member from the Bloc mentioned that the time for deficit control was over, that deficit control was no longer the issue.

With all due respect to the member, in starting my speech today I really feel that is a bit of an irresponsible attitude to take toward the deficit. At \$19 billion, and maybe it will get down to \$10 billion, it is a little muddled about where the figures actually are, what an irresponsible attitude.

It still adds \$10 billion to the \$600 billion that the federal government now owes. The way to get meaningful job creation is not to have that deficit balloon upwards. That could easily happen anyway if interest rates go up two or three percentage points. Our deficit could easily balloon right back over \$20 billion or \$25 billion per year.

We really must get that deficit under control first. We have to start running surpluses. Perhaps the hon. member who spoke before me and maybe many members of this House have had no direct business experience. However, speaking as a business person on behalf of my colleagues in Reform, many of whom are business

people with business experience, the way to create jobs is to get taxation down.

When a business' taxes are lower, when its employees' taxes are lower, both the business and the employees have more disposable income. When the business has more disposable income it is easy to reinvest and to create new jobs, to expand, to advertise. That is how jobs are created.

In addition, when the employees have more disposable income because their taxes are lower, they spend money on furniture, on cars and vacations, extra treats that maybe they would not have had before. This stimulates growth in the economy. It causes businesses in turn to reinvest the money that they have. That means massive job creation and that is the way to job growth. It is not by having the government spend money to create short term jobs, as it did with the infrastructure boondoggle where the auditor general calculated that each job created cost us something like \$75,000. What a terrible waste of taxpayer money.

We could have used that infrastructure money to help pay down the debt. Then we would be closer to tax reductions and meaningful jobs.

A colleague of mine from the Reform Party, the member for Yorkton—Melville, brought in a private member's bill recently, Bill C-361, in which he proposed that there should be a people's tax form. The bill was called the people's tax form act.

The member proposed that when people fill out their income tax, in the income tax envelope there should be a one page questionnaire inviting opinions about specific major programs.

I suspect that defenders of the status quo would find three objections to the people's tax form act. First, they would say that too few people would be willing to fill it out. Second, too many people would fill it out and create too much work. Third, citizens do not know what they are talking about and should keep their noses out of the government's business. I do not suppose we will ever really know what the citizens think. I am certain the government would not have supported the bill anyway.

In the experiment that was run by my colleague in his riding, the overwhelming results from the 500 people who returned the questionnaires were that the federal programs endorsed in one form or another were the ones that all four major parties in this House support. They are old age security, health care, justice, the RCMP, the Canada pension plan, debt reduction, veterans pensions, universities, natural resource development, environmental protection and practical research.

Then there are the ten most strongly opposed programs. The budget we brought in last year could have dealt with them and saved taxpayers a bundle of money. The ten most strongly opposed expenditures were all the fat little Liberal pet ponies: official bilingualism, subsidies for special interests, gun registration, for-

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eign aid, multiculturalism, that National Film Board, subsidies for business, subsidies for sports, Indian affairs and the CBC.

There are themes that are noticeable here. People want to retain public security for those who cannot afford it themselves. We have an obligation to help those who need our assistance. They want government to encourage but not interfere in the marketplace.

Unfortunately we cannot seem to convince this government to take a more businesslike approach to the running of government. The policies of this government really do affect the average person on the street quite dramatically.

• (1340)

I received a letter last week from a constituent by the name of Ms. Munday: "I am a registered nurse, so every year I am charged GST on my registration fee and every year I have to waste time on the telephone getting through to the income tax office to send me a GST rebate form". She describes in detail the process, the hassles, the number of hours she wastes to have a form sent out to her which she needs every year. She has made a suggestion which I hope the Minister of National Revenue will hear. Surely the revenue collection department can get its act together well enough to send out the appropriate form with the tax forms it sends to her every year, knowing that she will need them.

I am sure the minister will act on that suggestion, but the underlying theme of the letter is that if we did not have the GST there would not be a need for this lady to fill out the form every year. The whole exercise of filling out the form to get the rebate is a waste of taxpayer money.

There are a number of people involved in creating the refund and their time is not being used productively. First the tax has to be collected. It has to be processed and banked. Then a form has to be sent off to this lady, after hours of negotiation on the telephone. Then she has to fill it out using her time. It has to be mailed and processed again. Then there has to be a print run on stationery paid for by the people. It goes back to her. It gets processed through her bank account and out of the government account again. It is a wasteful process and the amounts can be very small. I am sure in many cases the amounts are extremely small. It must be a tremendously unproductive and costly exercise.

There are places in the House of Commons where we could save a lot of money and cut the deficit significantly. For example, a couple of weeks ago I brought to the attention of the House an issue concerning the heritage committee. It was proposing to spend about \$214,000 for a travel junket around the country to define Canadian culture. Defining Canadian culture? It is like trying to define what makes a cat a cat or what love is. What a ridiculous thing to be wasting money on.

The heritage committee was not very happy with me. I know that because the chairman circulated a memo with a copy of my speech and complained bitterly about me at the subsequent committee hearing. Of course he did not invite me to the hearing. I found out about it by accident when I read the transcript.

I am glad the election will interfere with the plans of that committee. It will save taxpayers about \$214,000. I give notice to the committee that if it regenerates the plan after the election I will ensure it gets plenty of publicity.

In terms of whether the government takes any notice of taxpayers desire to get rid of some of the waste, I saw a very interesting article in a local newspaper. It appeared in the February 24 edition of the *Vancouver Sun*. It was about a gentleman who decided he had a problem with the finance minister. He discovered that the finance minister had an E-mail address. He promptly sent off an E-mail. He received a personal reply, in both official languages, with a "thank you for taking the time". It went on to say that this would be the only reply he would receive because of financial constraints.

He was particularly impressed with the E-mail, noting that he had sent it at 1800 hours Vancouver time, nine o'clock at night Ottawa time, and within five minutes of sending it he had received the reply. He thought "my goodness, we have a lot of very overworked public servants in Ottawa in the finance minister's office answering E-mail at five after nine at night".

He thought that a bit suspicious. Right away he sent another E-mail on a totally different topic and he received the same E-mail message five minutes later, in both official languages, thanking him once again for his opinion and saying that this was the only reply he would get because of financial constraints.

More than a tad suspicious, he sent a third message to the finance minister which consisted entirely of "fuzzy-wuzzy was a bear, fuzzy-wuzzy had no hair". Five minutes later, sure enough, he received the same answer again, in both official languages, saying that this was the only reply he would receive because of financial constraints.

• (1345)

This is a very good example of how taxpayers' money is being wasted on meaningless responses to concerned taxpayers. The government has no intention of taking their input seriously.

I have another letter that was sent to me by a constituent who had written to the Prime Minister. This constituent received an answer from the Prime Minister's office dated March 27, 1997. This concerns input into the budget process. It reads:



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Dear Mr. Campbell:

On behalf of the Prime Minister, I would like to acknowledge receipt of your correspondence of March 16 regarding.

Yours sincerely, Jill Bowerman, Special Assistant.

They forgot to even put in the topic. It just ends.

This is probably another example of nobody having read the input or could care less about the input from this person. He was sending suggestions about the budget process and received a standard form letter where the person answering even forgot to plug in the topic.

If there was a little bit more direct democracy in our system the people in this place would care a bit more about taking notice of the input they got on bills like this budget bill that is before the House. They would be concerned that the people would have power, if there was more direct democracy, to change the laws.

I will give an example. An article appeared in the *Financial Post* of Wednesday, April 9 about California's affirmative action ban being upheld. Members may know about the controversial proposition 209, which was put forward in California a few months ago to get rid of the affirmative action programs in California. They had distorted, with discriminatory practices, the job marketplace in California showing preference to specific groups not based on their skills but because they could fit into certain boxes. It so outraged the people of California when they could see the unfair distortions that were created by these programs that they started proposition 209. They were successful in overturning this politically correct legislation that had been introduced by their politically correct legislators. On a court challenge, the result of that proposition was upheld.

What a wonderful victory for taxpayers when they can take their legislators to task in that way and get rid of legislation which they see as improper that has been foisted on them because legislators think they know what is best for them.

The pressure for change to give more meaningful input to bills like this is building all around the world. There was an article in the *Hill Times* a week ago headed "polls show that Britons have a clear desire to radically change Parliament and the voting process". It is quite an interesting article and is very easy to obtain here on the Hill. I would recommend to all members to get a hold of it.

The article mentions that the British show a readiness for radical change in their system of government. Keep in mind that they are way ahead of us anyway. They permit free voting in the House of Commons. It is a commonly observed process for members to be voting on opposite sides. Yet they are still showing a desire to see even more change and more input into the process.

Specifically there is a strong and accelerating dissatisfaction with Parliament and the parliamentary system, but interestingly

enough not with the local MPs. People feel that the local MPs listen to their concerns and perhaps even take them to Parliament. Much as happens in this place, the concerns can be expressed here but they end up falling into a big black hole and disappear.

Every day we present petitions, sometimes tens of thousands, sometimes hundreds of thousands of names. I remember just after we came to this House after the election of 1993, Reform proposed that we have one day a month where we debate the major petitions so that we could get the government's position on these things. Our idea was defeated.

These petitions still, to this day, get presented and then just go down to the vault in the basement. I do not know if any member has been down there to see the petitions that are stored from the turn of the century. Can anyone imagine the millions of names that are down there on petitions asking for things and the government has never taken any notice? There really is no democratic part to the process. It really is a great shame.

Because of the lack of democracy, we get the type of examples I gave where letters remain unanswered, E-mails are answered with meaningless text and we get government dispensing money without requesting permission from the taxpayers.

• (1350 )

The premier of Alberta has introduced legislation to make it necessary for the government to get permission from taxpayers to increase tax rates. What a wonderful sign that we are actually starting to get some improvements in the democratic process. What a radical idea, that taxpayers might actually be able to tell the government not to increase taxes. I congratulate the premier for doing that. I also congratulate the Ontario premier for seriously considering the introduction of meaningful initiative and referendum legislation to give the people the power to direct the government in the way it spends their money.

There are certainly plenty of things we could do with direction here in spending taxpayers' money. The government has handed out vast sums of money to Bombardier. I have a letter from another constituent, Mr. Currie, that is dated March 27. It is actually addressed to the member for Waterloo. My constituent says: "On March 21 in reply to a question from the member for North Vancouver regarding Bombardier's apparent use of a federal grant of \$97 million to increase its reported profit by \$93 million—"

Bombardier reported a profit of \$93 million last year but it received a federal grant for \$97 million so it is very easy to see where its bottom line came from. I asked a question of the member for Waterloo about that. The member replied that it was a perfect example of a critical investment in research and development and that it was money we would get back with interest.

*S. O. 31*

Three days later, on March 24, Bombardier announced it was moving its production of the Sea-Doo water craft to Benton, Illinois. After receiving \$97 million from the federal government, it promptly closed down a plant and put 165 employees out of work. Adding 165 people to Canada's unemployment roll hardly seems like an investment we will get back with interest. The \$97 million might have been better spent on transfers to the provinces to offset their increasing health care costs.

That raises an interesting point because the Liberals claim to be the only party—I have seen it in advertisements—that can be trusted to preserve quality universal health care. The fact is the Liberals have cut more than \$7 billion from transfers to the provinces in support of health care and social programs.

During the 1993 election campaign, in response to public input, Reform's zero in three plan to balance the budget specifically exempted health care transfers and transfers in support of higher education from any cuts. It was in the plan because people had told us that those two items were their highest priorities. The Liberals have cut \$7 billion from those transfers and have pretended they have not done anything. Reform's fresh start program for the 1997 election campaign states that we will restore \$4 billion of the \$7 billion that has been cut by the Liberals.

The Liberals also claim in some of their election campaign material that they have cleaned up federal finances and dramatically reduced the deficit. The fact is the Liberals have actually added \$100 billion to the debt in the last three and a half years. That means taxpayers are paying about \$8 billion more in interest payments than they were when the Liberals took office.

Reductions in the deficit have not come from cuts to federal spending, not to the government's special departments. Only \$5 billion has been cut out of its \$160 billion budget for federal departmental spending. The bulk of the reductions have come almost exclusively from huge cuts in transfers to the provinces, enormous increases in taxes and user fees and good luck in the form of lower interest rates.

Sitting on the opposite side of the House is a member who comes from the banking industry. He knows very well the effects that increasing interest rates have on the amounts people pay for their mortgages. He is probably also well aware of the amount of Canada's debt that is in short term securities, two to three year periods or less. He knows that we are constantly rolling over that debt, that if these interest rates shoot up three, four or five points, that debt will be renewed at increasingly difficult payment levels. The country could quite easily slip into a terrible crisis if interest rates jump dramatically, especially if it is necessary to defend the rather failing dollar we have right at the moment.

• (1355)

I can see that the other side of the House is getting a little bit antsy and that members would probably like to ask me a few questions which I always welcome.

I will wind up by saying that if we want to get this country back on track and create jobs, we have to get taxes down, spending under control and begin paying off Canada's \$600 billion debt.

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, it is a privilege to speak to this bill.

I want to address a couple of matters about government spending that need to be said. Each night as we grow closer to an election I watch the government throwing out its usual dollars to encourage people to vote for them.

**An hon. member:** Not me.

**Mr. White (Fraser Valley West, Ref.):** Mr. Speaker, one of the Liberals says "not me". He may be the only one who says that.

I wonder just how Liberal members feel when in fact they are borrowing this money from other countries and selling it to the very taxpayers that are footing the bill for interest.

It is really alarming that we are overspending this year by some \$19 billion—that is nineteen thousand million dollars—and yet the government believes that it can spend about \$6.5 billion thus far just before an election. Why not take that money, try to write down the deficit or even pay down some of the debt? What is this preoccupation before an election of a government to think that people are standing there with their hands out waiting for money?

**The Speaker:** I know the member has just started his speech for today but as it is almost 2 p.m., I wonder if we could go to statements by members and he will have the floor when we come back.

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## STATEMENTS BY MEMBERS

[English]

### BANFF NATIONAL PARK

**Ms. Judy Bethel (Edmonton East, Lib.):** Mr. Speaker, Alberta welcomes the world to experience Canada's magnificent, majestic Banff National Park, confident that its future will be protected and enhanced by the Banff management plan.

The plan will be the basis for all decision making in the park for the next 10 to 15 years and will ensure the legacy continues into the 21st century.

In particular, the heritage tourism initiative will enrich the experience of all who visit. Parks Canada, the town of Banff and the tourism industry are developing a heritage tourism strategy that centres around the park's natural, cultural and historical resources. This strategy supports a common code of ethics for the local tourism industry and its partners. It promotes the orientation,

training and accreditation for employees in tourism related jobs, and it focuses on heritage tourism activities.

An annual round table, an open public forum to review the progress and to account for the action gives all Canadians an opportunity to be part of ensuring a sustainable future for Canada's national park.

In conclusion, the new Banff—

\* \* \*

[Translation]

### BELL SCIENCE FAIR

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, the Quebec finals of the Bell super science fair was held this past weekend at Collège Jean-de-Bréboeuf in Montreal.

Among the many young men and women winners at this event, I would like to congratulate Catherine Martel and Hélène Hallé of Polyvalente Charles-Gravel in Chicoutimi for their project on polygraphy called "The truth, the whole truth, and nothing but the truth".

This accomplishment will send them on to Lyon, France to participate in the science fair at this year's *Entretiens Jacques-Cartier*.

My best wishes for good luck to the school administrators, the teachers supervising the team, Catherine and Hélène.

● (1400)

Their victory will surely benefit their entire school. I am proud to have been involved in education myself for over 30 years.

Congratulations to Catherine and Hélène and to everyone at Charles-Gravel.

\* \* \*

[English]

### CANADIAN COAST GUARD AUXILIARY

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, one of our most cherished values is volunteerism. Every day our citizens freely and selflessly offer a helping hand to those in need.

Today I would like to say a few words about the work of the Canadian Coast Guard Auxiliary, a great Canadian story that seldom gets told.

Since it began operations in 1978 auxiliary members have participated with risks to their own lives in upwards of 28,000 incidents, 24 per cent of all marine search and rescue incidents annually, and 200 lives on average are saved each year.

*S. O. 31*

Working closely with the Canadian Coast Guard and made up mostly of fishermen and recreational boaters, the auxiliary 3,400 members and their 1,300 vessels are an invaluable part of our marine search and rescue network.

The auxiliary's work also extends to prevention activities as members dedicate their time to conduct demonstrations of marine safety equipment, give lectures on boating safety, conduct courtesy examinations of pleasure craft and fishing vessels, and participate in boat shows.

These unsung heroes of the Canadian Coast Guard Auxiliary deserve all the support the government and the Canadian public can give them.

\* \* \*

### EARTH DAY

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, first celebrated in 1970, Earth Day highlights the link between our behaviour and the health of the planet.

In Canada over 3,000 events are planned, including the planting of seedlings and the cleaning of streams and rivers. Community groups and schools are staging events on the protection of nature, conservation of our natural resources, reduction of air pollution and carbon dioxide emissions, protection of our drinking water, importance of recycling, energy efficiency and conservation of energy.

Earth Day is a day for all Canadians to celebrate together with citizens in 100 other countries doing exactly the same.

\* \* \*

### BRITISH COLUMBIA

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, last week Statistics Canada released the numbers from the 1996 census and revealed what British Columbians have known all along, that B.C. is home of the biggest population boom in Canada. B.C. grew by 13.5 per cent between 1991 and 1996.

In 1951 the first census that included all 10 provinces showed that B.C. had only 8.3 per cent of Canada's population. Today it has 12.9 per cent. Another indicator of B.C.'s growth is a comparison with the second largest province, Quebec. In 1951 B.C. had 25 per cent of Quebec's population. Today it has 52 per cent.

Despite these numbers B.C. gets only one-third of the amount of federal dollars that Quebec receives for each immigrant. It gets only 28 per cent of the money that Quebec got from the government's infrastructure fund.

It is time for Ottawa to realize that Canada is changing and to start acting like it is 1997, not 1951.

*S. O. 31***DEVCO**

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, Devco has just sold the Donkin mine site to a private company without tender for the princely sum of \$1 so that the private company could undertake engineering studies about the feasibility of operating the mine as a private venture in the future.

Devco employees want answers about this blatant pre-election ploy. Does it signal that the privatization of Devco is in the works? When the new mine is up and running will experienced miners at Devco be forced to leave behind their seniority and pensions and start from scratch with the new private company?

If private interests think that Donkin is worth developing, why did Devco not commission the engineering studies rather than giving the mine away?

Cape Bretoners whose livelihoods are most directly affected have been left out in the cold. Shame on the 32 Liberal MPs from Atlantic Canada for treating the miners of Cape Breton with such arrogance.

\* \* \*

**EARTH**

**Mrs. Karen Kraft Sloan (York—Simcoe, Lib.):** Mr. Speaker, the green rug of the House of Commons symbolizes the village green where people gathered in the early days of parliament to bring their concerns to the speaker. This was a parliament with only the walls and carpet of nature.

We are all members of the earth community and even though we now sit in a building of stone, mortar and glass, we must remember our connection to the earth. Human activity is threatening the basic fundamentals of life on our planet. This can no longer be ignored. As parliamentarians we must legislate as if all life on this planet matters.

As we remember those early meetings on the village green, we are connected not only to the beginning of our parliamentary tradition but to the earth itself. This is an important lesson we can never forget. It is our past, our present and our future.

\* \* \*

• (1405)

*[Translation]***VISIT OF PRESIDENT OF BRAZIL**

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, as a member of Latin American origin, I would like to draw your attention to the fact that the president of Brazil, Fernando Henrique Cardoso, is visiting Canada and Quebec.

Brazil, with a population of 160 million, is Canada's main export market in Latin America. Trade between our two countries reached \$1.5 billion in 1996.

I hope that Brazil will become a member of NAFTA and that by the year 2005, all 34 countries of this hemisphere will form a free trade zone of the Americas, as agreed at the Miami Summit.

I support President Cardoso's efforts to consolidate democracy, promote human rights and introduce a greater measure of equality and social justice in his country.

I also salute his initiative to go to Quebec to meet Premier Lucien Bouchard.

*Benvindo Senhor Presidente ao pais do Canada e o Quebec.*

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*[English]***CHINESE EXCLUSION ACT**

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, I take this opportunity to commemorate the 50th anniversary of the abolition of the Chinese Exclusion Act.

It was on May 1, 1947 that this act was repealed. It represents a milestone in the history of Canadians of Chinese descent. It meant that after decades of hardship Chinese Canadians were finally recognized as equal Canadian citizens.

We all know the tremendous role the Chinese Canadian community has played in building our nation. The first Chinese immigrants arrived in 1858. Their achievements have included building the national railway, serving in two world wars and many major contributions to business and the arts.

Today we say thank you to those early Chinese Canadian pioneers who helped to build the nation even under the hardship of the Chinese head tax and the Chinese Exclusion Act.

The only Canada that is acceptable today is the Canada in which all people are treated equally, no matter what their race or religion.

Let us all pay tribute to Chinese Canadians and thank them for their contributions in making this a great country.

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**SPECIAL OLYMPICS**

**Mr. Derek Wells (South Shore, Lib.):** Mr. Speaker, it is a great honour to rise in the House to recognize the special Olympians who are here today.

The South Shore is proud of its two athletes, Martin Fudge of Shelburne who is here today and Bonnie Conrad of Garden Lots, Lunenburg County.

The Special Olympics World Winter Games were held in Toronto in February. Athletes from 90 nations competed in the games. Canadians watched with pride as Bonnie Conrad captured a gold and two silver medals in speed skating and Martin Fudge earned a bronze and three silver medals in the snowshoeing competitions.

Bonnie, Martin and all the other athletes shared a dream. They all wanted to represent Canada at the world games. However victory is not achieved by dreaming; it is earned through dedication, commitment and hard work.

I send congratulations to all the special Olympians here today and to those at home. Just as family and friends turned out at the various welcome home and victory parties, many members want to show their respect and affection for the athletes who never stopped striving to be the best they could possibly be.

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#### RICK HANSEN

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Mr. Rick Hansen of Vancouver, on the 10th anniversary of his Man in Motion world tour that is being celebrated this week, is an example of courage under extreme physical stress, of the determination in the setting of goals for oneself and of grace in achieving them.

We salute Rick Hansen as a model to our Canadian youth that they can indeed achieve their dreams if they have the imagination, the dedication and the will to overcome the difficulties and pressures in their path.

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[Translation]

#### MANPOWER TRAINING

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, I am very pleased with the agreement on manpower training that was finally announced yesterday, after several months of negotiations.

As a Quebecker, I am delighted to see that the provincial government will now have all the tools it needs to develop and implement its manpower training programs.

As a federalist, I see this agreement as further evidence that Canadian federalism means being flexible, and that being part of Canada is worthwhile for Quebec.

As a Liberal, I applaud this great achievement, which no other government except our own would have been able to bring to fruition. This agreement on manpower training would not have been signed without the steadfast determination of our Prime Minister, for which we are very grateful.

*S. O. 31*

• (1410)

#### TRAN TRIEU QUAN

**Mr. Philippe Paré (Louis-Hébert, BQ):** Mr. Speaker, the terrible experience of Tran Trieu Quan and his family continues to speak to the emotions of their fellow citizens in the greater Quebec City area.

In fact, 124,000 people have signed a petition sponsored by the archbishop of Quebec City, the mayor of Quebec City and the president of the Sainte-Foy Chamber of Commerce, asking the Vietnamese authorities to pardon Mr. Tran on compassionate grounds. Today, the sponsors will present this petition to the Minister of Foreign Affairs and ask him intercede more directly so as to obtain the release of Mr. Tran.

I wish to welcome to our gallery some members of Mr. Tran's family and 30 students at the Rochebelle secondary school in Sainte-Foy who have become involved in this cause. Finally, I want to draw your attention to the presence of Janel Gauthier and his support group for the release of Mr. Tran.

I am proud to see residents in my riding involved in so many actions to support Mr. Tran, and this has been going on for nearly four years. Many thanks to you all.

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[English]

#### FLOODING

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, last year it was Quebec. This year it is Saskatchewan, Manitoba, British Columbia and now Alberta.

All these provinces have residents who are experiencing the trauma of homes and businesses invaded and destroyed by flood waters. Most recently the communities of Peace River and Fort McMurray in Alberta have been hit by overflowing rivers.

Our hearts go out to the people who are being affected by this phenomenon of nature. Many have worked for a lifetime to build and pay for their properties. It is devastating to them to see the results of their efforts destroyed. Families and individuals face huge challenges in coping with the trauma of losing valued personal possessions.

However this also becomes a time of meaningful, helpful community. Friends and neighbours pull together to rebuild and to assist those whose loss is most severe or who have the most difficulty in recouping their losses.

I ask all members of the House to join me in expressing our heartfelt concern and commitment to help.

*Oral Questions**[Translation]***UBI SOFT**

**Mr. Denis Paradis (Brome—Missisquoi, Lib.):** Mr. Speaker, yesterday the Canadian government announced good news for the economic recovery of the Montreal region.

It said it was providing assistance to a French company, Ubi Soft, to help it start up operations in Montreal. This should result in the creation of 560 jobs over the next five years.

During this period, the software producer, editor and distributor will receive \$14.8 million in funding from the federal government.

The example of Ubi Soft shows that Canadian federalism is working well in Quebec. When everyone has this determination to find effective solutions to regional issues, it can truly be said that Canadian federalism is serving Quebecers.

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**EARTH DAY**

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, I am pleased to note that today is Earth Day, an occasion celebrated throughout the world. On this date, the public is invited to do something, however small, to help improve their environment.

Unfortunately, we must conclude that the Liberal government has never heard about this invitation, because its record in this area is dreadful. Just recently, the Minister of the Environment himself admitted that his government had failed in the fight against greenhouse gases. The latest ozone layer figures are extremely worrying. Recently, there have been news reports on the former American military bases in the Arctic that are posing a dangerous threat to that region's fragile ecosystem.

This government does not hesitate, however, to implement legislation interfering directly in areas of provincial jurisdiction, thus leading to costly and unnecessary overlap.

The public does not intend to follow the Liberals' example, and we congratulate all those who are using this day to help improve the environment of the region in which they live.

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*[English]***RIGHTS OF VICTIMS**

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, I will read from an unsolicited letter to the Minister of Justice:

I'm begging you all in the name of God to stop this daily painful hell that you are causing my mom and other families. I cannot stand by and take the pain you have and are inflicting on my mother. She suffered enough pain and grief and to get phone calls almost every other day and having to listen to my mother's cries that you have caused along with Olson by giving all rights to Olson. You can and must repeal section 745 and give hope and protect the children of Canada and silence this monster that took the lives of these young children—Shame on all of you, because of your heartless, careless actions. Come August 18 my poor mother and the other families are going to have to see this monster who killed their children, who stabbed July 19 times. She was only 14 years old—. Where is it law to allow victims to be tormented by someone like Olson? Please stop, Mr. Rock, punishing victims and start showing respect—

• (1415)

**The Speaker:** Oral Questions.

**ORAL QUESTION PERIOD***[Translation]***LINGUISTIC SCHOOL BOARDS**

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, in his ministerial statement this morning, the Minister of Intergovernmental Affairs admitted that many voices, both francophone and anglophone, Catholic as well as Protestant, have been heard over the last twenty years advocating a system based on language rather than religion.

The Minister of Intergovernmental Affairs even indicated that a consensus on the need to reorganize school administration along these lines has existed in Quebec for some time.

Since even the Minister of Intergovernmental Affairs admits there has been a consensus for the past 20 years, how can he explain that his actions are again opening the Quebec consensus up to question, by deliberately delaying the start of the debate and the adoption of this motion?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, there is nothing to confess, and the repetition is starting to become a pain in the neck.

What I have said since the beginning of this business is that, since the end of January, since the moment that the Government of Quebec began to indicate that it would be presenting a constitutional amendment, I have said that, on the one hand, there was a consensus in Quebec to have linguistic school boards and, on the other hand, that work was needed on a consensus about how the Government of Quebec wanted to proceed. Because it can be said that there will be a consensus on Bill 107, or on the Proulx-Woehrling solution, or on other possibilities, what was needed was to

*Oral Questions*

find out whether there was consensus on the way the Government of Quebec wanted to proceed.

It will be recalled that, a week before the unanimous vote in the National Assembly, there was no consensus. It was the Mulcair amendment which made it possible to build a consensus, due to the highly positive action of the official opposition in the National Assembly.

Now it can be stated that there is consensus. The Government of Quebec is very pleased to support the planned constitutional amendment and, as usual, no doubt the parliamentary committee will make it possible to expand the consensus even further, thus facilitating the implementation of a desired measure.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, when Quebec is involved, things always get really complicated with the Minister of Intergovernmental Affairs. Yet there is a precedent in New Brunswick, where there was no consensus. Their Legislative Assembly was even divided, yet the federal government moved quickly, even managing to get a motion through without a vote in the House of Commons.

Whereas in Quebec there has been talk of education structures since the Parent report in 1966, and a consensus was reached, as even the minister admits, at least 20 years ago, and what is more this has again been confirmed with the general assembly in Quebec, and as well there is unanimity in the National Assembly on the matter.

Here is my question for the minister. Why does the federal government insist on wanting to apply its old double standard policy where the wishes of the Quebec people are concerned?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, I have already explained to the House just how unfortunate it is that the official opposition uses the example of New Brunswick and the constitutional amendment which enabled New Brunswick to enhance bilingualism in that province.

There was indeed no unanimity in the New Brunswick provincial legislature but, first, there had been a parliamentary committee on the provincial level—not the case in Quebec—and second, the amendment was very clearly aimed at expanding the rights of the linguistic minority. No one was opposed, and third, the only party which was opposed, and voted against it, was one that had been created expressly to fight bilingualism in New Brunswick, the COR Party.

We see today that the official opposition, with its siege mentality, does not hesitate to make use of the argument of a political party which was created to oppose the French language, to make us

believe that there is discrimination against Quebec, that there is a double standard involved here.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, let us make things clear here. Why does the minister not agree that the real reason he and his government, the Liberal government, are dragging their feet on what Quebec is asking is that he does not want to get on the wrong side of his former allies, his natural and traditional allies, Alliance Québec and *The Gazette*?

• (1420)

That is the real reason. And what is more, he does not want to get on the wrong side of the disciples of Pierre Elliott Trudeau, who are in the process of organizing into a common front, once again at the expense of Quebec. That is the real reason. Let him admit it.

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, we have before us an official opposition that cannot accept a piece of good news, because any good news on the evolution of Canadian federalism carries the risk of convincing Quebec that Canada is, in fact, a country that is functioning well, developing well, serving their interests well. However, the official opposition is in a conflict of interest situation.

Trotsky wrote a book called *The Permanent Revolution*, and later Mitterrand wrote one called *Le coup d'État permanent*. I propose that the next book written about the Bloc Québécois be titled *The permanent conflict of interest*.

**Mrs. Pierrette Venne (Saint-Hubert, BQ):** Mr. Speaker, my question is directed to the Minister of Intergovernmental Affairs.

In his notice of motion, the minister proposes to appoint a special joint committee of both Houses of Parliament. The committee will be asked to consider the various aspects of a constitutional amendment that would allow linguistic school boards in Quebec. It would submit its report on May 31, 1997.

Does the minister realize he is insulting Quebec's intelligence by setting up a bogus committee that will never see the light of day, since an election call is imminent?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, if an election is called, we will pick up the process after the election and the constitutional amendment will be taken care of by a re-elected Liberal government.

Meanwhile, the various political parties would be well advised to say whether they are for or against the amendment. The Liberal Party of Canada will support the amendment. This information will be useful for the voters. We will have to say where we stand.

The official opposition may prefer us to say we are against the resolution, but we support it. We agree with the National Assembly.

*Oral Questions*

**Mrs. Pierrette Venne (Saint-Hubert, BQ):** Mr. Speaker, the minister ought to know that when Parliament is dissolved, the committees are dissolved as well.

The minister should learn the ABC's of the Parliament of Canada and put a book on parliamentary procedure in his backpack. By setting up a committee that will include unelected senators, the Minister of Intergovernmental Affairs is more or less telling the National Assembly and the Quebec nation to forget it.

Would the minister agree it is not up to unelected members of Parliament to consider and approve a legitimate, democratic and unanimous decision by the Quebec National Assembly?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, I repeat that if there is an election, even the opposition will be dissolved. And we hope it will be dissolved for a long time, and that includes when Parliament returns after the election.

However, speaking of books on parliamentary procedure, the Canadian Constitution makes it quite clear it is not up to the Senate to decide. The House of Commons, not the Senate, will make the decision.

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[English]

**GOVERNMENT SPENDING**

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, we have had a glimpse of the government's spending priorities and they are not very pretty. Somehow over the last several weeks national priorities for the government have become things like armouries in the Prime Minister's riding, armouries in the Deputy Prime Minister's riding and the health minister's riding, a sock factory in Montreal and billions of dollars on other pre-election goodies.

If the government has all this money lying around, which of course it does not, why is it not spending it on health care, by far the most important priority for Canadians? If it does not have this money lying around—and again I do not think it does—why is it racking up the national credit card in a pre-election spending spree?

• (1425)

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, as usual the member has it all wrong. There is no armoury in my riding.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, some would say there is not much of a minister in that riding either.

When we start adding up the pre-election goodies the Prime Minister has thrown around to buy votes, it adds up to just under \$7

billion. When I look on my Doppler radar, I see storm clouds ahead for the Liberal government.

Given the desire of Canadians for a balanced budget, lower taxes and for a reinvestment in health care, why is the government resorting to this old fashioned, out of touch, smarmy attempt to win votes over?

**Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I want to reply to the hon. member from smarmy. It is not something he would understand, but government does not operate on a day to day basis with respect to projects that take years to put in place and years to evaluate.

If the hon. member is suggesting that in any part of the country, including his riding, the government should come to a complete halt and not proceed with projects and initiatives that have been undertaken by people who have had an interest in them over many years, then he should tell us. However, if the member looks closely into that radar—although I am not sure it is a Doppler, knowing the hon. member—he might want to look at what the future holds for the Reform Party in this country.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, after the minister was booed so loudly while giving a speech recently in his part of the country, I do not think things look so hot for him either.

The Prime Minister says he is against broad based tax relief. I guess that becomes very obvious after he has gone out and spent just about \$7 billion in the last little while. The fact is that if he had taken that \$7 billion and given it back to Canadians in the form of tax relief, we would have had about 200,000 jobs created in this country.

Can the Prime Minister tell us why he thinks buying votes with borrowed money is more important than real job creation through tax relief?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, once again the member's facts are all wrong. Included in the figure that he is putting forward is a significant amount of money spent under manpower transfers which is currently going toward job creation.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, my question is for the Deputy Prime Minister.

While spring brings joy to many, it brings anguish to a great many Quebec families and Acadian families facing the harsh reality of the spring gap. Between the time when unemployment benefits run out and the time when they get back to work, there is



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waiting period during which unemployed workers can be without an income for more than ten weeks.

How can the Deputy Prime Minister say that the severe cuts made in the unemployment insurance program create jobs when they are forcing an inordinate number of families in Quebec and elsewhere to live on public charity?

[English]

**Mr. Robert D. Nault (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, that question has been asked by the member on a number of occasions.

One of the key areas she fails to mention every time she gets up on her feet is the fact that the employment insurance system has been significantly changed. When the changes came in, included in the changes as she relates to Cape Breton and other high unemployment areas was the \$300 million transitional jobs fund. This has created a significant amount of economic activity in ridings like the member's and mine. That extra \$800 million we also put in the investment portion of the employment insurance system is helping people to find employment.

To suggest that part two of the EI system is not improving the plight of the unemployed is factually incorrect.

[Translation]

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, the problem is that these millions are not nearly enough and there are thousands of families confronted with the spring gap.

The unemployed are not fooled by the government's compassionate words. They can see that poverty has grown because of this government's actions. They know that there have been billions in cuts to transfers for social programs and to the unemployment insurance program.

• (1430)

How can the Deputy Prime Minister honestly think that making people poorer will boost consumption and stimulate employment?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, this is an unfortunate situation, and the one to blame for the welfare cuts in Quebec is not the Government of Canada but the Bouchard government.

\* \* \*

[English]

**EMPLOYMENT**

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, Canadians should and do know that on the eve of the election this government is creating last minute jobs. Unfortunately for Canadians, these jobs are in appointments to the Senate, the Immigra-

tion and Refugee Board, agricultural boards, the IDRC, the National Research Council, the Cape Breton Development Corporation and Atomic Energy of Canada Limited. You name it, if there is a commission the government has appointed somebody to it.

Meanwhile 1.4 million Canadians are out on the street looking for work with the highest level of unemployment since the 1930s.

When will the Prime Minister drop the Liberal agenda and come down to the people's agenda of jobs for ordinary Canadians, not just highly placed Liberal pals?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, I find it slightly hypocritical on the part of the Reform Party—

**The Speaker:** I encourage all hon. members to be very judicious in their choice of words.

**Ms. Copps:** Mr. Speaker, the Reform Party is publicly decrying the government for making investments in very important job creation issues. However, just before question period the member for Edmonton Southwest slipped me a note asking if he could get a \$40,000 government grant for someone in his constituency.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I will let the member from Edmonton deal with this issue of funding for a centre for the handicapped. She can deal with that herself. It is interesting; once a rat packer, always a rat packer.

**Mr. McClelland:** Sheila, that was a shitty thing to do and confirms you are one bitch.

**Mr. Strahl:** Day after day the papers are revealing more about the avalanche of pre-election goodies being poured out by Liberals for Liberals but they are being paid for by the taxpayers. The taxpayers would like to know the cost of these new measures.

People are interested in the new armoury which the Prime Minister announced last week for his riding. But he has neglected to tell us exactly how much it will cost or how many votes he expects to get for it.

What is the total amount the Liberal government is spending in the Prime Minister's riding just before the election? How much pork is enough pork?

**Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, with respect to the hon. member's question concerning the armoury in Shawinigan, it is obvious he has not paid much attention to how that project has been set up.

The announcement we made last week with respect to that armoury calls for a private-public partnership where the armoury would be built as a facility for the reserves, for the militia. It would also be privately owned. It could serve for many other purposes. It

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could be part of a larger complex. It could be an existing building or a new building.

The hon. member should look more closely at exactly what the government has proposed. He should understand that we are moving to meet what I thought his party supported. When I made the report to the government with respect to the future of the Canadian forces we said we were moving the reserves and the militia from 20,000 or 22,000 to about 30,000. Is the hon. member against the increase in the number of people who are going to be functioning in the Canadian forces as part of the militia and the reserves or is he not?

\* \* \*

[Translation]

**CULTURE**

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

The federalist propaganda is spreading throughout the federal government. The Department of Foreign Affairs is taking part in this despicable process by tying financial support for Quebec artists performing abroad to the promotion of national unity.

• (1435)

Will the heritage minister do like Quebec's Minister of Culture and Communications and call to order her colleague from foreign affairs? Will she tell him to stop using this unacceptable criterion and to provide support to artists strictly on the basis of the artistic merit of their projects?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, I made it clear to the Quebec Minister of Culture that the government does not make political decisions regarding artistic issues.

I find it confusing that the same people who accuse us of interfering with cultural decisions asked us last week to overrule a decision made by Telefilm. If we follow the principle of non interference, then we have to do it consistently, including the fact that Telefilm made its decision on the basis of artistic criteria, which has nothing to do with politics.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, it is truly regrettable that the heritage minister does not know the artistic stature of Mr. Falardeau, whose project was turned down because it dealt with the Patriotes of 1837 and because Mr. Falardeau is a committed sovereignist.

It comes as no surprise that the heritage minister would endorse the politicization of the Department of Foreign Affairs' grants process.

My question to the heritage minister is: Why does her Liberal government refuse to recognize and respect Quebec's culture, and why is it in fact incapable of doing so?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, the hon. member claims that the decision is based on politics, when in fact we said clearly that any decision made by Telefilm to give a grant for any project should be made independently. Now, the separatists are asking us to interfere.

If they want us to respect the cultural institutions' autonomy, as we do, then they should not ask us to overrule a decision which was made strictly on the basis of artistic criteria, not political ones.

\* \* \*

[English]

**JUSTICE**

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, you see, it is election time again and enumeration has taken place in my riding, in particular at Matsqui prison.

A judge said prisoners should have the right to vote because "preventing prisoners serving more than two years from voting is too sweeping an infringement". This government must be really hard up for votes these days.

Why did the justice minister not ask for a stay of the judge's decision until the appeal was decided on so that prisoners would be unable to vote in this election?

**Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I thank the hon. member for the question. I will take the question under advisement and provide an answer as soon as possible.

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, there is a great answer. He is going to take it under advisement a few days before they drop the writ. Great.

This is about the rights of criminals versus the rights of victims and law-abiding Canadian citizens. That is what this is about.

Criminals can now vote. They can play golf at Ferndale prison. They get Canada pension, old age security, the guaranteed income supplement, overtime pay and they can sue the crown at taxpayer expense.

Why do victims have to fight this Liberal government so hard for rights and these Liberals trip over themselves to cater to criminals?

**Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.):** If they want a response, Mr. Speaker, I think our record on victims rights speaks for itself. This government has acted time and time again to protect the rights of victims

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and time and time again it was that party which voted against every single piece of legislation. [English]

\* \* \*

• (1440)

[Translation]

### YOUNG CANADA WORKS

**Mr. Stéphan Tremblay (Lac-Saint-Jean):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

Heritage Canada is at it again. For the second year in a row, young people applying for jobs in Heritage Canada's Young Canada Works Program will have to show that they are federalists. In order to get a job with Heritage Canada, young people, whom the department will transform into ambassadors for Canada, must write a 250 word essay telling their future employer what Canada means to them.

The Bloc Québécois takes exception to the government using young people to further its political ideology. How can young francophones in Quebec hope for a job with Heritage Canada when it is estimated that close to 75 per cent of them said yes to Quebec in the last referendum?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, when you work for Heritage Canada, it is obvious that you must also belong to Canada.

**Mr. Stéphan Tremblay (Lac-Saint-Jean):** Mr. Speaker, the Minister of Canadian Heritage has obviously lost all common sense. In order to obtain a summer job with Heritage Canada, young Quebecers and Canadians will have to show that they believe in and are prepared to promote Canadian unity.

Does the representative of the Prime Minister share this discriminatory opinion, yes or no?

[English]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, I find it incredible that the member should question this. If we are looking for summer ambassadors for Canada, there is nothing unusual in asking them to write a 250 word essay on "what Canada means to me".

[Translation]

Heritage Canada's program is Young Canada Works, and when we look for ambassadors for Canada, they should naturally have some knowledge of their country, which is still called Canada.

### FLOODING

**Mr. Glen McKinnon (Brandon—Souris, Lib.):** Mr. Speaker, my question is for the minister responsible for emergency planning.

For the past week we have watched in distress as flood waters have destroyed property and entire communities in both Canada and the United States. In Manitoba, as the Red River rises, people are afraid that their homes will be destroyed and their communities devastated.

Can the minister assure Manitobans that he realizes the magnitude of this potential disaster and that our government is prepared to help both technically and financially in dealing with this potentially serious situation?

**Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I am sure that every member of the House understands the concerns of the people of Manitoba with respect to the potential disaster impending there.

Obviously there is a very broad arrangement, led by the Government of Manitoba, which includes the municipalities and a wide array of Government of Canada departments, including the Department of National Defence.

I want to say to the hon. member and to the people who obviously are very apprehensive about impending events in that part of the country that the Government of Canada will do everything it can. The Department of National Defence will do everything it can. As we know, the Government of Manitoba will do everything it can. The municipalities directly affected will participate in every way they can to avoid what appears to be an enormous natural disaster which will take place in a very short time.

However, with respect to the inevitable, the cost, the dislocation and the disruption that will occur, the Government of Canada is absolutely committed, as I have indicated to my colleague in the Government of Manitoba today, to treating Manitobans equitably. We will give them every opportunity to respond to the problems they are faced with in a flexible way. We guarantee that the people of Manitoba will be treated as well or better than anybody who has ever been faced with this kind of disaster in Canada.

\* \* \*

• (1445)

### HEALTH CARE

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, preventive medicine is an alternative that Canadians are

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increasingly coming to rely on in their fight to prevent disease. A recent poll indicates a significant increase in Canadians' use of herbal and alternative therapies as a key part of their health care regimen.

However, it appears that the health protection branch has other ideas. Canadians are witnessing the spectacle of health food stores being raided, products confiscated and stopped at borders and consumers denied access to products they have relied on for decades. At a time of soaring health care costs and limited resources, Canadians must be allowed freedom of choice.

My question is for the Minister of Health. Will he impose an immediate moratorium on these activities until a full public review can be undertaken?

**Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, the only real and effective choice is one that ensures that the product is safe and effective.

The mandate of Health Canada is to ensure that every product on the market, on the shelves, has already received the stamp of approval from Health Canada that the product fulfils the medicinal claims listed on the items.

I am sure that the member opposite would agree that this is a basic responsibility that the government must fulfil.

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, the government's health care cuts make Canadians increasingly aware of the need to take preventive measures to remain healthy. Natural health products provide an important tool to help in that fight.

What will the minister do to keep both his bureaucrats and natural health products on the shelf?

**Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, the member will be reassured to know that Health Canada already has a consultative group that includes practitioners who distribute and who are expert in the consumption of some of the remedies she is suggesting. Health Canada, over the course of every year, approves for distribution, for sale and consumption some 100 such items.

She should feel secure that Health Canada is up on all the issues that relate to herbal medicine and that the appropriate steps have been taken to ensure that Canadians can have the confidence that all those items are safe and effective.

\* \* \*

[Translation]

**TRAN TRIEU QUAN**

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, my question is directed to the Minister of Foreign Affairs.

Last week, Canada refused to co-sponsor a resolution before the UN Human Rights Commission in Geneva, condemning the appalling state of human rights in China. To protect its prized and much criticized contracts, the Liberal government was being less than forthright as it tried to save face by announcing a series of bilateral measures to discuss the human rights situation in China. This tactic, which was tried in Vietnam in the case of Canadian citizen Tran Trieu Quan, has achieved absolutely nothing in the past four years.

Now that this government has made a clear choice between promoting trade relations and defending human rights, how does the minister intend to proceed to obtain from the Vietnamese government the immediate release of Canadian citizen Tran Trieu Quan?

[English]

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the hon. member really mixed up two different issues. The first has to do with our position on China.

As I have already explained to the House, the decision was not ours. It was taken by members of the European Union. They have already decided not to support the resolution. As a result, we were able to gain a number of very important bilateral agreements to pursue human rights. The hon. member would be well advised to look at the opportunities that provides.

We are working very closely with the Government of Vietnam. We have met with the family many times. We will continue our representations. We can hope that there can be a resolution to this very soon. I hope this afternoon to meet with the Archbishop of Quebec, the family and a number of students in Quebec who have brought forward a petition which demonstrates widespread support.

We want to continue working with the people who are deeply committed. I am sure if we work together in solidarity, we will find a very effective and very quick solution.

• (1450)

[Translation]

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, I may remind the minister that everyone in Quebec stands behind Tran Trieu Quan.

Since Canada has turned its back on its traditional human rights policy, would the minister agree that the International Covenant on Civil and Political Rights, ratified by Vietnam in 1982, authorizes us to impose sanctions and to lodge an international claim against Vietnam which is violating the rights of Mr. Tran?

*Oral Questions**[English]*

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, first I would like to point out that all of Canada supports the liberation of Mr. Quan, not just those in Quebec. This is a national issue. That is why the Government of Canada has taken the action required.

Second, I would suggest to the hon. member that rather than coming to the House in an adversarial way, which his whole demeanour and behaviour suggests, we should be working in a co-operative way because this is a very important issue. It does not require the kind of negative approach the hon. member is taking. It requires a co-operative partnership approach. I am very confident that if we continue working together that we can achieve a very successful result within a matter of days.

The problem with Bloc members is that they do not want success. They do not want results. They want the problems to continue because they feed on misery, they feed on negativism, they feed on problems. They do not feed on success.

\* \* \*

**HEALTH CARE**

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, many Canadians practice preventive health care with health supplements, yet the health protection branch under the direction of the government is actively removing vitamins, minerals and herbal and natural extracts that have been on the shelves for decades.

Some of these products have been in use for centuries with no history of harm. There is simply no scientific evidence to support the government's actions. Canadians are paying more for health supplements and their access to health products is being restricted. This is clearly not in the best interests of Canadians.

My question is for the Minister of Health. Why is the minister banning herbs and vitamins that have been on store shelves and in use for years with no history of harm?

**Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, I am not sure whether the member opposite heard the first response. I stated that Health Canada is very interested and is determined to guarantee that the products on the market are of high quality, safe and effective.

We agree that some products have been used over centuries, but no medicinal claims have been made for them.

I point out to members opposite that there are some such as ephedra which in Texas has already proven to have negative effects in over 500 cases. There is comfrey, chaparral and germander that have caused liver toxicity and chou wu chih that has caused heart palpitations.

I am sure the member opposite would not want Health Canada to put a stamp of approval on products that have already caused some serious negative considerations in the health community.

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, this issue has little to do with safety and acting in the public interest. This issue is about money and about power: money and power in the hands of the big pharmaceutical companies. That is what this issue is about.

The government is forcing Canadians to pay more for health supplements and is driving small companies out of business.

My question is for the Minister of Health. Will the minister act now to put a moratorium in place to stop the removal from store shelves of vitamins, minerals, and herbal and natural extracts?

**Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, the member opposite may have a different perspective on what is the obligation of government. However, I can assure the House that what is of great concern is not the economic considerations to which he alludes. The government wants to make sure that any product that is on the market which has medicinal claims fulfils the requirement that it is a safe, effective, high quality product. There is no other consideration as far as Health Canada is concerned.

I think the member should be ashamed for suggesting that there is any concern other than that.

\* \* \*

**THE ENVIRONMENT**

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, my question is for the Minister of the Environment.

Greenhouse gas emissions from Canada continue to rise despite our international commitment to reduce them made at Rio. As a prosperous, caring nation we should be setting a good example to the world, not a bad one. What exactly is the minister doing to show leadership in reducing greenhouse gas emissions?

• (1455)

**Hon. Sergio Marchi (Minister of the Environment, Lib.):** Mr. Speaker, let me thank the member for his question. It is most appropriate when the world celebrates earth day today. It is also five years since Rio.

The international community, including Canada, has come to recognize that we have to redouble our efforts if we are to keep the promise that was made five years ago in Rio with respect to stabilizing greenhouse gas emissions by 2000.

We have tried to redouble those efforts. Last December with my colleague, the Minister of Natural Resources, at a joint federal-provincial energy and environmental ministerial conference, 45 new

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initiatives were set out with which to combat growing greenhouse gas emissions.

We are also committed to improving the voluntary challenge program. We also said in the last budget that we were prepared to put \$45 million into a commercial retrofit which would reduce the energy component and make it efficient by more than 20 per cent.

Ultimately, the conference in December in Kyoto, Japan this year is very important. Canada leaves for that conference assured and confident that we can reach those stabilizations.

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**JUSTICE**

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, I had intended to ask a question about the flood situation in Manitoba but that was ably done by the member for Brandon—Souris so I will turn to the Minister of Foreign Affairs.

Given the visit by the president of Brazil, can the minister tell us whether the future of Christine Lamont and David Spencer was raised by the Prime Minister with the president? What progress can the minister report either with respect to those two individuals or with respect to a treaty forthcoming that would enable Canada to repatriate these two unfortunate Canadians?

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I can report to the hon. member that the issue was discussed by the Prime Minister. The president has also discussed it at the ministerial level. We continue to raise our concerns in this matter.

In fact, the Brazilian government has indicated its choice is to move ahead with a treaty on exchange of offenders. It will be part of its general policy which includes a number of treaties in this area with several countries. It is working to put that kind of grouping together at the present time. We will continue to make our representations.

I believe that if we continue to work on this file that we will have a treaty in place and that would then offer to the Spencer-Lamont families the opportunity to make application under the treaty.

\* \* \*

[Translation]

**DECONTAMINATION OF MILITARY SITES**

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, my question is directed to the Minister of National Defence.

Yesterday, the minister admitted there was a problem with the military bases along the DEW line in the Arctic. In fact, toxic substances like PCBs have contaminated the environment and have been detected in the food chain. The Inuit population is very concerned about the state of the environment in the tundra and for

several years has been trying to reach an agreement with the government on a viable solution.

Considering that traces of PCBs have been found as far as 15 kilometres away from the bases and that the minister himself has admitted there is a problem, will he undertake to develop plans for decontamination that will guarantee the tundra will be restored to a state that is acceptable?

**Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, as I said yesterday, obviously the Government of Canada recognizes its obligation to respect the environment in the area described by the hon. member and elsewhere.

The challenge is a considerable one, because most of these facilities were built a long time ago, when standards were quite different from what they are today. However, I can assure the hon. member that we will do everything in our power to ensure the integrity of the environment, in Canada's Far North and elsewhere in this country.

\* \* \*

[English]

**BANFF NATIONAL PARK**

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, the route over the Banff area is the most commonly used VFR flight corridor between Alberta and B.C. The airstrip in Banff provides a very necessary emergency landing site for pilots caught unexpectedly in rapidly changing mountain weather.

• (1500)

The minister of heritage plans to close the airstrip as early as next month, allegedly to protect wildlife although the bit of information provided by government does not justify it.

Will the minister of heritage at least give the same level of consideration to people as wildlife and allow the Banff airstrip to remain, or offer some reasonable alternative such as moving it to the south side of the highway?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.):** Mr. Speaker, the Banff airstrip which is currently used by approximately half a dozen pilots has been deemed by those in the know to be unsafe.

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**PRESENCE IN THE GALLERY**

**The Speaker:** It has become a tradition for those of us in the House to pay tribute to men and women whose achievements contribute to our national life. We have such Canadians with us today.

*Points of Order*

[Translation]

The Special Olympics World Winter Games were held in Toronto and Collingwood in February. We have in our galleries today athletes and coaches representing the Canadian team that participated in those games.

[English]

The special Olympics movement was launched 30 years ago by us, by Canadians, and has become an international success story. This year's winter games brought together 2,000 athletes from nine different countries.

I want to introduce the athletes and coaches representing the Canadian teams. I ask members to hold their applause until I have introduced all of them.

When I call your names, you, our Canadian athletes, I would like you to stand and stay standing until I have introduced all of you in the House: Katherine Hall, David Johnston, Tanya Parris, Erin Thom, Robin Friesen, Fabian Wawianke, Joanne Lautermilch, Lana Noonan, Jennifer Adams, Maryanne Bland, Samantha Mayer, Richard Francis, Richard Smith, Mark Virus, Josée Bournival, Joseph Munro, Marc Mckearney, Gordon Reddy and Frank Hayden, founder of the special Olympic movement.

These are your special Olympians.

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

**The Speaker:** I invite members to a reception in room 216 to meet our special Olympians after the question period, providing of course they have time from their duties.

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## POINTS OF ORDER

### COMMENTS DURING QUESTION PERIOD

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, prior to question period I received a communication from a resident of Edmonton Northwest, the constituency of the minister of energy. It had to do with the Canadian Paralympics and a communication that had been given to the minister of heritage over six months ago and not responded to by the heritage minister.

During question period the heritage minister broke my confidence and the confidence of the constituent of Edmonton Northwest by raising the issue, given to her under privilege, in the House of Commons. I request that the minister give me and her constituent an apology.

• (1505)

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Mr. Speaker, I do not want to engage in debate of when the information was shared and so on, but certainly and clearly to a good number of us in that

exchange between the member for Edmonton Southwest and the Deputy Prime Minister I think you would find the hon. member for Edmonton Southwest used language which I will say was very unparliamentary. I hope he would take the opportunity to withdraw those remarks.

**The Speaker:** Before we get into a slinging match—and I do not want to get into a debate—I am not sure of the circumstances under which all of this occurred but surely it was an event that occurred outside the House.

I hope all hon. members would respect one another when they are speaking to one another. This is a point of debate. It is not a point of order. I would rule as such and I would say that this point of order is over for now.

If the hon. member has another point of order, I will listen to it.

**Mr. McClelland:** Mr. Speaker, after the heritage minister, the Deputy Prime Minister, had betrayed my confidence—

**The Speaker:** I have already ruled on that point of order. I would like the matter to just stay here for the time being.

On another point of order, the hon. member for Elk Island.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I would like to indicate just for the record that the member for Edmonton Southwest was not up in question period today and so what the whip said was inaccurate.

**The Speaker:** I have already ruled that the incident which took place is not a point of order. If the hon. member has another point of order, I will listen to it. However, if it is on the same point of order, I will intervene.

**Mr. McClelland:** Mr. Speaker, the hon. government whip referred to a comment that I shouted across the aisle to the Deputy Prime Minister after the events to which you earlier spoke took place.

At that time I referred to the Deputy Prime Minister, the heritage minister, as a bitch. I did so—

**Some hon. members:** Oh, oh.

**The Speaker:** With the greatest respect to my colleague, I ask you to withdraw the word that you just used. Will you withdraw that word?

**Mr. McClelland:** Mr. Speaker, as you know, I have the greatest respect for the House, for the chair and for the person who occupies it. The reason that I did not use a descriptive adjective in front of the word I used was out of respect for the House, but I will not withdraw the term.

• (1510)

**The Speaker:** Sometimes we get ourselves into situations. I know I did just a little while ago when I asked a member to withdraw. We get into situations where, because of the need to

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save face or whatever it is, we find ourselves unable to extricate ourselves.

My colleague, I address myself to you as the Speaker. As far as I am concerned your whole tenure here has been exemplary, a model for parliamentarians. I would ask you again to withdraw the word you used in your point of order.

**Mr. McClelland:** Mr. Speaker, out of respect for the Chair and for this institution I unequivocally withdraw the remark.

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

**The Speaker:** I thank the hon. member and I consider the matter closed.

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## GOVERNMENT ORDERS

[*Translation*]

### BUDGET IMPLEMENTATION ACT, 1997

The House resumed consideration of the motion.

**Mr. Jean-Guy Chrétiën (Frontenac, BQ):** Mr. Speaker, it is with great pleasure that I rise this afternoon to speak on Bill C-93, the Budget Implementation Act, 1997, at third reading.

You will probably recall how proud the Minister of Finance was when he tabled his fourth budget, boasting about the fact that the deficit, which was \$42 billion when the Prime Minister entrusted him with this portfolio, should have shrunk to a mere \$17 billion by the end of the current fiscal year.

There is a difference between the current Liberal government, and the previous Conservative government. While the Conservative Party underestimated its deficits, the Liberal Party tends to overestimate its deficits, which means that, by March 30 next year, the deficit may actually be closer to \$12 billion.

The minister is fiddling around with the numbers and using the communicating vessels principle, in other words interest rates, to his advantage. In Canada as in every other industrialized country in the world, interest rates are relatively low right now. On the more than \$615 billion in cumulative deficits or debt, one can understand that the Minister of Finance is saving a bundle each month by paying less interest than he would have to if we had interest rates of 8 per cent or 9 per cent.

• (1515)

However, and there is the rub, he is dipping deep into the employment insurance fund. This year, the EI fund will be generating a \$5.6 billion surplus. Where does the money that generates this surplus in the EI fund come from? From the \$2.95 premium paid by

workers on every \$100 of insurable earnings and \$3.20 premium paid by employers, these premiums amounting to a payroll tax on employment.

By charging way too much, they get a surplus at the expense of workers. Indeed, this same government has decided to shorten the benefit period while at the same time increasing the number of hours—they count hours now—required to qualify for employment insurance benefits. Naturally, the benefit rate will be reduced by 1 per cent for every 20 weeks of benefits collected. After a few years, a worker who has collected employment insurance benefits for more than 20 weeks will see his benefits reduced by 1 per cent increments down to 50 per cent of his insurable earnings.

So, on the one hand, the Minister of Finance is keeping the employees' and employers' contributions to the employment insurance fund way too high while, on the other hand, he is making it extremely difficult for potential recipients to qualify for benefits. At this rate, within a few years, the fund will be overflowing.

However, this is another way this government can shift its deficit onto the provinces. The unemployment rate tends to go down because people are no longer on the list of those actively looking for work; however, meanwhile, the number of welfare recipients has been on the rise for some years in all of the provinces.

This is the case in Quebec, where the unemployment rate has gone down, while the number of welfare recipients has gone up because, in many cases, people are no longer eligible for employment insurance benefits and are still without a job. The result is that these people end up on the welfare rolls.

The Minister of Finance also reduced transfers to the provinces, including social transfers for post-secondary education and health. This triggered a chain reaction whereby all the provinces had to make other taxpayers, particularly municipalities, school boards and hospitals, shoulder part of the burden dumped on them by the finance minister.

What is really serious is the inequity of the minister's approach to balancing his budget within three years. The most blatant examples are undoubtedly the abolition of the Western Grain Transportation Act, in the prairies, and the harmonization of the infamous GST, which the Prime Minister himself promised to abolish, to scrap, as he said so eloquently. To scrap means to tear up, to throw in the garbage.

• (1520)

The Prime Minister often said: "I will scrap the GST". Four years later, what has been the cost of scrapping the GST? It cost at least a byelection in Hamilton East, since the Deputy Prime Minister had pledged to resign in the first 12 months of a Liberal government if the GST was not abolished.



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It took a lot longer than 12 months for her to resign her seat in the House of Commons, and the official opposition had to remind her for several weeks of the promise she had made, with the help of the media, which ran almost daily clips of her saying: "I promise to resign if we have not abolished the GST in the first 12 months".

Obviously, it took several weeks, several months, and in June of last year she handed in her resignation, because a promise had not been kept, a promise that can of course be found in the red book, which I note by the way has become as rare on Parliament Hill as Chairman Mao's little red book has in China; people made a point of learning Mao's book by heart. My colleagues in the Liberal Party also made a point of memorizing their little red book. What I would like is for my Liberal friends opposite to give me a few copies. I will need them for my next election campaign, and nobody wants to give me a copy.

I throw out an appeal to everyone, as they do on the quiz show *Tous pour un*: if you have half a dozen red books, I need them in the riding of Frontenac—Mégantic to give to my Liberal opponent, Manon Lecours, to read over again before she rushes headlong into the next election campaign that will be announced next Sunday.

I am certain that nobody will provide me with these books because they are so ashamed of them. I urge Liberal candidates in the next election not to lapse into the Pinocchio syndrome described in the book of the same name written by my friend, André Pratte, a reporter with *La Presse*. You must have read it, Mr. Speaker. He mentioned a number of famous comments made by our friends across the way. He gave examples of frequently lengthening noses on the faces of some of you, my Liberal friends, as the result of past untruths.

To get back to Bill C-93, I should point out that the Minister of Finance applies cuts sometimes unevenly, sometimes unfairly. I was talking about the GST, the harmonization with the three maritime provinces, three small Canadian provinces. To help them swallow the pill, he gave them \$960 million. The GST has lost its name. Now it is the HST, the harmonized sales tax. The people in the maritimes will forget the GST in a few months or years. They will be calling it the HST.

In Quebec, the late Robert Bourassa, a federalist premier, with his good friend the former Prime Minister of Canada, Brian Mulroney, another federalist, agreed to harmonize the GST and the Quebec sales tax. I recall very clearly, when I was a farmer, having to complete two forms for the GST and the QST.

In 1991, I was very proud, I even telephoned my MNA to congratulate him on harmonizing with the federal government, since we would be completing only one form. Quebec collects the

GST for the federal government, and, at the end of the month, makes a cheque out to the Minister of Finance of Canada.

• (1525)

The only advantage the Government of Quebec receives is a split of the costs involved in collecting, whereas the maritime provinces get \$960 for this same harmonization. Worse yet, the provinces do not do the collecting, the federal government does. It looks after the forms and the investigations and charges the provinces nothing for doing so. A double standard.

The Quebec department of finance fairly calculated the cost of having the same privileges in Quebec. The Minister of Finance's government would have to pay \$2 billion if it were going to treat everyone fairly.

We in the Bloc Québécois will pester all Liberal candidates in Quebec to be fair and to make commitments to the voters. As I said, it was utterly unfair of this government to use the WGTA to reduce its deficit. The Western Grain Transportation Act will save the Canadian treasury \$560 million per year.

To sugarcoat it for western grain producers, the same finance minister paid \$2.9 billion in compensation, including \$1 billion paid directly to the producers, under the table. He sent them a cheque and told them: "You are not required to claim this amount on your next income tax return, and no TP4 or T4 will be issued to include with your return".

It is the same thing with bribes: one is not required to tell the tax man about them. The government paid producers under the table to sugarcoat a bitter tasting pill. It is appalling.

**Mr. Canuel:** Our hon. speaker, for one, would not take it.

**Mr. Chrétien (Frontenac):** I certainly hope not.

**Mr. Canuel:** At least I do not think he would.

**Mr. Chrétien (Frontenac):** It is appalling. There is a double standard here, because 48 per cent of dairy producers are in Quebec, and the Minister of Finance told them: "We are cutting the milk subsidy to commercial milk producers". In 1994-95, the subsidy was \$5.42 per hectolitre, that is to say that dairy producers were paid \$5.42 per 100 litres of commercial milk. As we know, commercial milk is under Quebec's control.

The subsidy was cut by 80 cents in 1995-96 and by 82 cents the following year. In five years, it will be all gone. By the year 2000, it will be down to 76 cents, and by 2001, it will be all gone. By August 1, 2001, there will be nothing left.

Quebec dairy producers are taking a \$168 million loss. This cut is made in Quebec, which is a big milk producing province as compared to the western provinces, without a cent in compensation being paid. Quebec dairy producers are not getting anything to make the cut more palatable, when \$2.9 billion, almost \$3 billion,

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was paid to western grain producers when the Western Grain Transportation Act, commonly known as the Crow rate, was abolished. That is appalling and unjustified.

• (1530)

What will be the impact on Quebec farmers? It will bring up the price of butter or cheese. According to a comprehensive study, whenever the price of butter goes up 10 per cent, consumer demand drops by 7 per cent. And 48 per cent of the milk used to make butter comes from Quebec's dairy producers.

I see the hon. member for Pierrefonds—Dollard, who is a city dweller. He is not affected. However, his voters are consumers and they will pay 40 cents more for a pound of cheddar and 30 cents more for a pound of butter.

In a wealthy neighbourhood such as Dollard, this is not a problem. However, it is a different story in poor areas. It does create problems. Indeed, the reason the demand drops by 7 per cent is that the poor buy less butter, or no butter at all. They may have to use margarine, fat or something else.

The same is true in the case of cheese. When the price of cheese goes up 10 per cent, demand drops by 4 per cent. As the official opposition critic on agricultural issues, I look after the interests of dairy producers. However, I am well aware that, ultimately, consumers are the ones who will have to make up for this government's cuts.

I want to go back to the Pinocchio syndrome. Some years ago, I was in my living room, listening to the news. Brian Mulroney was Prime Minister and Statistics Canada announced that, the previous week, there were one million Canadians unemployed. Back then, the rat pack sat on this side of the House. Things were bad: "One million unemployed and the Prime Minister is not doing anything. We want jobs. We want our young people to find work. You are rotten. You do not work for Canadians".

Today, there are 1.5 million unemployed. There are three million children in Canada who live in poverty and who do not eat three meals a day. We are not talking about Zaire, but Canada. What is the Minister of Finance doing? What is the Prime Minister doing about these children living in poverty?

Last week, I met a teacher in Montreal who told me that several children in her class arrive at school without having had breakfast and that they barely have anything to eat for lunch.

It is sad to watch this government go about its business. After three years and seven months, Canadians will have the opportunity to elect a new government, and I hope they will. I hope that, on Sunday, April 27, the Prime Minister will hand in his government's resignation to the Governor General, so that voters can teach him a good lesson.

[English]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, having listened to the member over the last 20 minutes, he has mentioned a number of things, some of which I would like to comment on and which require some clarification.

I am going to talk a little bit about the GST. I am sure it is a subject we are going to hear an awful lot about in the next election.

In the last budget the Liberal government announced that there would be no tax cuts until we could afford them and we could sustain them. No tax cuts. In the next election there is no question that the Reform Party will be running on tax cuts. The Conservatives will be running on tax cuts. The Liberal government is going to say no tax cuts.

• (1535)

It is not enough simply to look at the bottom of the end result. The Reform Party and the Conservative Party are a little bit different; one is when it is balanced and one is immediate. There are conditions. The situation is there are conditions and some other matters.

The member must understand that we cannot use just one phrase or one word to say what represents the position. We have to look at all of the terms and conditions that are associated with tax cuts or no tax cuts.

The Liberal Party has said that we are going to have tax cuts when we can afford them. We are not opposed to tax cuts; we are going to have them. Having established that, let us talk about the word "scrap". Canadians are going to want to know more of the facts about what happened.

If we go back to the beginning of this Parliament, the finance committee was immediately asked to undertake a study of the alternatives to the consumption tax, the GST. I participated in this all-party committee. It held 35 meetings with hundreds of witnesses. It analysed and assessed for months and months at least 25 alternatives to the GST, including a modified GST or other forms of consumption tax. All members know that because all parties were represented in the finance committee.

Let us think about this. If in fact the government's position was to scrap the GST with no replacement, to just get rid of it the way those members have been trying to suggest, then why is it that the finance committee spent almost a year studying alternatives? Why did the public or the opposition parties not go ballistic about why we were breaking our promise of scrapping it with no alternatives? They did not do that. They did not complain when we were studying alternatives because they knew and Canadians knew that the undertaking of the government was to replace the GST with a revenue neutral—meaning not getting rid of the \$18 billion—harmonized system with the provinces.

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Some Canadians will say that they did not see the red book. I understand that because there were not enough produced for each and every Canadian. However, each and every member who ran on that platform included the extract in their literature. I did and I know my constituents saw it.

In addition, all of the media reported on the platforms of each and every party including in detail the proposal to replace the GST with a revenue neutral harmonized tax. It was reported in the press.

Did some members of Parliament use a word or a phrase to describe the whole platform? Yes, that is true. Even in this House I know there is at least one member of the cabinet who stood up and said that we would scrap it. However, to suggest that to use a word or a simple description of a platform policy is not to be taken in isolation, one has to also impute that it involves the full conditions and terms under which it was said.

I will conclude by asking the member a question.

[Translation]

**Mr. Chrétien (Frontenac):** Madam Speaker, I rise on a point of order. My distinguished colleague has already said enough that it will take up the rest of the time allotted me to reply. You will understand that, without wanting to get into a debate with my colleague—

**The Acting Speaker (Mrs. Ringuette-Maltais):** I would like to remind the hon. members that the 10 minutes are for questions or comments.

• (1540)

[English]

**Mr. Szabo:** Madam Speaker, the member wants to respond and I am going to let him. I would simply ask—

[Translation]

**Mr. Canuel:** Madam Speaker, I rise on a point of order. It is entirely normal that he make a comment and then ask a question, but the comment must be about what the hon. member said and not about any old topic.

[English]

**Mr. Szabo:** Madam Speaker, the member was talking about scrapping the GST but the other member was not here. I forgive him for not being in attendance to hear the speech.

However, in courtesy to the member, he knows that the Quebec government did not wait until the legislation came forward to harmonize its provincial consumption tax with the federal tax. It went ahead and made arrangements to implement it. Quebec did not wait because it knew the advantages. It knew that through harmonization it would have an input tax credit available on the provincial component of the harmonized sales tax.

Is the member aware that exports from Quebec to other provinces and outside Canada enjoy an input tax credit on the provincial sales tax component of the combined tax which the other provinces did not enjoy before the HST?

[Translation]

**Mr. Chrétien (Frontenac, BQ):** Madam Speaker, I would like to remind my distinguished colleague, the member for Mississauga South, a good-hearted man, a man of courage and incredible loyalty, that we are not in politics to fool the voters. You can fool people once, but you cannot fool them all the time.

When we look at the latest surveys on how much confidence people have in various professions, doctors top the list, used car salesmen are at the bottom and one up from them are politicians. Do you know why? Because certain politicians often suffer from the Pinocchio syndrome, as my colleague has just shown. He says for all to hear: “We never promised to abolish the GST”. That is a lie. I do not say he is a liar, I say it is a lie.

All the CBC and TVA footage showed the Prime Minister of this country saying: “We will scrap the GST”. And the Deputy Prime Minister, who was one of the rat pack and who held a major post in the last election campaign in 1993 said: “I will resign in the first 12 months if we do not abolish the GST”. It took 28 months. We had to give her a shove. This resignation cost the public \$500,000, so that she could turn around and get re-elected with a much smaller majority in Hamilton East.

I ask my distinguished colleague, a good-hearted and loyal man as I was saying earlier, to find me six copies of his red book in French, because I need them badly in Frontenac—Mégantic for the next election.

[English]

**Mr. Ed Harper (Simcoe Centre, Ref.):** Madam Speaker, I am pleased to participate in the debate on Bill C-93.

First I would like to address some of the comments which were made a moment ago by the hon. member for Mississauga South. He was trying to defend the government's position on the GST. He suggested that it might be an election issue. I assure all members it will be a major issue in the coming election.

• (1545)

The promise that was made in the red book, without reading the weasel words or the fine print, to scrap, abolish or get rid of the GST was made by a government in full knowledge of the difficulties that would be put in place trying to do that.

When he says we cannot take a few isolated comments out of context, I remind him and all members that the current finance minister apologized to the Canadian people for the government's lack of performance on the GST.

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Not only did the finance minister apologize, but the Deputy Prime Minister resigned. A member of cabinet resigned over their failure to do what they had promised the Canadian people.

Talking about the resignation, I have to mention that it was done only after a poll was taken in the riding to make sure that the Deputy Prime Minister would be re-elected, hardly a move to address the cynicism that exists between the politicians and the voters. Her denial to do what she should have done for over a period of a week certainly hurt politicians, not just the government.

We had the Prime Minister who, in a town hall meeting, took exception to people who understood what they were saying differently and challenged that they should have read the red book.

Again on the GST, the government talks about harmonization. While in opposition the Liberals fought harmonization. As a matter of fact, the current finance minister was very strong in his opposition to harmonization. He said that once it is in there, we will never get rid of it. How he has changed his position now that he has moved from the opposition to the government.

In order to save face, to try to put some kind of positive spin on the GST, we get the \$1 billion incentive to the three Atlantic provinces to come on board with harmonization. That is \$1 billion which will be paid by taxpayers right across this country.

In the province of Ontario, the Ontario treasurer resisted harmonization on the basis that it would shift the tax burden on to Ontario taxpayers. It would increase it by \$3 billion. He rightly resisted it.

When we talk about the GST, it indeed will be an election issue. It is one that we have to be honest about. I do not think the government, in making the promise, was honest. Its members are still not replying to the reasons why they did not fulfil their promise in being truthful with the Canadian people.

We are talking about the budget as it relates to the deficit and the debt this afternoon. It is one of the main reasons for my seeking office in 1993. I was very concerned about the insanity of the annual deficits that both the Liberals and the Conservatives had been running, \$30 billion, \$40 billion overspending resulting in now \$600 billion of debt.

My concern was not so much for me as it was for my children and my grandchildren. I realized that while I had been in business over the years, I had allowed the governments of the day to engage in this overspending. They had mortgaged the future of my children and my grandchildren.

We were enjoying the benefits of being the number one country in the world and enjoying the very best in social programs but we were not paying our way. We were mortgaging their future. They

were going to be paying our tab for being the number one country in the world, which we are, but we have done it on the backs of our children and our grandchildren.

That is something that we should be ashamed of. I am here to do all I can to reverse that, to bring some fiscal sanity to this place. I am hoping we will be able to do that.

When I think of this fourth budget that we are dealing with today, I recall the first budget, the second budget and the third budget. I have to go back to the first budget and say what a shame it was that the government wasted that first budget. It did absolutely nothing to deal with the serious problem of the deficit we had been running which at that point was almost \$500 billion.

• (1550)

As a matter of fact, when the Liberals ran in that campaign they made light of the deficit and debt by telling Canadian taxpayers that while it is a problem, do not be worried. It is okay. Do not fret. It is something they would look after. In the first budget the Liberals failed to address it any meaningful way. As difficult as it is to believe, they actually worsened the situation because they lowered the cigarette tax. They caved in to the smugglers. They said they have to deal with the smugglers and they reduced the tax on cigarettes. They were more concerned about the smugglers with no regard for the health and cost implications to health care for Canadians.

I found it absolutely unbelievable to see the current health minister stand in the House and talk about the concern he has for the young people in our country who are smoking and that "we have to do all we can to make sure it does not happen". However, he is a member of the government that reduced the taxes on cigarettes and by doing so encouraged thousands of young people to take up smoking and put their future health at great risk. I found it extremely hard to believe when the health minister stood up today trying to show concern for the health of our young people, when by their actions they started many young people down that road.

The price of cigarettes was a major deterrent. I saw it in my own riding after the tax was reduced. When I drove by a high school I could see a significant number of young people smoking. The numbers increased because they could afford to buy cigarettes again and they were delighted. I find his concern now about the health of our young people a little difficult to believe. Of course, there was no thought of the future cost implications to our health budgets.

The second budget was a bit of an awakening. In the second budget the finance minister began to make a connection that the

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deficit was resulting in high unemployment, in high taxes and was perhaps more serious than the government thought it was back in 1993 during the campaign.

Even at that point, the government still was not even serious enough to really tackle the deficit and come out with a program to eliminate it over a specific period of time. I recall very well that there was a warning issued by Moody's to the finance minister. Moody's told the finance minister, I believe before the second budget, that he had a very serious problem. "You have been living beyond your means. You have a huge debt load and you are going to have to sell your bonds to maintain this lavish lifestyle you have enjoyed. We are concerned enough about your position that we are considering downgrading your bonds. We are telling you this because we want you to know how serious we think the situation is and how it is going to reflect in the advice that we give to people you borrow from, because you will have to borrow".

There was another piece of information given to our finance minister at that time. He ignored the first and he also ignored the advice that he had to set a target date to balance the books. This rolling two year target where somewhere down the road we may get to a balanced budget is not going to fly with the people buying bonds. Give us a commitment. Give us a date. Of course, we know what happened when the finance minister ignored that advice. There were many who shot the messenger. Moody's was giving us good advice but there were those in government who asked who these young finance people in the red suspenders were to tell them what they should be doing. As a result of that advice being ignored, our bonds were downgraded with the potential to cost us more in interest payments.

In the third budget we did get some action. We heard again from the finance minister these deficits and debts were a serious problem. I am sure he was having a battle within his own party about whether to cut or spend more on social programs. Thank goodness his position prevailed and there were some limited cuts, but not nearly enough to eliminate the deficit and balance the books.

• (1555)

Now we get to the fourth budget, the budget we are talking about today. As difficult as I find this to believe, I actually heard cheering from the other side when the finance minister stood up in the House and bragged about the fact that we will only be overspending by \$19 billion. This is an accomplishment to be recognized with great applause that we are now only spending \$19 billion more than we are taking in in taxes. This is an accomplishment.

There was even the suggestion that the battle is won. It is over. Now we can start spending again. We do not need to worry about it. We have won the battle. I have not heard anybody in the private

sector saying that the battle is over. Is \$19 billion of overspending something to applaud? I cannot believe it, but they did. I heard it.

Then we look at the other side of this \$19 billion of overspending. We are now approaching \$600 billion of debt. I did not hear any applause when that was mentioned. As a matter of fact, that may not have been mentioned too strongly, as indeed it should not have been. This Liberal government has increased our federal debt from \$500 billion to \$600 billion.

I heard government members saying in 1993 not to worry about the deficit and the debt, then during their term of office they realized that we were right and they were wrong and the deficit and the debt are a problem. I heard what they were saying about OAS and health care, the great defenders of health care and OAS. They are now doing far more, as we talked about.

NAFTA and free trade they opposed when in opposition. Now they are the biggest free traders we have ever seen. The Prime Minister spends as much time out of the country as he does in the country. Free trade has been good for Canada and NAFTA has been good for Canada.

The government does not know how to create jobs. The Liberals did not know how to create them when they were in opposition. They are now starting come around but it is a complete flip-flop from what they were saying when they campaigned in 1993 on all those issues.

Credibility is going to be an issue in this coming election. I suggest there is not a whole lot of it on the government side. The Liberals are going to have great difficulty just on those two major promises that were made to the people to get their vote, job creation and getting rid of the GST. Those two promises, regardless of the 173 others in the famous red ink book, are the ones on which Canadians gave Liberals their trust. It was based on both of those. They have failed the Canadian people on both those major promises. They are going to answer for it in a few weeks.

Promises made, promises broken. Canadians do not like to have promises broken, not when it involves jobs and not when it involves their pocketbooks. The voters are about to have their say. There will be some very surprised people. The polls indicating some popularity right now are paper thin.

This was an election budget to try to calm the waters and plug the holes in the dam, and there are some pretty big holes in that dam. Going into this election the voters will be asking, and we will be encouraging them, are they better off today than in 1993.

I do not think we are going to find very many voters from coast to coast who will answer in the affirmative to that question. They will take a look at that and say "you are absolutely right, I am not and yet I was told I was going to be".

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They will look at jobs. They were promised jobs. The facts are there are 1.5 million unemployed today, 2 million to 3 million Canadians underemployed today, one in four of those who have a job worried about whether they will hold that job.

There have been 77 straight months of unemployment in excess of 9 per cent. Am I better off today relative to jobs? I think not. That is about the same number as when the Liberals promised jobs, jobs, jobs to get elected in 1993. They have not produced them. They will have to answer for it.

Let us go to taxes now. The GST is a tax. Canadians hate that tax. Canadians heard the words "we're going to get rid of it" and the weasel words, "scrap, abolish, get rid of, read the red book if you can find one". They were looking for tax relief. What the government has given the taxpayers is 37 tax increases and it has not scrapped the GST.

• (1600)

That is why voters are so cynical about politicians. They do not have jobs. They do have the GST and their taxes have increased. All we hear is that there have not been direct personal tax increases, which is true, but there have been 37 indirect tax increases with the granddaddy of them all the CPP payroll tax increase. Some can call it an investment but it is a payroll tax and it is a tax increase.

The Fraser Institute has just released a study which states that the average Canadian family has taken a \$3,000 pay reduction since the Liberals have been in office. That has come about because most Canadians have seen their salaries frozen and in that same time-frame Canadians have had 37 tax increases. The reality is the average Canadian family is \$3,000 poorer than it was in 1993. Again, am I better off today than I was in 1993? I think not.

The record is there. We have record consumer bankruptcies. It was almost 80,000, just 79,000 and change which is up by 22 per cent since 1996. Am I better off today? There are 80,000 consumers who will say no very loudly.

Business bankruptcies are up by 7 per cent to 14,229. Canadian household debt as a percentage of disposable income was 54 per cent in 1985 and is 91 per cent in 1995. Am I better off today than I was in 1993? I do not think so. Canadians are asking themselves, "if this is a feel good budget, why don't I feel good?"

In this atmosphere the government is saying that low interest rates will get the economy moving, that there will be no tax cuts because low interest rates will do it. We have record bankruptcies and record consumer debt. How in the world will low interest rates get the economy moving? Canadians have lost their borrowing power. They are in debt right up to here.

However, we should remember that when the Liberals talk about low interest rates they are talking about going into debt which is one thing they know a great deal about. We have to give them credit for that. They know about going into debt. That is what they are encouraging the Canadian people to do: "Borrow, borrow more. You can borrow your way to prosperity. Just go deeper in debt". That is a terrible message to send to the Canadian people. We should be asking the Canadian people to be fiscally responsible, to not spend what they do not have because future generations will be paying for it. Of course, the government cannot do that because it cannot even do it.

The low interest rates factor is a two-edged sword because not everybody benefits from low interest rates. There are those who do but there are many who do not. I am thinking of those who are living on fixed incomes. Across the board tax cuts help all Canadians. That is what will get our economy moving. That is what will create the jobs Canadians are so desperately looking for. The government has not made the connection between high taxes and high unemployment.

We have been going down this road of government spending and high taxes for 25 years and it has not worked. Why in the world are we not looking for a better way, a different way? What we have been doing has not been working. The unemployment numbers support this claim and something has to be done about it.

There is a lack of vision, a lack of ideas. It is the status quo. The Liberals have been saying: "We have always done it this way so we have to keep going down this road. We can't do it any differently. We just don't have the vision or the plan to do it". I am proud to say that we have a vision and we are going to be offering it to the Canadian voters in the coming election. I believe there will be the change in this place that is so desperately needed.

• (1605)

**Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.):** Mr. Speaker, I listened with great interest to the hon. member when he talked about jobs.

In 1993 when we were elected the jobless rate was at 11.2 per cent and now it is down to 9.3 per cent. I think that is a very good record. Is it enough? No. As the Prime Minister constantly says: "It is not enough but it is certainly going in the right direction".

The hon. member talked about low inflation and that is an important part. The average Canadian cares about that. Certainly home buyers care about it.

With respect to interest rates I do not know what riding the hon. member represents but in Ontario my people do care about low interest rates when they are buying homes or any other item. In my humble opinion it is totally irresponsible to promise a tax cut when

the deficit is not completely gone and when we have not tackled the debt yet.

Does the hon. member really believe that buying votes with such a see through method is honest? Does he believe it is correct to do such a thing when fiscally we have not put our house in order?

It is important that the Canadian people know that when we took power just 3.5 short years ago the deficit was \$42 billion. It now stands officially at \$19 billion. The rumour is that it is significantly less than that. Do the Canadian people think that is a good record? I believe so. I am proud to hold my head up.

It is really wrong to promise a tax cut when we do not have our books and our house in order. We are going in the right direction. The deficit is at the lowest level it has been for 15 years. That is a really good record.

Please do not let the hon. member promise a tax cut and put us further in debt. Please.

**Mr. Harper (Simcoe Centre, Ref.):** Mr. Speaker, I cannot believe what I have just heard coming from the government in that intervention. She talked about buying votes. She is accusing us of buying votes? I cannot believe it. Jobs, jobs, jobs, the GST, scrap and abolish NAFTA. Talk about buying votes.

We are not buying votes. We are saying we are going to offer tax relief after we get rid of the deficit. We make that very clear in our fresh start platform: after we get rid of the deficit we are going to act fiscally responsible and we are going to offer tax relief.

We also have a guarantee in our platform. We are saying to the voters: "Don't trust us, trust yourselves. If we don't do what we say we are going to do right now, we want you to have recall". That is something that the government does not believe in because it promised things it knows it cannot deliver.

Why do the Liberals oppose recall? Because they would be called to answer for the promises they have made and they do not like to be held accountable for their promises.

The government says that when it took over there was a \$42 billion deficit. When the Conservatives took over from them the debt was about \$200 billion thanks to annual Liberal deficits. Now the Liberals are extremely reluctant to slay the monster they created. We went down this path of insanity back in 1970 when the Liberal government started this deficit spending to the point that when they were booted out of office the debt stood at \$200 million. Now it is approaching \$600 billion. That is some kind of an accomplishment? I think not.

When I hear members over there say that we are being dishonest, I want to point out that we understand that cynicism. That is the

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fault of the Liberal government. That is why we believe in recall. That is why we believe in referendums. That is why we believe in freer votes in the House of Commons.

• (1610)

The Deputy Prime Minister tarnished every politician in this House and in this country when she did not do the honourable thing and resign—

**Mrs. Chamberlain:** She did resign.

**Mr. Harper (Simcoe Centre):** Only after a week's haranguing and taking a poll in her riding. It lost its impact when she did not do it immediately, as indeed she should have.

I also want to talk about interest rates. The member talks about how interest rates are a big factor in her riding.

I have done a poll in my riding. The businesses are not looking for low interest rates to get the economy moving. That is way down on the chart. What they are looking for is tax relief. They want their consumers to have more dollars.

I wonder if the member has talked to the seniors in her community who are living on fixed incomes and looking for decent interest rates. Have you heard from them or are you listening to them? Low interest rates do not benefit everybody.

**The Acting Speaker (Mr. Milliken):** I would urge the hon. member to address his remarks through the Chair.

[*Translation*]

**Hon. Don Boudria (Minister for International Cooperation and Minister responsible for Francophonie, Lib.):** Mr. Speaker, I just saw another Reform Party member who wanted to rise after the previous speaker, so I thought I should rise as well to straighten out a few facts.

You may have noticed that the hon. member who just spoke was not altogether objective in his comments and was not altogether fair in the way he described the facts as we know them. And I am being generous, always abiding by the rules of this House.

[*English*]

I do not know why, but I kept thinking when I listened to the hon. member who just spoke about the words of Sir Winston Churchill. They have been ruled parliamentary by countless Speakers, so I guess I can repeat them in this honourable House.

He said about remarks which were similar to the ones we have just heard that the opposite to the truth had never been stated with greater accuracy. That is exactly what I thought when the hon. member spoke about the last budget of this government, this Prime Minister and this very excellent Minister of Finance.

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Let us straighten out the facts before we go too much further. The member opposite talked about unemployment.

[*Translation*]

My position is that as long as there is a single person in my riding who is unemployed, there is too much unemployment. It would be a mistake to be satisfied with the unemployment rate, whatever it happens to be.

That being said, we still have to state the facts. Last month, 61,000 jobs were created in this country. This is a total of 800,000 jobs since the last election. A net gain of 800,000 jobs is quite an achievement.

Mr. Speaker, as the soul of objectivity in this House, you will have to admit that. Those are the facts, and I am sure this information is correct, since it was authenticated by Statistics Canada and other agencies.

[*English*]

The G7, the OECD and think tanks all over have acknowledged that the largest level of growth of any OECD nation this year will belong to Canada. It is not average growth. It is not a better than average growth. Only the best belongs to Canada. We are the best.

Of course it is not good enough to be the best, but it is a darned sight better than it would be under a Reform government. Heaven forbid that we would ever have such a thing in this country. That is not likely to happen at any time, let alone soon.

• (1615)

[*Translation*]

The hon. member opposite just argued in favour of high interest rates. I found it hard to understand the logic of what the hon. member said, when he stated that people on low incomes would benefit from higher interest rates. I would like to know what school of economics launched that idea. Did you ever hear about people on low and fixed incomes who benefit from high interest rates, considering that high interest rates are usually accompanied by similar levels of inflation?

[*English*]

How many poor people end up better off with inflation? The member across the way says that poor people are better off with high interest rates. I wonder which one of his rich friends taught him that. Which one of his rich friends is trying to invest money on the backs of those same poor people?

**Mr. Benoit:** He never said poor people.

**Mr. Boudria:** That is what he did say. He said that people on lower and fixed incomes are better off with high interest rates. All members of this House have heard it, except for perhaps the member across the way who is heckling.

People on lower and fixed incomes are the first to be vulnerable with inflation, the first when something is gouging away at their purchasing power. Inflation in this country is at the lowest level it has been in years.

**Mr. Benoit:** That is untrue.

**Mr. Boudria:** It is not untrue. It is the truth. We have very distinguished members in this House, such as the member for Mississauga South who is an accountant and the member for Guelph—Wellington who is well known and well versed on financial issues, who can attest to this. Surely then all of us would know that this is a fact.

[*Translation*]

The hon. member for Simcoe-North, I believe, talked about—

**An hon. member:** No, it was the hon. member for Simcoe Centre.

[*English*]

**Mr. Harper (Simcoe Centre):** You don't even know my riding.

[*Translation*]

**Mr. Boudria:** No, I am trying to forget in his case. I must say I am doing my best to forget, and I hope the day will come soon when I can forget entirely.

Mr. Speaker, in the meantime, you have just reminded me of the name of the riding of the member opposite. He alleged that the government was wrong to put an end to the smuggling by lowering the Conservatives' tax on cigarettes. This scourge was affecting Quebec as well, because nearly 80 per cent of cigarettes were sold illegally. In my riding, I saw a native community torn asunder by the problem. I saw people in the same family opposing each other in this business of smuggling.

[*English*]

We had achieved an almost hobbesian state where it was every person for himself and life was brutish and short. People were going at each other with guns on the issue of contraband. Young people who broke the law were being rewarded by driving Corvettes and those who respected the laws were walking to school. That was the situation in this country.

Yes, it did take intestinal fortitude for the Prime Minister to take the decision that he did. I congratulate him and always will because he did the right thing. And the right thing is not always the easy thing.

When the hon. member for Simcoe Centre pontificates from afar—that is far right by the way—I say to him that he is wrong. The Reform candidate in his riding in the last election sure was singing from a different hymn book on that issue. However, that is not radically different for Reformers to disagree with each other.

Need I remind all of us of statements made by one member from across the way who said that people who were different from him



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should be in the back of the shop. I remember that and we all will very shortly. That is the kind of mindset of the people across the way.

**Mr. Harper (Simcoe Centre):** You should be ashamed of yourself.

**Mr. Boudria:** I am not. I want to tell the hon. member across the way, who tried to pretend that somehow the issue of cigarette smuggling was anything different than what it was for his own partisan ends, he had better look at himself in the mirror and maybe at the same time have a close look at some of his own colleagues.

• (1620)

[*Translation*]

That is the truth. We know what sort of leadership we had in this government. We recognize the honesty of the Prime Minister and his government. We know that we have renewed Canadians' trust in their parliamentary institutions, so much so that a poll revealed a few days ago that the level of confidence in Canada is the highest among the G7 countries, whereas it was the lowest before the last general election. Why? Because we have quality leadership.

I have had the honour for a number of months now of being a member of his leadership team, because of the mandate the Prime Minister conferred on me in appointing me to cabinet on October 4. I, like my colleagues, have tried to provide the people with honest and respectable government, and we have succeeded in doing so.

Whatever allegations the member opposite made earlier, the truth is the exact opposite. Soon, I hope, the Prime Minister will decide to return to the people and ask them to give us a new mandate. I know he can do so with his head held high. I do not know the date any more than the member opposite, who is having fun chatting. When he does decide, he can do so confident in the knowledge that he fulfilled his mandate and did what Canadians asked of him.

[*English*]

I am equally sure that the Prime Minister will again enjoy the confidence of the Canadian people. He and this government deserve that kind of confidence for having told Canadians the truth about every issue, even the issue we brought to the attention of all Canadians, that of the high deficit.

Today the European Economic Union is calling Canada the economic miracle of the western world. We are told that by people in Japan. We are told that by our other trading partners. Why? Because it is true. The whole world cannot be wrong, except the Reform Party. Not everyone is out of step except the member for Simcoe Centre. The reality is a little otherwise. The truth is otherwise.

I am proud of the quality of leadership by our Prime Minister, by our Minister of Finance, by this cabinet and by the entire Liberal team which has supported this government. It has taken difficult decisions for the good of all Canadians and for generations to come.

[*Translation*]

**Mr. René Canuel (Matapédia—Matane, BQ):** Mr. Speaker, the minister used the word "truth" a dozen times with great conviction. It seems to me that the truth speaks for itself. One needs not make a big production of describing what it is. When one says: "We are on the side of truth", then the case for truth is made. I have my doubts about what he said because what do you call the Prime Minister saying he would kill the GST and not doing it? There is a long list of similar situations.

Now, of course, everyone agrees that the deficit must go down and even disappear completely.

• (1625)

Everyone agrees also that we should be paying off our debts. We all agree with that. But how do we go about doing this? That is the problem. Unfortunately, the Reform Party, the Conservative Party and the Liberal Party have nothing better to offer in that, until this place passes an elections act like the one passed in Quebec under René Lévesque, under which large corporations are forbidden to buy, so to speak, governments, regardless of their affiliation, I assure you these governments will have their hands tied. There will be no end to family trusts, and families earning \$100,000 and more per year will pay almost no tax because lobbyists will still have easy access to the Prime Minister, the Minister of Finance and the other ministers.

Until a government passes this kind of legislation, every Quebecer and Canadian will be justified in doubting the authenticity of the government and doubting, when promises are made, the truthfulness of these promises. Not that I doubt the ministers and the Prime Minister as individuals, but it takes political courage to pass this kind of legislation. When the suggestion is made that it be passed, the major national parties balk. Why? Ask yourself why they do not want such legislation passed. It is either because they have their hands tied or because they lack courage.

When companies contribute \$10,000, \$20,000 or \$100,000 to a party's campaign fund, they are friends and the party is indebted to them. This is the truth.

Earlier, the minister told you, Mr. Speaker, and I have a great deal of respect for you, that you are impartial. That is true, but I believe that, except for you, the only party which can be impartial in this House is our party, and I will tell you why.

**Some hon. members:** Oh, oh.

**Mr. Canuel:** Just let me explain. It is because we are not trying to form the government. I do not think we will ever form the

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federal government. Therefore, because we are not trying to form the government, we can be impartial.

In fact, we are the only party that is not interested in holding such power. In any case, it is not the real power. The real power is held, as we know, by the financial world. Until we can dissociate ourselves from these companies and family trusts, everyone knows that our hands will be tied. The government may try, it may make an effort sometimes, but it cannot do a good job.

I ask the hon. member: If his party is re-elected, will he have the courage to promote a bill that would correct this problem with campaign funds? The result could be similar to what was achieved in Quebec, thanks to René Lévesque. Mr. Bourassa himself congratulated René Lévesque a few years later, because it is a lot easier to be honest with voters and tell them the truth. I ask the minister if he will sponsor such a bill.

**Mr. Boudria:** Mr. Speaker, I thought I had heard everything. The member opposite has just said Bloc members are impartial. So we will ask the member for Rimouski—Témiscouata, when the time comes, if she considers herself impartial.

• (1630)

**Mr. Canuel:** Of course.

**Mr. Boudria:** Of course, right. We will ask Hull residents if they think she is impartial.

**Mr. Canuel:** But that is different.

**Mr. Boudria:** So we can all wonder about this proposal regarding the impartiality of a Bloc Québécois member, including the member for Rimouski—Témiscouata, and of all the others as well, of course.

The member opposite has just said that we have attained the objective of lowering the deficit, but he is not in agreement with the way we went about it. You will immediately note the differences of opinion among opposition party members.

This member says: "They met the objective, but we did not like the way they did it". The member for Simcoe Centre, who spoke earlier, said: "They did not meet the objective at all". You see how opinions differ, and how these two opposition parties, which are not far apart on some issues, have very differing opinions when it comes to the economy.

I suspect that, depending on the opposition member you asked, opinions would perhaps differ even more widely, given that some members opposite have very little in common with each other, except for their views on sovereignty. That aside, some lean a little to the right, others—I am not saying the leader of the opposition—lean much further to the left, not to mention one who is really out in left field.

The hon. member across the way says that political parties are to some extent answerable to those who make campaign contributions.

**Mr. Canuel:** Yes, yes.

**Mr. Boudria:** And has just repeated it.

I am making no such accusation of the Canadians who contributed to my campaign—

**Mr. Canuel:** The companies.

**Mr. Boudria:**—all those who contributed to my election campaign, the one of the hon. member for Pierrefonds—Dollard, and those of my other colleagues in this House. I am convinced that my electors are basically honest, and when they contribute to my campaign, whether that means coming to my \$5 a plate spaghetti supper, or my \$100 a plate annual fundraising dinner—

**Mr. Canuel:** \$2,000.

**Mr. Boudria:** No, I have nothing that goes over \$100, which means that the meal is around \$35, or \$36 or \$40, if the hall rental and the rest of the expenses are included, so the other \$60 or so is a contribution. People do not contribute \$60 to my campaign expecting to get any financial gain back.

I feel that such accusations concerning the people of Quebec and the people of Canada from sea to sea are totally inappropriate. Whether a person runs my local convenience store, has an engineering practice in my neighbourhood, or a company in my riding—most of them being very small, although there are one or two big ones—whether they have contributed the \$5 or the \$60 I referred to before, or even if they are one of the handful of people contributing maybe \$200 in the last campaign, they are all honest people, in my opinion. Or at least I believe they are.

Unless it is proven otherwise, I believe that the Canadians who contribute to my campaign, like yours, like the campaigns of everybody else, merely want to help the democratic process in order to have good government, and we will have another good Liberal government, as we have had this time.

**The Acting Speaker (Mr. Milliken):** It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Chicoutimi—government contracts; the hon. member for Frontenac—tariffs on agricultural products; the hon. member for Davenport—Organization for Economic Co-operation and Development—the hon. member for Mackenzie—transport.

• (1635)

[English]

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, as I listened to the hon. minister's response to that question or comment I was reminded of the politician who had the ability to

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speaking until he thought of something to say. The difficulty was that I was not quite able to determine what the minister was saying.

I am pleased to rise to speak on Bill C-93, the budget implementation act. It is an important act despite the dryness of the name because we are debating how the nation spends its money and the policies behind that spending.

Today's debate is very important for Canada and the Canadian people from coast to coast who are struggling. Why is it an important debate? I cannot remember another time, except perhaps for the chaos of the world wars or the depression, when life was so uncertain for so many people in peacetime.

For example, 1.5 million people are unemployed in Canada today, just as many as when the Liberals were elected in 1993. Another two million to three million Canadians are underemployed. One in four Canadians is worried about losing a job. We have had the worst string of unemployment numbers since the great depression, and perhaps the longest string as well.

After four years of what the Liberals call cost cutting, Canada will be over \$111 billion deeper in debt. In total, 25 years of Liberal and Tory mismanagement have put Canada over \$600 billion in debt. We spend about \$46 billion a year on interest charges alone. The largest claim on the national treasury each year is the interest we pay on the debt. All this time families are hurting. Since the Liberals came to power the after tax income of the average Canadian family has dropped by about \$3,000.

The Liberal government has increased taxes 37 times. The latest increase was the massive 70 per cent hike in Canada pension plan premiums. People are wondering how they can live with the creditor's hand in one pocket and the government's hand in the other. Many of them are not making it. Let us consider the number of bankruptcies that have occurred in the past year. Bankruptcies are at their highest level ever with almost 80,000 last year.

Let us also consider health care, education and social programs, how they have been gutted by \$7 billion in the last three and a half years and the consequences of that.

Last year in my constituency in the city of Quesnel there was a tragic explosion. Five people lost their lives. Twenty people had to go to the hospital. The G. R. Baker Memorial Hospital has 50 beds. It actually has more beds, but if the administrator uses more than 50 he will get fired because of the closures and the cutbacks. The hospital was entirely occupied by patients; there were 50 patients when the explosion occurred.

That is the seriousness of the situation. There is no slack in the system. There is no room for exceptions. There is no room for people who are caught in unexpected emergencies.

It is no wonder that today more than at any other time people are extremely concerned. They are frightened. They are concerned about their finances. They are concerned about their families, the opportunities available for their children and the opportunities that are not available. They are concerned about their health care. They are concerned about how they will pay their mortgages. They are concerned about their futures. That is why Canadians were looking to the 1997 budget and praying for some relief, some help along the way, an oasis in the desert. Did they get it? No, they did not.

• (1640)

Let me explain why. The 1997 budget raised tax revenues another \$4 billion. Tax revenues next year will be \$24 billion higher than they were when the Liberals took office.

There was no real job creation strategy. People are still looking for jobs. People are still worrying about losing their jobs. There was no help for health care and no help for pensions.

I am afraid Canadians looked at the budget and said to themselves: "If this is supposed to be such a good budget, where are the benefits? Where can I look for some hope?"

The finance minister argued that one of the benefits of the budget was that government finances were finally under control. Only in Ottawa will people celebrate when the government is in debt \$600 billion, when it borrows \$19 billion a year and when it pays interest charges of \$46 billion a year, acting as though it is all under control, everything is fine and the war has been won.

We watched the Tory administration struggle with the deficit. If the Tories ever came close to achieving what they sought, they immediately reversed the trend and began spending more money. That is what I am afraid we are watching as the election approaches. We are watching any gain that may have been won being used up to buy election votes.

The finance minister has argued that his government is reducing the deficit by controlling spending. Just a couple of weeks ago Canadians heard some very disturbing news about the government and the finance minister. We learned that the finance minister had not met his deficit targets as he had promised. He is \$5.2 billion off his 1995 budget target for expenditure reductions in the federal government. To cover up his mistake, the finance minister redefined departmental spending under program review.

When we are in a game we expect to get the ball into the goal. If someone moves the goal to catch the ball, there is a name for it. In addition, the true reality of what is happening on top of the government fudging its books is that the Canadian taxpayer has paid for 84 per cent of the deficit reduction through increased tax revenues.

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It is no wonder Canadians are still asking the government: "If this is supposed to be such a good budget, where are the benefits? Where is the hope for me?"

The finance minister argues that he has not raised taxes in this budget or in any other budget. However that is not reality. He may be able to move the goal to make the score but that score does not count.

Since the Liberals came to power GST revenues went up by \$2 billion. Corporate income taxes went up by \$6.8 billion. Personal income taxes went up by \$15 billion. Other taxes went up by \$500 million. That is a \$24 billion increase in tax revenues over what they were when the Liberals took office. That does not include the \$10 billion tax hike in the Canada pension plan. Again Canadians are asking the government: "If this is supposed to be such a good budget, where are the benefits?"

The finance minister has argued that he is the great defender of medicare and that this year's budget shows it. The reality, however, is something quite different. We see the reality when people are caught in extreme circumstances such as the explosion which occurred in Quesnel last week.

• (1645)

The Liberals chose to hack, gut and gouge health care. These are the finance minister's own words. They are part of his vocabulary. The Liberals chose to hack, gut and gouge health care to the tune of \$3.6 billion, a 40 per cent decrease. The effects of these cuts have been devastating.

Over 170,000 Canadians are on medical and surgical waiting lists. Forty-five per cent of those people say they are waiting in pain. Fifty-five people have died while waiting for heart operations in Ontario alone in the last 10 months. Hospitals are closing and services are being cut in every part of the country. This year's budget gave no help to those hurting people.

Canadians are still asking this government: If this is supposed to be such a good budget where are the benefits, where is what Canadians need? Most of all, Canadians were looking for jobs from this year's budget. As I mentioned earlier, Canada is experiencing the worst and longest lasting set of jobless numbers since the great depression. The finance minister's budget has not changed this reality. In both months following the 1997 budget, February and March, the unemployment rate was still over 9 per cent. Let us ask why.

The government has failed to give Canadians job relief and has failed to give them tax relief. Reduced taxes mean more money in the pockets of families, consumers, small business people and investors. But the money is not there for them. Consumers who spend more money will create the permanent well paying jobs that Canadians throughout all of Canada need and are crying for.

The finance minister's message to Canadians is that low interest rates are the best medicine for the economy. Despite the lowest interest rates in years, the unemployment rate is still 9 per cent and there are still 1.5 million people unemployed. For a person who has just gone bankrupt, for a person who does not have hope or does not have a means, the low interest rates are not doing any good.

It is quite clear that the economy cannot be pushed uphill with interest rates. There has to be income growth. There has to be job growth. There has to be tax relief. What consumers need, what Canadians need is a tax cut. Government expenditures are breaking the financial backs of Canadians.

Although Canadians got no help from the finance minister or the government in the 1997 budget, there is a hope on the horizon and that hope is called Reform's fresh start. As I close, let me describe this fresh start for Canadians. A Reform government will cut government waste and trim government departments to balance the budget by 1999, two years from now. A Reform government will then use these budgetary surpluses as follows.

There will be a \$5 billion down payment on debt reduction by the year 2001 with a fixed proportion of future surpluses being dedicated to debt reduction. We still have this enormous debt hanging over us. How are we going to deal with it unless we actually begin to start making payments on it?

A Reform government will provide a \$4 billion per year transfer to the provinces for health and education purposes.

There will be \$15 billion in much needed tax relief to the long suffering Canadian taxpayer. Tax relief of this magnitude will reduce the tax bill paid by the average Canadian family of four by \$2,000 a year by the year 2000. That is what Canadians need and it is what the Canadian economy needs. This kind of tax reduction will spur job creation for parents and families who want and need jobs. It is a significant tax relief which will help them pay their bills.

• (1650)

I repeat, more money in the pockets of consumers, small business people and investors will mean greater spending and prosperity for all Canadians. Consumers that spend more money will create the permanent, well paying jobs Canadians are looking for, which is what they need and have not had for years.

What I have described is Reform's fresh start. What we are putting to the Canadian people is a plan that will give Canadians a hand up, not a hand out; a plan that will help them succeed in their goals in the 21st century.

The Liberal government has done nothing for Canada's sick, elderly and disadvantaged. It has done nothing for Canadian families and consumers except pick their pockets and impose hardship. It has raised taxes and has cut health and education

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benefits. Canadians are asking where the benefits are from this budget. Where are the benefits from the government? Is the government here to serve the Canadian people or are the Canadian people simply called on to bear the burdens of government without hope of relief?

Reform's course is clear. We will balance the budget by 1999. We will begin paying down the debt. We will reinvest in social programs and create jobs by giving tax relief to every Canadian.

**Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.):** Mr. Speaker, I listened with great interest to the hon. member. He talked a lot about his concern for health care. I think we can come to an agreement that all of us are very concerned about health care, along with all of our constituents across Canada.

I think the hon. member is quite misguided in believing that a tax cut somehow will help our health care system. We need only to look at places like Alberta where it offered a tax cut and where health care did suffer. We need only to look at places like Ontario where a tax cut has been offered and indeed health care has suffered. There is no question that a tax cut directly affects health care and hurts every Canadian across the country.

The Reform Party says that in its fresh start it will put additional moneys into health care. Here is a news flash: the Liberals have done that and continue to do it. There are a number of measures in the budget, as my colleague knows. Also I hope he understands that for the years 1998 to 2001, there already has been a promise made to increase transfers and increase payments for health care.

There is a large question around the fresh start proposal which has really been a quandary for me. Reform has also said that it is going to take \$3.5 billion out of transfers. I guess I am really in great awe, wondering how it is going to do that and not affect health care. It must be going to affect education or perhaps other services people depend upon.

The hon. member talked about bankruptcies and asked what we are doing to help them, what happens to these people. We have a number of initiatives. But if the Reform Party carries out its threat, and I say threat of a tax cut because that is not positive, then we will see a decrease in services such as health care, education and all of our social safety nets. I do not know how that will help Canadians in the long run. In my view, it will not help at all. It has been proven in Ontario and in Alberta that it has hurt health care directly.

• (1655)

The other thing the hon. member did not touch on is the fact that this government has vacated 32 per cent room in tax points for

health care. We never hear hon. members talk about that, that tax room has been given and has helped.

I would really like to understand in all honesty, in all fairness, in the name of this wonderful fresh start how a tax cut can benefit Canadians when it hurts health care, when it hurts education, when it hurts us.

**Mr. Mayfield:** Mr. Speaker, I thank the member for her comments and questions. They certainly give me ample room to make my own comments in responding to them.

The difficulty I have had in watching the government's layoff policy and put its plans into action is the difficulty it has had in prioritizing. It seems that when a cut is made by the Liberal government it slashes through in such a way that destruction is done without a lot of benefit. For example, we see layoffs but where are the layoffs? On the front line, in the provinces and the communities where people live.

Look what is happening in what used to be called the unemployment insurance office. The service is not there. People can no longer drop off their cards. They can no longer go to counsellors. They have to use the telephone and punch buttons. One of the biggest fights I have as a member of Parliament is getting telephones to outlying regions of my constituency. What do those people do? How did the government cuts help them?

It is not only tax cuts we are talking about. I have noticed that while tax cuts are taking place on the front line, very little is cut at the top of the government hierarchy. In fact I have seen the front lines cut and at the same time the executive and the research departments expanded.

I watched layoffs take place and a few months later with the shortages that have been left after the golden handshakes have been given, what happens? Many of the same people are hired back on contract so that we not only pay for the golden handshake, we pay for the new contract as well.

The member says the Liberals are putting money into health care. It would be a pleasure to know that is happening, but the benefits have not reached our communities.

I remember when I was campaigning in 1993 I promised that a Reform government would take no money out of health care. Today we are in a position where we will be putting money back into health care and education to restore them and repair the damage done by this Liberal government. Our cuts will be from the top. There is lots of room at the top.

When the Liberal government came to power what was the first thing I heard? "Your friends are back", the Prime Minister said to the government departments, to the bureaucracy. They have been well looked after.

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The member talks about the threat of a tax cut. That is not a threat. That is a promise. It is a promise made to Canadians who have been calling for a tax cut for years. All they have had is the imposition of more and more tax increases to the point where we are now looking at almost 80,000 Canadians who have gone bankrupt in the past year.

That is the serious situation we are in. We have to look at government. We have to prioritize our spending. We have to make the cuts from the top and provide leadership.

Talking about leadership, I am amazed that while Canadians are having their Canada pension plan premiums increased and the benefits over the years decreased, I have not heard this government say anything about the gold plated MP pension plan. Nothing has been said about that. There are no cuts there. Believe me, there are no cuts there. They should be ashamed of that. There should be leadership by example, not what we are seeing from the Liberals: "Do what we say, not what we do".

• (1700)

[*Translation*]

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** Mr. Speaker, I listened to the hon. member of the Reform Party promise tax rebates and tax cuts. Well, good luck to him, considering the credibility politicians acquired with the last red book.

They promised to scrap the GST, but more than three and a half years later, the GST is still there, and even worse, they paid three small maritime provinces \$960 million to make the medicine go down in one part of Canada where the GST will miraculously change its name. Quite a feat, this name change. From now on, it will be known as the HST, the harmonized sales tax. This means that in New Brunswick, for instance, they blended the provincial sales tax with the GST. They pay 15 per cent, which is added on to the price, of course.

My point is that the government is acting like Robin Hood, but in reverse. Instead of taking money from the rich to give to the poor, it is taking money from the poor to give to the rich. For instance, at Bombardier, where you have more than—

**The Acting Speaker (Mr. Milliken):** My dear colleagues, I am sorry to interrupt the hon. member, but I have to give the hon. member for Cariboo—Chilcotin enough time to reply. We only have a few seconds left.

[*English*]

**Mr. Mayfield:** Mr. Speaker, I appreciate the opportunity to conclude. I want to comment on the issue the member raised about integrity of politicians.

It is an important issue and one of the reasons I got into politics. It is backed up in the Reform Party by a guarantee that if we do not do what we say, we will give the electors the opportunity and the ability to fire the MP or those MPs. That is a guarantee the Liberals

would not understand. However it is one Canadians must have if they are to hold their politicians accountable.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, when we start talking about budgets and finances a lot of people's eyes glaze over in this place. I do not think it is the sort of thing Liberals like to hear discussed. They have demonstrated in the last 3.5 years not a lot of vision or planning for the 21st century as many of our young people would like to see.

We see a group of Canadians, particularly young Canadians, who have lost confidence in what government can deliver for them. I cannot help but remember the faces of many young people with whom I have spoken in universities across the country in just about every province. Many of them were graduates of courses of varying lengths and in various trades. They would ask: "What about us? What has the government really done for us in terms of prospects going into the 21st century?"

We can touch on some of those things and some of the things we hear as we travel the country. Just this past week we have been asked how we got rid of the debt that was such a problem to us. When we tell them the debt that was zero in 1969 went to \$18 billion in 1972 and climbed through from 1972 to 1984 to about \$180 billion, they ask us how that was possible.

• (1705)

We have to tell these young people that governments promised a lot of things and Canadians accepted a lot of things. The question we did not ask was what it would cost and from where they would get the money. Had we asked that question we would have found out that it was borrowed money and that we had many more services than we could afford. Taxes increased and we got cradle to grave services.

In 1983 a guy came along who said that it was terrible and that we could not let it grow any more. In two consecutive elections we put that person in. By the time we got to 1993 it was at \$489 billion. We went from \$180 billion to \$200 billion to \$489 billion. Then we decided to get rid of that person because another government said it would rein in spending. Now we are at \$600 billion.

Young people ask why they should trust politicians. Even more sinister, the finance minister stood and said they had solved the problem, that there was no financial problem any more. To prove the point, in the past week close to \$8 billion was spent on various types of pre-election programs. How can it be helped? The Canadian population, particularly young people, are asking what these people are doing.

To go further, somewhere in the neighbourhood of \$14 billion federal is spent on advanced education. Depending on the figures used, somewhere around \$16 billion is spent on health care, \$20 billion on pensions and close to \$50 billion on interest payments. Out of a budget of \$109 billion, Liberals have the nerve to tell

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people there is no problem when they spend close to \$50 billion on interest payments in a year and get nothing for it.

What is threatening our social programs? Certainly not our party. Not even the Liberals. Interest payments are threatening the country. It will take a concerted effort by a government to turn that around.

When we see the spending of \$8 billion on vote buying in elections or when we see the heritage minister having a two-hour caviar party with around 100 people at a cost according to access to information of \$65,671, Canadians say the Liberals are out of control and do not know what they are doing.

That is why people have lost confidence. That is why young people have lost confidence. To go further with the young people scenario, they ask about the Canada pension. Canada pension is in trouble. They will not get anything if we do not fix the problem.

They will not do it all at once because they do not have the courage. They will do it over six years. They will sneak up on people. People will wonder why they do not have more money but that they will not really know why it all happened. The Liberals will be a little deceitful about it and make it happen over six years.

What are they promising young people? They are telling them that if they earn \$30,000 their premiums will be raised from a maximum \$845 up to \$1,600 and some dollars maximum and that their employers will match it. They will collect roughly \$3,300 every year from young people and put it into a fund that will be used for the people who are retiring now. When they are 65 years of age they will be given \$8,800.

• (1710)

Is that a wonderful thing to do? If young people took the \$3,300 and put it into their own annuity fund, they would get about \$26,000 and would have the principal, using a 6 per cent rate of return.

Young people say the Liberals have blown it on the debt and on the insurance plan. Why should they pay that kind of money? There will be a generational rebellion down the road when young people wake up to a 73 per cent increase in premiums that will be dramatic. Some government will face it very soon. Certainly, if not now, six years from now when it all kicks in.

What is even worse is that MPs have the nerve to collect a pension that is four to five times better than what people get in industry. That is not putting their money where their mouth is. It says to young people that they do not care about them, that they do not have a plan, that they do not raise taxes and rip them off, and that they do not mind taking advantage of them because they know

best. They have a real problem with accountability. Politicians should be accountable.

Let us examine taxes. We have heard from members on the other side that it would be sinister to lower taxes and that they have to keep raising them. The Liberals set a good example of raising taxes. They threw a penny and a half on to the price of a litre of gasoline and said that it was not a tax increase, that it would not affect anyone because after all only rich people use cars. The Liberals said that they would get rid of the GST before the election, but when they were in power they forgot that promise.

They tax seniors. Recently I received hundreds of letters in response to a questionnaire I sent out. I was shocked at how many of them were from seniors with a gross income somewhere in the range of \$17,000 to \$18,000. They are living in their own homes. They are 75 years old. They are trying to make a living and stay in their homes as long as they can. This year they are paying \$1,100 in federal income tax for the first time.

When I say to them the government needs that money, they say they heard me talking about the caviar party, some of the other waste in Ottawa. They say the other place has to be the best example of waste, that everybody likes to talk about it, and they do not know anybody who likes that place.

MP pensions is a hot issue. If our Liberal colleagues stand before their constituents and say they deserve a pension four to five times better than what any of them deserve, they have different constituents from the ones I have. My constituents are quite happy to pay me a pension equal to what I could get in industry, but they sure are not happy to pay the kind of pension that MPs get.

• (1715)

I found it interesting that a member opposite said that lowering taxes would hurt the economy. I spent some time in New Zealand this past July. That country had an economic problem. In 1984 its political parties got together to try to solve the problem. They lowered taxes by close to 50 per cent. The economy in New Zealand is booming. The unemployment rate is under 5 per cent. New Zealanders are enthusiastic about their country. Its young people have the choice of two or three jobs. If that kind of tax relief does not send a message, then these people across the way have their heads in the sand. They have no vision.

When young people hear figures like that they are shocked and ashamed of what has happened. This country should be at the top of the list instead of near the bottom in terms of the things offered to young people and the tax relief that is offered.

The most meaningful thing that struck me in New Zealand was when I read about how stamps had decreased in price three times

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in a year. Can you imagine that? If that is not an indication of what lowering taxes will do, I do not know what is.

One of my colleagues mentioned privatization. New Zealand privatized its television network and it is now very profitable. It brings in a lot more money than it ever did before.

Lowering taxes is not a bad thing. Lowering taxes will provide a vision. Taking money from a senior who earns \$17,000 a year is not helping the rich. The government is penalizing the poor. It is going after the poor people. When it takes 1.5 cents off a litre of gasoline, that punishes everyone.

What is the vision for the 21st century? Canadians know, particularly young Canadians, that there is no vision. Look at the justice system. How can people have confidence in the justice system?

I come back again to the 300 or more young parents who I met in a gymnasium. They said to me: "Our justice system is not fair". Why is it not fair? A pedophile who had offended nine times had just been released into a neighbourhood in our city. The reports which were read to those young parents that night had a message. The psychiatrist said: "This person will definitely reoffend". The prison authorities said: "We had to remove this person from the treatment program because he was too violent". The head of the RCMP in our community said: "We are really concerned about this individual reoffending".

I was very proud of those young parents. They were not vigilantes. They did not ask for blood. They asked why the system was failing them so badly.

Young people have lost confidence in this country. The government is overspending. The increase in Canada pension plan premiums is a terrible attack on young people.

• (1720)

The tax system continues to grind away and grab more and more. The justice system does not deliver hope to innocent citizens. I ask you, Mr. Speaker, when that 10th victim occurs how will I face that young family and say: "We knew that was going to happen and now we can put that person away". How will I answer that question for that young person?

We can touch on the area of unity and of course again we see no plan. Obviously Canada has changed an awful lot in the last 130 years. Where once we were two founding nations, French and English, we are now a great mix of many nationalities with one-third of us not being of either French English background. We must have something better to tell our young people than the

solution to our unity problem is distinct society. We must have a better answer than that.

Then other things come to mind, such as how women are treated in the electoral process. Reformers would love to have 53 per cent of our members female. That would represent the community but it is difficult to achieve. However, when a party starts appointing candidates that is just not acceptable.

In the riding in Victoria, for instance, Reform had three candidates running for the nomination. There was a political scientist, a businessman and a woman teacher. They worked very hard and did what they had to do to try to win the nomination. When Arla Taylor won that nomination she can now stand up and say I won it because I was the very best. That is what our young people are looking at. That is the kind of thing they want to say is a vision for the future.

That bothers the people on the other side because they just cannot accept equality. They cannot accept that everybody is equal. They like special status for different groups.

Finally, we must have a vision for the 21st century. The Liberals certainly do not have one.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I would like to make a comment and then ask my colleague a question.

The biggest problem I have with the budget implementation act, Bill C-93, is with the budgetary habits of the Liberal government and the budget of the finance minister this last time around. I gave him an F on the budget, not necessarily for what is in it and for the numbers that are in it, but I gave him an F for what is not in the budget. I gave him an F for the perception that he is creating by distorting the strength of our economy.

He brags and assures Canadians that the back of the deficit is broken with a projected \$19 billion deficit which of course will be down around \$14 billion range. How can the back of the deficit be broken when we are talking about \$14 billion deficits? The finance minister becomes inept because he brags about how the Liberals have restored confidence to the Canadian economy and yet he takes all the credit. Let us look at the factors that created the turnaround in the Canadian economy in the last three and a half years.

• (1725)

First was a worldwide drop in interest rates. Second, the drop in those interest rates was as a direct result of the Bank of Canada's monetary policy and the high interest rate policy during the Conservative regime that tried to curb inflation. The Liberals railed, ranted and ravaged the Conservative government and the then governor of the Bank of Canada for their high interest rate policy. It is because that governor was right and did the right thing that Canada kept in pace and in tune with other world economies.



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Now the finance minister is bragging: "We have brought interest rates down to their lowest level in the last 30 years. We have implemented such a wonderful budget that we now have the lowest interest rates in 30 years. We deserve all the credit. Canadians will put us back into power because of our sound fiscal policies and this wonderful budgetary objective and restoring confidence in the Canadian economy".

**An hon. member:** We are going to trounce them.

**Mr. Silye:** In school I was taught that is called plagiarism. When you copy someone else's written material and claim it as your own, it is plagiarism.

The finance minister is the beneficiary of low interest rates. He has allowed our huge debt to grow. However, he will not give credit where credit is due. He is taking full credit.

For example, I will give a quote that I could use as mine: "In politics, perception is everything". I could claim that is my quote but I would be lying, it would not be true because that quote belongs to none other than the Prime Minister of the country who is more interested in creating perceptions and smoke and mirrors than he is about the reality of life in Canada.

I gave the finance minister an F for another reason. He failed to tell the Canadian public about the debt. It was mentioned once in his budget speech. He talked for 60 minutes and he mentioned the word debt once. He has added \$111 billion to the debt. He says that he has broken the back of the deficit and improved the economy when the debt now is over \$600 billion.

Should he be so lucky to be in the government the next time around, I feel sorry for him when the debt grows to \$650 million or \$700 million. Even with the low interest rate policy he is going to have a hard time making ends meet and paying for the departmental programs in place now.

What if interest rates go higher than 5 per cent, 6 per cent or 7 per cent? What if they go back to 9 per cent? I am very afraid of that.

I heard members opposite during my intervention asking what we would have added to the debt. We would have added \$45 billion to the debt as opposed to \$111 billion. We would have balanced the budget in three years from when we took office. We would have a surplus this year ending 1997.

I am sorry, I talked right through my time. I do want to ask the member to make one more comment on the vision of the government. Why does he really think it has a vision when the Prime Minister and the justice minister say: "We will handle the problems one at a time".

**Mr. Mills (Red Deer):** Mr. Speaker, in answer to the question of vision, we have had a lot of examples of why there is no vision. I tried to focus on young people. I enjoy working with young people. I probably enjoy that more than anything else I do in this job. They

are saying that there is no vision. In fact, they are saying worse. They are asking: "Is democracy really working?" They are asking a much more serious question than just about partisan politics. They are asking about democracy. I think that is critical. Some countries like the U.S. have sometimes as low as a 30 per cent turn out. That is saying a lot about what the people are seeing in government.

• (1730)

Fortunately in Canada we do not get down that low. Hopefully we can do things that will cause higher percentages. Australia has taken one approach to that by fining people who do not vote. I do not really think that is the answer.

We have to involve people in this vision. The real concern is with that debt. As the hon. member said, they do not have a plan for it. It is gone. Just think of the opportunity that has been wasted. With low interest rates and with inflation so low, what a great opportunity it would have been if they had had a vision to deal with this problem, to cut some of these Kodak tours, some of the caviar parties and some of the on top benefits that are around this place.

There are so many people who do not have the vision. To stand up in this House and say that this government controls interest rates and controls inflation, it does not.

I am afraid there is good reason for people to be very sceptical and dubious about where this government is going. They do not see that there is a plan. They are asking what happens when interest rates rise, when inflation returns, when the normal economic cycles take their course. What will this government do?

The government has been unable to deal with pensions, with unemployment, with health care, with education. If it has not been able to deal with those in the good times, what will it possibly be able to do in the tougher times when it is lacking vision?

Raising taxes is the answer that the Liberals possibly will choose, but I think Canadians have had it with that. They will have the opportunity to speak soon.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, what would be the consequence in my colleague's opinion of interest rates rising 2 per cent on the present debt repayment program of the government?

**Mr. Mills (Red Deer):** Mr. Speaker, the answer to that would be a minimum of \$10 billion in increased debt. As that goes up our ability to service it becomes less and less. Again, that is the big problem that will hang over us along with the other problems Canadians will face in the 21st century.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, what the hon. member for Red Deer referred to earlier, he is absolutely right. This government has missed the problem. It has identified the wrong problem.

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The government has taken the low bar on the high jump and said deficit is the problem. "We will solve that. What we will do is we will promise Canadians to spend less than the Conservatives did. We promise Canadians that we will bring in a lower deficit than the Conservatives did and that will solve our problem". I submit that did not solve the problem. It only adds to the problem.

I know this bill will be voted on at the end of the day. This is probably my last chance to speak on a monetary bill. I do not know if there is anything else on the agenda this week. The one thing I would like to leave with the Liberal Party and with Canadians across the country is I would like to remind them that it is a noble effort and it is worthwhile and it is a necessity to lower our deficit and we have to get to a surplus.

To the degree that this government has lowered the deficit, I compliment it. It is the right direction to go.

The degree to which it brags and overexaggerates the benefits that we have achieved to date is a disservice to the Canadian public.

• (1735)

What I am really concerned about as a Canadian is that the finance minister, because the global economy and global markets have improved over the last four years, has missed the opportunity to make the cuts sooner in the other areas he has avoided. They dilly-dallied for a whole year before actually making cuts. The first budget was all talk. He then lobbied with his cabinet and colleagues and did a good job in getting them to agree to some cuts. They took some of our ideas from the zero in three, the ones they thought they could sell. That is smart. If you see a good idea just steal it, take it and take credit for it. That is fine as long as it is good for all of Canada.

They went too far on the cuts in social transfer. They put it all together. In health, education and welfare they cut \$7.5 billion, which is way too much. Provinces are having trouble. Hospitals are having trouble. Everybody is concerned about this issue. It has been an issue in Alberta where a lot of angry people have had to be addressed concerning the closures of certain hospitals, especially in downtown Calgary. I am very familiar with the issue there and which hospitals were closed. That is from a regime that did not promise any tax cuts or give any tax cuts. It just promised to balance the budget over  $x$  period of time. This issue is important.

In our zero in three budget we would have only cut \$3.5 billion from health care, education and welfare. This is clearly \$4.5 billion less than the Liberal government did.

The reason I accuse the Liberals of downloading on the provinces is they made their cuts in social transfers to provinces rather than cuts to their own departments, notwithstanding the promise of the finance minister that we will sacrifice as well in order to

justify this. If Canadians would accept the government's \$7.5 billion cut to the Canadian health and social transfer, it would cut 18.8 per cent from departmental spending amounting to \$9.4 billion. To date, it is only at 4.2 or 4.5 per cent. It assures us that it will get there but it has now changed the rules on how it will get there. It is not quoting \$9 billion any more. It is not quoting a final number any more.

What the government is saying is that it will reach its 18.8 per cent cuts in program spending but it will redefine what program spending is and then move a whole bunch of spending off balance sheet accounting. It is now going to say it has met its 18.8 per cent. Pretty soon we might find in a year that it is \$5.6 billion or another billion dollars, because I know it is projected and I know what will happen, but \$5.5 billion will now represent 18.8 per cent and once again it will brag about how it has met its targets and objectives.

My biggest problem with what the Liberals have done is that they will go to the public after they call an election and ask and seek for a vote of confidence to stay the course and support a pan-Canadian view of this country where we have to give inducements to three provinces to buy into a harmonized sales tax at a cost of a billion dollars to the rest of the country. That is not even revenue neutral. It means that the finance minister had to dip into the current account to pay for that. The Liberals are going to ask for a vote of confidence without telling the Canadian public what they will do if they ever balance the budget.

What will they do? We say we should balance the budget and the sooner the better. Our party makes a firm commitment date as to when we would do that. We say that we would cut. Where we would cut more than the Liberals of course is in direct subsidies to businesses because we feel that distorts the marketplace. There is another \$2 billion to \$3 billion there.

In my opinion, if the minister had done that he could have really been looking at a balanced budget a lot sooner.

We say a tax cut after we balance the budget and after we have created a surplus. We take that money, apply some of it to the debt and some to lower taxes for all Canadians, not just the rich Canadians they accuse us of. Everybody's personal and spousal exemptions would rise to \$7,900. That helps everybody. That is what we would do with a surplus. We would then lower the cost of government and lower the overhead. We do not need 300 MPs in this House. I think the majority of MPs would agree with me on that on a non-partisan basis. Why are we increasing it by six?

• (1740)

The Prime Minister has said in his broken English and broken French, the same way in both languages, that maybe we spend, maybe we do not spend and maybe we will have more money. As

soon as we hit a balanced budget are they going to go back to increasing spending on different programs? Are they going to continue to create that dependency on a big federal government so big government will look after everybody? Then we will just add to that debt.

Somebody has to address the fact and the reality that sooner or later, I do not care how small it is, whether it is a \$1 billion payment, this government or any government will have to make a repayment on that debt. In our personal lives we cannot go on forever and ever increasing our debt without making a payment on it. It is fine to reduce your interest cost, your deficit, but we cannot continually go on adding to our debt. Sooner or later the bank calls us on our loan. Sooner or later it takes away our car if we do not make a payment.

Somehow or other government politicians and the bureaucracy—I do not think it helps sometimes—seem to think that the public purse is somehow different. The debt is \$600 billion but they think the only problem to solve to get to a balanced budget is the deficit. They think that will solve the problems of everybody. That debt has to be addressed.

A prudent government and a prudent finance minister would have pushed harder and talked about the debt as a percentage of the gross domestic product. They would have talked about how we are going to repay it over 30 years, or at least some of it. We do not have to repay the whole \$600 billion but we should be making a \$1 billion or \$2 billion principal repayment at least every term of government. I agree that the repayment should be over the long term, that we should bind government to no more deficit spending except under extreme circumstances or emergencies.

The difference between the United States and Canada is gross taxation levels. High taxes kill jobs. Lower taxes will create jobs. The proof is that in the United States total state and federal taxation amounts to 27 per cent of the gross domestic product. The total value of the goods and services the Americans generate is taxed at a level of 27 per cent for individuals and corporations. In Canada taxation at all levels represents 35 per cent of our gross domestic product. The U.S. unemployment rate is 5 per cent and our unemployment rate is close to double that. The United States has lower taxes, more people employed and a larger population than we have. It must be doing something right. I maintain it is in the field of taxation. Therein lies the problem.

If we could ever give tax cuts we would go a long way to solve our economic problems and to improve our economic situation. We have to create less dependency on a big federal government. If we want to do that we have to give more disposable income back to the people so they can look after themselves. There will be less need for people to look to welfare programs and unemployment programs. I do not want to talk about unemployment because I will

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get off topic with that slush fund he has cooking, taxing us to the tune of \$7 billion which is in that EI fund already. That is a generous surplus. I agree the fund should theoretically contain that surplus, but it is not really a surplus. If he is so far ahead of his deficit target, that is one small selective tax cut he could make. He may do it.

I know a lot of economists make representations to the finance minister, and he does listen, of course only if it is politically convenient to do so. He may do it at some point during the election campaign after the Liberals receive enough heat and they get enough criticism from the general public about their arrogance and how they brag about how well things are. The Liberals may receive heat about keeping half the truth from the Canadian public, the truth about the debt, the truth about the rising interest costs. Even though interest rates are low, the sum total of what this government is now paying in interest has gone from \$30 billion to \$50 billion. Is nobody worried about that? Is nobody worried about a \$650 billion debt, notwithstanding the interest rate? Is nobody worried about how much money we are going to have to pay? That will be the single biggest cost to any future federal government. That is scary and that is after spending is reduced.

• (1745)

I submit there is room for another \$10 billion worth of cuts the Liberals have not touched. Some government will or through attrition we will get down to that lower level of spending. After we get there the federal government will be able to provide the services Canadians want. It will take us two or three years to get there but it will be done.

Interest costs will rise if the Liberals continue to add to the debt. They will brag. They will say: "Vote for us. Give us a vote of confidence because we will have a balanced budget in two years".

I am worried about what they will do with the surplus. Will they ignore the debt and increase spending? Will they say they have taken enough flack from the Reform Party on health care and increase spending on health care by \$1 billion? If they feel they have taken enough flack from the Reform Party in an area will they increase spending there? Will they say the foundation for innovation is so great that they will double its budget? Will they say regional development is doing good they will triple its budget? Will they ignore the debt?

We cannot ignore the debt. It is the single biggest problem facing the country along with the interest cost that services it. It has to be addressed.

I must be a voice in the wilderness. I am the only person who talks about the debt and high interest costs. No government member talks about them. The finance minister mentioned debt once in his 60-minute speech. We do not talk about it. He brags about everything else in his economic statement. An economic

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statement should fairly and accurately represent the economic status of the country at any given time.

The minister dwells on the positives. That is misleading. He gets an *f* from me for not talking about the other side of the story, the debt. While the deficit has decreased how much have interest costs gone up? That is an important component.

Yes, we are a rich country. Yes, we can sustain a high level of debt. Yes, people will continue to lend us money. However, we are 40 per cent indebted to foreign countries.

The finance minister and the Prime Minister can brag about not borrowing any more and about the decrease in borrowing requirements. The foreign borrowing or borrowing requirements of the government have decreased from \$32 billion to \$14 billion. That is tremendous. That is a plus. That is good. We all want that.

It could have been twice as good as that. We could have got there twice as fast if the cuts I am talking about were made at the time I am talking about. They should not have wasted time. They should have lived up to their commitment to cut \$9 billion from departmental spending.

The Liberals wasted two years. They failed to act for two years. They did not make the cuts, even the cuts they said they would make. The President of the Treasury Board got all the other ministers to agree to doing it to justify the \$7.5 billion. That has now been done. I would defend the \$7.5 billion, but I would do so by ensuring that departments lived up to their commitment, which was to cut \$9 billion. That has not happened.

They will come in with a \$14 billion to \$15 billion deficit. We must consider the two years of inactivity. If they had made those cuts during those two years they could brag about a balanced budget. The election would be about what they do next. Do they address the debt or do they talk about spending on new programs or increase spending on programs?

If the Prime Minister and the finance minister come up with a sequel to their red book they had better address those things. What will they do when there is a surplus? A surplus is coming. Spending has been frozen. Certain departments have been told to cut back. There will be a surplus. It will take them a year or a year and a half longer than it would take us.

Nevertheless historians and economists will be able to go back and refit the numbers to see what would have happened if they acted here or there.

[*Translation*]

**The Deputy Speaker:** Dear colleagues, time has run out. Pursuant to the order made Monday, April 21, all questions

necessary to dispose of the third reading stage of Bill C-93 will now be put to a vote without debate or amendment.

• (1750)

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

• (1820)

[*English*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 329*)

## YEAS

## Members

Adams	Anderson
Arseneault	Assad
Assadourian	Augustine
Baker	Barnes
Beaumier	Belair
Bélanger	Bethel
Bevilacqua	Bhaduria
Blondin-Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Caccia
Calder	Catterall
Chamberlain	Chan
Cohen	Collenette
Collins	Comuzzi
Crawford	Culbert
Cullen	DeVillers
Dhaliwal	Dion
Discepola	Dromisky
Easter	English
Finlay	Flis
Fontana	Gagliano
Galloway	Gerrard
Godfrey	Graham
Guarnieri	Harb
Harvard	Hickey
Hopkins	Jackson
Karygiannis	Keyes
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lastewka	Lee
Lincoln	Loney
MacAulay	Maloney
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney	Mifflin
Minna	Mitchell
Murphy	Murray
Nault	O'Brien (London—Middlesex)
Pagtakhan	Paradis

*Government Orders*

Parrish  
Peters  
Phinney  
Pillitteri  
Regan  
Rideout  
Scott (Fredericton—York—Sunbury)  
Speller  
Stewart (Brant)  
Szabo  
Terrana  
Valeri  
Volpe  
Wells  
Zed—109

Patry  
Peterson  
Pickard (Essex—Kent)  
Proud  
Richardson  
Robichaud  
Sheridan  
Steckle  
Stewart (Northumberland)  
Telegdi  
Ur  
Vanclief  
Wappel  
Whelan

**INCOME TAX CONVENTIONS IMPLEMENTATION ACT,  
1996**

The House proceeded to the consideration of Bill C-37, an act to implement an agreement between Canada and the Russian Federation, a convention between Canada and the Republic of South Africa, an agreement between Canada and the United Republic of Tanzania, an agreement between Canada and the Republic of India and a convention between Canada and Ukraine, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, as reported (without amendment) from the committee.

**The Deputy Speaker:** Pursuant to the order made Monday, April 21, 1997 all the questions necessary to dispose of the report stage and third reading stage of Bill C-37 shall now be put without further debate or amendment.

**Mr. Kilger:** Mr. Speaker, if the House would agree, I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, which is the concurrence at report stage of Bill C-37 and also third reading of the main motion of Bill C-37, with Liberal members voting yea.

**The Deputy Speaker:** Is there unanimous consent?

**Some hon. members:** Agreed.

[*Translation*]

**Mr. Laurin:** Mr. Speaker, the members of the Bloc Québécois vote in favour of this motion.

[*English*]

**Mr. Strahl:** Mr. Speaker, Reform Party members will vote in favour of this.

**Mr. Blaikie:** Mr. Speaker, NDP members present vote yes on these two motions.

**Mr. Bhaduria:** Mr. Speaker, I will be voting in favour of the motion.

**Hon. Paul Martin (Minister of Finance, Lib.)** moved that the bill be concurred in.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 330*)

**YEAS**

## Members

Ablonczy  
Althouse  
Arseneault  
Assadourian  
Augustine  
Barnes  
Bélair  
Bélisle  
Benoit  
Bethel  
Bhaduria  
Blondin-Andrew  
Bonin

Adams  
Anderson  
Assad  
Asselin  
Baker  
Beaumier  
Bélanger  
Bellehumeur  
Bernier (Gaspé)  
Bevilacqua  
Blaikie  
Bodnar  
Boudria

**NAYS**

## Members

Ablonczy  
Asselin  
Bellehumeur  
Bernier (Gaspé)  
Canuel  
Chrétien (Frontenac)  
de Savoye  
Epp  
Frazer  
Godin  
Guimond  
Harper (Simcoe Centre)  
Hermanson  
Kerpan  
Leroux (Richmond—Wolfe)  
Mayfield  
Mercier  
Morrison  
Picard (Drummond)  
Ramsay  
Rocheleau  
Silye  
Speaker  
Taylor  
Tremblay (Rimouski—Témiscouata)  
White (North Vancouver)—51

Althouse  
Bélisle  
Benoit  
Blaikie  
Chatters  
Davialt  
Duncan  
Fillion  
Gauthier  
Guay  
Hanrahan  
Hayes  
Johnston  
Laurin  
Leroux (Shefford)  
McClelland (Edmonton Southwest/Sud-Ouest)  
Mills (Red Deer)  
Nunez  
Pomerleau  
Ringma  
Sauvageau  
Solberg  
Strahl  
Tremblay (Lac-Saint-Jean)  
White (Fraser Valley West/Ouest)

**PAIRED MEMBERS**

Axworthy (Winnipeg South Centre/Sud-Centre)	Bakopanos
Bertrand	Brien
Campbell	Cauchon
Clancy	Cowling
Crête	Dalphond-Guiral
Davialt	Debien
Dubé	Duceppe
Dumas	Dupuy
Gagnon (Québec)	Goodale
Irwin	Jacob
Lalonde	Lefebvre
Loubier	Manley
Massé	Ménard
O'Reilly	Torsney
Venne	Wood

**The Deputy Speaker:** I declare the motion carried.

(Bill read the third time and passed.)

*Government Orders*

Brown (Oakville—Milton)	Brushett
Bryden	Caccia
Calder	Canuel
Catterall	Chamberlain
Chan	Chatters
Chrétien (Frontenac)	Cohen
Collenette	Collins
Comuzzi	Crawford
Culbert	Cullen
Daviault	de Savoye
DeVillers	Dhaliwal
Dion	Discepola
Dromisky	Duncan
Easter	English
Epp	Fillion
Finlay	Flis
Fontana	Frazer
Gagliano	Galloway
Gauthier	Gerrard
Godfrey	Godin
Graham	Guarnieri
Guay	Guimond
Hanrahan	Harb
Harper (Simcoe Centre)	Harvard
Hayes	Hermanson
Hickey	Hopkins
Jackson	Johnston
Karygiannis	Kerpan
Keyes	Kilger (Stormont—Dundas)
Kirkby	Knutson
Kraft Sloan	Lastewka
Laurin	Lee
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	Loney
MacAulay	Maloney
Mayfield	McClelland (Edmonton Southwest/Sud-Ouest)
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney	Mercier
Mifflin	Mills (Red Deer)
Minna	Mitchell
Morrison	Murphy
Murray	Nault
Nunez	O'Brien (London—Middlesex)
Pagtakhan	Paradis
Parrish	Patry
Peters	Peterson
Phinney	Picard (Drummond)
Pickard (Essex—Kent)	Pillitteri
Pomerleau	Proud
Ramsay	Regan
Richardson	Rideout
Ringma	Robichaud
Rocheleau	Sauvageau
Scott (Fredericton—York—Sunbury)	Sheridan
Silye	Solberg
Speaker	Speller
Steckle	Stewart (Brant)
Stewart (Northumberland)	Strahl
Szabo	Taylor
Telegdi	Terrana
Tremblay (Lac-Saint-Jean)	Tremblay (Rimouski—Témiscouata)
Ur	Valeri
Vanclief	Volpe
Wappel	Wells
Whelan	White (Fraser Valley West/Ouest)
White (North Vancouver)	Zed—160

## NAYS

Members

Nil/aucun

## PAIRED MEMBERS

Axworthy (Winnipeg South Centre/Sud-Centre)	Bakopanos
Bertrand	Brien
Campbell	Cauchon
Clancy	Cowling
Crête	Dalphond-Guiral
Daviault	Debien
Dubé	Duceppe
Dumas	Dupuy
Gagnon (Québec)	Goodale
Irwin	Jacob
Lalonde	Lefebvre
Loubier	Manley
Massé	Ménard
O'Reilly	Torsney
Venne	Wood

**The Deputy Speaker:** I declare the motion carried.

**Mr. Martin (LaSalle—Émard)** moved that the bill be read the third time and passed.

[*Editor's Note: See list under Division No. 330.*]

(Motion agreed to, bill read the third time and passed.)

**Ms. Clancy:** Mr. Speaker, on a point of order. I wish to say had I been in my place, I would have voted with my party.

\* \* \*

[*Translation*]

**YORK FACTORY FIRST NATION FLOODED LAND ACT**

The House moved to consideration of Bill C-39, An Act respecting the York Factory First Nation and the settlement of matters arising from an agreement relating to the flooding of land, as reported (with an amendment) from a committee.

**The Deputy Speaker:** Pursuant to order made Monday, April 21, all questions necessary to dispose of the report stage of Bill C-39 shall now be put without further debate or amendment.

**Mr. Kilger:** Mr. Speaker, I believe you would find unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, that is to say, Bill C-39 at the report and third reading stages, with Liberal members voting yea.

**Mr. Laurin:** Mr. Speaker, we give our consent and the Bloc Québécois members vote yea.

**The Deputy Speaker:** An excellent point. Is there unanimous consent for proceeding in this manner?

**Some hon. members:** Yea.

[*English*]

**Mr. Strahl:** Mr. Speaker, Reform Party members present vote yea on this.

**Mr. Blaikie:** Mr. Speaker, NDP members vote yes on these two motions.

**Mr. Bhaduria:** Mr. Speaker, I will be voting in favour of the motions.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 331)

YEAS

Members

Ablonczy	Adams
Althouse	Anderson
Arseneault	Assad
Assadourian	Asselin
Augustine	Baker
Barnes	Beaumier
Bélair	Bélangier
Bélisle	Bellehumeur
Benoit	Bernier (Gaspé)
Bethel	Bevilacqua
Bhaduria	Blaikie
Blondin-Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Caccia
Calder	Canuel
Catterall	Chamberlain
Chan	Chatters
Chrétien (Frontenac)	Clancy
Cohen	Collenette
Collins	Comuzzi
Crawford	Culbert
Cullen	Daviault
de Savoye	DeVillers
Dhaliwal	Dion
Discepolo	Dromisky
Duncan	Easter
English	Epp
Fillion	Finlay
Flis	Fontana
Frazer	Gagliano
Galloway	Gauthier
Gerrard	Godfrey
Godin	Graham
Guarnieri	Guay
Guimond	Hanrahan
Harb	Harper (Simcoe Centre)
Harvard	Hayes
Hermanson	Hickey
Hopkins	Jackson
Johnston	Karygiannis
Kerpan	Keyes
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lastewka	Laurin
Lee	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Lincoln
Loney	MacAulay
Maloney	Mayfield
McClelland (Edmonton Southwest/Sud-Ouest)	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest/Nord-Ouest)	McWhinney
Mercier	Mifflin
Mills (Red Deer)	Minna
Mitchell	Morrison
Murphy	Murray
Nault	Nunez
O'Brien (London—Middlesex)	Pagtakhan
Paradis	Parrish
Patry	Peters
Peterson	Phinney
Picard (Drummond)	Pickard (Essex—Kent)
Pillitteri	Pomerleau
Proud	Ramsay
Regan	Richardson
Rideout	Ringma
Robichaud	Rocheleau
Sauvageau	Scott (Fredericton—York—Sunbury)
Sheridan	Silye
Solberg	Speaker

Government Orders

Speller	Steckle
Stewart (Brant)	Stewart (Northumberland)
Strahl	Szabo
Taylor	Telegdi
Terrana	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Témiscouata)	Ur
Valeri	Vancief
Volpe	Wappel
Wells	Whelan
White (Fraser Valley West/Ouest)	White (North Vancouver)
Zed—161	

NAYS

Members

Nil/aucun

PAIRED MEMBERS

Axworthy (Winnipeg South Centre/Sud-Centre)	Bakopanos
Bertrand	Brien
Campbell	Cauchon
Clancy	Cowling
Crête	Dalphon-D-Guiral
Daviault	Debien
Dubé	Duceppe
Dumas	Dupuy
Gagnon (Québec)	Goodale
Irwin	Jacob
Lalonde	Lefebvre
Loubier	Manley
Massé	Ménard
O'Reilly	Torsney
Venne	Wood

**The Deputy Speaker:** I declare the motion carried.

**Mr. Irwin** moved that the bill be read the third time and passed.

[Editor's Note: See list under Division No. 331.]

(Motion agreed to, bill read the third time and passed.)

\* \* \*

**NELSON HOUSE FIRST NATION FLOODED LAND ACT**

The House proceeded to the consideration Bill C-40, an act respecting the Nelson House First Nation and the settlement of matters arising from an agreement relating to the flooding of land, as reported (with an amendment) from the committee.

**The Deputy Speaker:** Pursuant to the order made Monday, April 21, 1997 all the questions necessary to dispose of the report stage and third reading stage of Bill C-40 shall now be put without further debate or amendment.

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.)** moved that the bill be concurred in.

[Translation]

**Mr. Kilger:** Mr. Speaker, again, I believe you would find unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the

*Government Orders*

House, that is to say, Bill C-40 at the report and third reading stages, with Liberal members voting yea.

[English]

**The Deputy Speaker:** Is there unanimous consent for this procedure?

**Some hon. members:** Agreed.

• (1825)

[Translation]

**Mr. Laurin:** Mr. Speaker, the members of the Bloc Québécois vote yea.

[English]

**Mr. Strahl:** Mr. Speaker, Reform Party members present will vote yes.

**Mr. Blaikie:** Mr. Speaker, New Democrats vote yes.

**Mr. Bhaduria:** Mr. Speaker, I will be voting in favour of the motion.

[Editor's Note: See list under Division No. 331.]

**The Deputy Speaker:** I declare the motion carried.

**Mr. Irwin** moved that the bill be read the third time and passed.

[Editor's Note: See list under Division No. 331.]

(Motion agreed to, bill read the third time and passed.)

\* \* \*

[Translation]

**FIRST NATIONS LAND MANAGEMENT ACT**

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.)** moved that Bill C-75, an act to provide for the ratification and bringing into effect of the Framework Agreement on First Nation Land Management, be read the second time and passed.

**The Deputy Speaker:** Pursuant to order adopted Monday, April 21, all questions required for the disposal of the second reading stage of Bill C-75 will now be put, without further debate or amendment.

[English]

**Mr. Kilger:** Mr. Speaker, if the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

[Translation]

**Mr. Laurin:** We agree, Mr. Speaker. Members of the Bloc Québécois will vote yea.

[English]

**Mr. Strahl:** Mr. Speaker, Reform Party members present have to vote no on this.

**Mr. Blaikie:** New Democrats vote yes on this motion.

**Mr. Bhaduria:** Mr. Speaker, I will be voting yea on this motion.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 332)

**YEAS**

## Members

Adams	Althouse
Anderson	Arseneault
Assad	Assadourian
Asselin	Augustine
Baker	Barnes
Beaumier	Bélair
Bélanger	Bélisle
Bellehumeur	Bernier (Gaspé)
Bethel	Bevilacqua
Bhaduria	Blaikie
Blondin-Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Caccia
Calder	Canuel
Catterall	Chamberlain
Chan	Chrétien (Frontenac)
Clancy	Cohen
Collenette	Collins
Comuzzi	Crawford
Culbert	Cullen
Daviault	de Savoye
DeVillers	Dhaliwal
Dion	Discepolo
Dromisky	Easter
English	Fillion
Finlay	Flis
Fontana	Gagliano
Galloway	Gauthier
Gerrard	Godfrey
Godin	Graham
Guarnieri	Guay
Guimond	Harb
Harvard	Hickey
Hopkins	Jackson
Karygiannis	Keys
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lastewka	Laurin
Lee	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Lincoln
Loney	MacAulay
Maloney	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest/Nord-Ouest)	McWhinney
Mercier	Mifflin
Minna	Mitchell
Murphy	Murray
Nault	Nunez
O'Brien (London—Middlesex)	Pagtakhan
Paradis	Parrish
Patry	Peters
Peterson	Phinney
Picard (Drummond)	Pickard (Essex—Kent)
Pillitteri	Pomerleau
Proud	Regan
Richardson	Rideout
Robichaud	Rocheleau
Sauvageau	Scott (Fredericton—York—Sunbury)
Sheridan	Speller
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Taylor	Telegdi
Terrana	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Témiscouata)	Ur
Valeri	Vanclief



*Private Members' Business*

Volpe  
Wells  
Zed—137

Wappel  
Whelan

families and people who are struggling to get by they will let it go to a vote.

I would like to suggest that the time has come to end this debate now and let us get it to a vote.

[*Translation*]

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, I would like to remind the House that this bill, standing in the name of the hon. member for Sarnia, was basically well intentioned.

As far as protecting the consumer is concerned, we have always said in this House that one of the objectives of this bill was to prevent negative option billing, in other words, the consumer should be able to decide whether he wants certain specialty channels provided by cable distributors.

However, although the hon. member brings up the issue of democracy, and I will do so as well, although he argues that we want to protect the interests of consumers and our fellow citizens in Quebec and in Canada, I remind him of what I said in my comments on March 27, 1996, and September 16, 1996, which included arguments that have gained in strength since the bill was considered by the Senate. Many organizations and experts told the Senate that this bill went beyond its original purpose and that in fact it would have a negative impact on the public.

I will outline the sequence of events. If I could speak to them directly, I would ask all members who wish to talk to do so outside so I can make myself clear—

[*English*]

**The Deputy Speaker:** I would ask the hon. members who are having conversations in various parts of the room if they would please move them. It is much more comfortable in the lobby with coffee, juice and everything else.

[*Translation*]

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, thank you for your co-operation, and I want to thank my colleagues for giving me a chance to explain why we should vote against this bill.

The purpose of Bill C-216 is to prohibit cable distributors from providing an optional service without the consent of the subscriber. It is intended to prevent negative option billing. This is a marketing technique that puts the onus on the consumer to indicate that he does not want the service.

For instance, when a consumer is offered specialty channels, he is offered them as a service by the cable company, which tells him that if a month from now he is no longer interested, he should give them a call and they will remove the service. So the onus is on the consumer to accept or refuse the offer, and if he does neither, the

## NAYS

## Members

Ablonczy  
Chatters  
Epp  
Hanrahan  
Hayes  
Johnston  
Mayfield  
Mills (Red Deer)  
Ramsay  
Silye  
Speaker  
White (Fraser Valley West/Ouest)

Benoit  
Duncan  
Frazer  
Harper (Simcoe Centre)  
Hermanson  
Kerpan  
McClelland (Edmonton Southwest/Sud-Ouest)  
Morrison  
Ringma  
Solberg  
Strahl  
White (North Vancouver)—24

## PAIRED MEMBERS

Axworthy (Winnipeg South Centre/Sud-Centre)	Bakopanos
Bertrand	Brien
Campbell	Cauchon
Clancy	Cowling
Crête	Dalphond-Guiral
Daviault	Debien
Dubé	Duceppe
Dumas	Dupuy
Gagnon (Québec)	Goodale
Irwin	Jacob
Lalonde	Lefebvre
Loubier	Manley
Massé	Ménard
O'Reilly	Torsney
Venne	Wood

**The Deputy Speaker:** I declare the motion carried.

(Bill read the second time and referred to a committee.)

**The Deputy Speaker:** It being 6.30 p.m. the House will now proceed to the consideration of Private Members' Business.

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**PRIVATE MEMBERS' BUSINESS**

[*English*]

## BROADCAST ACT

**Mr. Roger Gallaway (Sarnia—Lambton, Lib.)** moved the second reading of, and concurrence in, amendments made by the Senate to Bill C-216, an act to amend the Broadcast Act (broadcast policy).

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

**Mr. Gallaway:** Mr. Speaker, this bill has been debated in the House and studied by the heritage committee. It has been debated in the other place and studied by its committee. If members of the opposition really believe in democracy they are going to allow it to go to a vote. If they care to represent interests greater than Quebec, they will allow it to go to a vote. If they care about seniors,

*Private Members' Business*

cable distributor providing the service bills the consumer. This is called negative option billing.

The bill provides for two exceptions. First, if the new service is substituted for an existing service with no increase in the amount billed, and second, if no distinct separate charge is levied for that service. The Senate, when it considered this bill, proposed an amendment.

The purpose of this amendment is to give the CRTC the power it already had and did not wish to use, which is to allow negative option billing in the case of specialty channels. The CRTC already had that power, and an amendment was proposed to confirm that it had the power and should use it.

I may recall that this bill came on the heels of a revolt among consumers in English Canada. It started in the Vancouver area where there was an outcry in 1995 when a new package of services was introduced by Rogers Communications. In January 1995, six new English specialty channels came on the air, as authorized by the CRTC. Rogers Communications took advantage of this opportunity to change the packages it offered to consumers and, in the process, subscribers lost some of the channels they liked.

• (1835)

They were going to have to pay extra to have them again. The subscribers also had to tell the cable company they did not want to take the new channels. This is called negative option billing.

Consumers in the west were penalized by the fact that Rogers insisted on adding new channels, as a marketing strategy, and the channels consumers enjoyed were withdrawn. Consumers had to pay extra to get them. This obviously drew a loud outcry from western consumers and from consumers in the Toronto area.

What was happening in Quebec at the time? Vidéotron was not offering a tiered service. It simply added new specialty services to its basic service at no extra cost. COGECO and CF Cable reached an agreement with the office of consumer protection after demonstrating the importance of the billing. This is one way of achieving desired penetration, that is, selling the product to enough subscribers to make it cost effective. In Quebec, because the market is so small, 85 per cent penetration is necessary. In other words, 85 per cent of customers must subscribe to cable for it to be cost effective.

Why did the office give its approval and allow the billing, as long as flexible arrangements were in place for consumers who did not understand their obligation to cancel their subscription and avoid being penalized? Simply because, in Quebec, legislation prohibits negative option billing. The same legislation may be found in two other provinces. Billing is a matter of provincial jurisdiction. Product availability and client invoicing are provincial matters. This is why cable companies in Quebec agreed with the

consumer association—they wanted to obey the law—and why COGECO did not ask its customers for a cent. This was not the case in the west.

I should add there were no optional services in Quebec at the time, and they did not arrive on the market until 1995.

So some of my colleagues and I are going to take this hour to explain in detail how this whole practice of negative option billing must be opposed and how there must also be respect for the fact that it comes under provincial jurisdiction.

Second, it must also be said that, if passed, the bill will have the effect of preventing any new French language specialty services from broadcasting in Quebec or in French Canada.

My colleagues will back this up and show how this bill has an impact on all francophone communities in Canada, and especially in Quebec.

Finally, they will also show how many organizations, how many specialists have demonstrated here in the House, before the committee and in the Senate that the scope of this bill is unacceptable.

Mr. Speaker, as you are indicating to me that I have only two minutes left, I would like to move an amendment to this bill. I move, seconded by the member for Drummond:

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

A message be sent to the Senate to inform their Honours that this House rejects the amendment made by the Senate to Bill C-216, An Act to amend the Broadcasting Act (broadcasting policy), because, in the opinion of this House, it does not bring the Bill into conformity with the objectives of the Broadcasting Act with regard to French-language services.

• (1840)

That, Mr. Speaker, is the amendment I wished to move, and I will invite my colleagues to continue the debate by pointing out how many experts have opposed the bill, beginning obviously with Quebec's Minister of Cultural Affairs, Louise Beaudoin, who spoke out strongly against it, raising the important issues of distribution and dissemination of cable services for francophones, particularly in Quebec.

Mr. Speaker, if you will approve this amendment, I will move it. My colleagues will continue, in this debate, to show, argument by argument, that this bill should be rejected, because it poses a threat to all francophones in Canada, including Acadian francophones and francophones in Quebec.

**The Deputy Chairman:** The amendment moved is in order. The debate is now on the amendment.

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, I am pleased to rise, perhaps for the last time in this 35th Parliament, to participate in this debate on Bill C-216. Perhaps this bill will show all that the Bloc Québécois has done to defend not only the

interests of Quebec and francophone minorities but also, throughout this 35th Parliament, our language and culture, in the interests of Quebecers and every francophone community across Canada as well.

The purpose of this bill is to prohibit negative option billing by broadcasters, that is to say cable distributors, a practice that leaves it up to consumers to specify whether or not they want to keep the service for which they are billed by the company.

This basic principle contained in the bill, which looks commendable at first glance, appears to be in the best interests of consumers, but it does not necessarily benefit everyone. I do not question the motives of the hon. member who presented the bill, but I think it does not succeed in giving full privileges to every francophone community in Quebec and across Canada.

• (1845)

First, this bill tells us that the first problem is that the marketing operations of any federal agency come under provincial jurisdiction. The bill introduced in this House meddles in jurisdictions already assigned to the provinces.

Throughout this Parliament, we have repeatedly condemned all these encroachments on provincial jurisdictions and overlapping jurisdictions. The Bloc Québécois is of the opinion that this bill interferes directly with provincial jurisdictions. Let us bear in mind that any federal agency that has a commercial component falls under exclusive provincial jurisdictions.

Second, in its proposed form, the bill would have the effect of making it more difficult to provide French language services in those communities where such services are provided, including in the French speaking communities outside Quebec and in that province.

Third, this bill is not at all in line with the structure of the cable industry. The Bloc Québécois opposed this bill primarily because it is a blatant case of interfering in a provincial jurisdiction, but also because it will be very hard to offer new services in French anywhere, since the bill provides that, in order for a company to provide a new service, it must get the approval of all its customers. This is difficult to understand.

I would like to quote the Hon. Francis Fox who, when he presented his submission to the Standing Senate Committee on Transport and Communications, on April 8, 1997, looked at the measures taken since the eighties to protect French culture in Canada. Mr. Fox stated that Bill C-216 goes against these measures, and that the person who drafted this legislation has no idea of the specificity of the French culture.

Allow me to quote a few excerpts from the Mr. Fox's submission. He said: "I deeply believe that this bill, in its present form, would have harmful and destructive effects, not only for affected

companies, but for the French component of our broadcasting system".

Mr. Fox also said this: "In its present form, this bill will either not allow new French language services to get started, or will prevent them from doing so at a reasonable price, thus depriving francophones in this country from having access, in their language—something which is definitely feasible—to programming services offering a greater variety and a greater wealth of information".

Here is another excerpt: "This bill totally overlooks the francophone issue, whether in Quebec, in New Brunswick, or in Manitoba. Extending new French language services becomes an utopia".

This is why we must take an in-depth look at the possible consequences of all the measures introduced in this House.

Passing this bill would again create federal interference in an area under provincial jurisdiction. It is important to note that the billing of a cable service is a commercial transaction between a consumer and a vendor, and that such transactions clearly come under provincial jurisdiction.

• (1850)

In other words, even if a body such as the CRTC has the authority to licence broadcasting companies, in Quebec it is the Government of Quebec which has the required jurisdiction to regulate relations between companies and their consumers.

A second reason, as I have already stated, not to support Bill C-216 is that it would prevent any new French-language service from seeing the light of day, while at the same time seriously jeopardizing the ones already in existence. The explanation for this phenomenon is very simple. A specialty channel is aimed at a specific segment of the public: Canal D, RDS, RDI and the Family Channel, for example, are not all aimed at the same audience. Since all channels are not met with the same interest in the general public, the cable companies take advantage of certain channels' large audiences, and therefore their cost-effectiveness, to maintain others which generally are less profitable, since they have only a limited audience.

If people, especially those in English Canada, select all the channels they want to receive, obviously the French language channels will no longer be in demand and will no longer have the necessary cost-effectiveness to ensure their survival. So, once again, here we are in a vicious circle: fewer francophones, fewer services; fewer services, fewer francophones.

It is clear, particularly in Ontario and the West, that the absence of rules has led to certain distributors' going too far. This proved to be a disastrous experiment and the consumers were up in arms. Yet, with good faith and a healthy helping of common sense, it is possible for the cable companies to do effective marketing, while

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complying with the law and respecting the fundamental rights of consumers.

So, in order to avoid the negative and pointless impact on the development of French language television in Canada and in Quebec, the Bloc Québécois is obliged to vote against Bill C-216.

[English]

**The Deputy Speaker:** Debate is on the amendment and the hon. member for Sarnia—Lambton is entitled to speak to the amendment.

**Mr. Roger Gallaway (Sarnia—Lambton, Lib.):** Mr. Speaker, this is an interesting turn of events or an interesting development when we consider that we are hearing from members of the group who talk about democracy in Canada and their respect for democracy.

They have now proposed an amendment that would send the bill back. They reject it. They purport, allege and suggest they are speaking for francophones both inside and outside the province of Quebec. They are failing to tell Canadians who are watching and Canadians in the gallery today that the federation of francophones outside Quebec endorse the bill. They are failing to tell Canadians that cable company distributors in Quebec endorse the bill. They are purporting to protect Canadians when in fact they are not.

They are telling the people in Quebec that they must accept channels they do not want. They are telling the seniors in Quebec they must accept the cartoon channel and the MuchMusic channel, notwithstanding the amendment made by the Senate that was sensitive to the needs of Quebec and notwithstanding that the amendment was put forth by interest groups from Quebec. That is not enough for the members opposite. They want more. They have not had enough.

In the end they are trying to frustrate the rules of this place by killing a bill. They do not want it to go to a vote. They would rather talk it out and allow it to die here.

Notwithstanding the fact that we sometimes say in this place that the opposition speaks for all Canadians, they are taking a very narrow and might I suggest a very selfish view of the issue.

On this topic they are saying they will only speak for people inside the province of Quebec and to heck with all those people outside the province of Quebec. In effect they are saying to heck with all other people inside the province of Quebec. The Bloc says it knows what is best for them. They are saying they will reject it and will send it back to the Senate. They have no interest in consumers. They have no interest in seniors. They have no interest

in families. They have no interest in the people who are living on very limited incomes.

• (1855)

Notwithstanding that the witnesses who appeared before the heritage committee and the witnesses who appeared before the committee of the other place do not agree with them, they are saying they know more than they do.

Under the circumstances I suggest they do not know more. They are capitulating to a couple of very special interest groups. They will argue about technical capabilities. They will argue about the single tier in Quebec. They will make all sorts of weird, wondrous and spurious arguments.

They are not willing to protect consumers, whether the consumers are in the province of Quebec or in British Columbia or Nova Scotia. They are willing to hang them out to dry. They have a very unique interpretation of the law which, by the way, does not coincide with what was said by any of the witnesses. It flies in the face of all the evidence. It flies in the face of everything said before both committees. Yet the Bloc happens to know more.

On that basis, I urge members to reject the Bloc amendment. Let us get on with the vote.

**Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Lib. Dem.):** Mr. Speaker, I am extremely pleased to rise in support of a very important piece of legislation which is of concern to every hard working Canadian including those living in Quebec.

I am speaking against the amendment because for too long Canadian pocketbooks have been gouged by big businesses whether they are major banks with exorbitant credit card rates, gas companies that have monopolized the market or, in the case of the legislation, cable companies that have been allowed to blatantly rip off honest, hard working Canadians.

We must not allow it to continue. It is our duty to ensure that all Canadians have the right to decide whether or not they want a product at a fair price. It is imperative that the government and the House do everything in their power to ensure all Canadians are treated fairly.

Bill C-216 is legislation aimed at eliminating negative option billing by cable companies. Some two years ago cable companies decided simply to add new specialty channels to all subscribers and then tried to charge the customers for this new service without even asking if they wanted it.

We are aware of the consumer revolt that ensued in which I played a part. As a result of the tireless efforts of my colleague from Sarnia—Lambton we have the opportunity today to enact into law what Canadian consumers have overwhelmingly supported. As

parliamentarians we have an opportunity to vote in support of what Canadians want over what lobbies representing special interest groups want.

It is time to put the issue to a vote. It is a victory of the consumer. Let the voice of the consumers be heard through the legislation.

[*Translation*]

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, I am happy to have the opportunity to speak this evening to this bill and to correct the misinformation conveyed by the member for Sarnia—Lambton.

In cable broadcasting, the francophone context is entirely different from the anglophone one. Despite what our colleague from Sarnia—Lambton said earlier, no doubt in the belief he was speaking accurately, it is wrong to claim that cable companies in Quebec agree with his bill. Quite the opposite.

• (1900)

Paul-Émile Beaulne, a vice-president of Radiomutuel, told the press on September 25, 1996 that it threatened the survival of specialty francophone services. He knows what he is talking about. He is right, and, unfortunately, the member for Sarnia—Lambton seems to be unaware of these remarks by an important player in the cable industry.

Earlier, our colleague from Sarnia—Lambton also intimated that francophone and Acadian communities supported his bill. I have in my hand a letter signed by Jacques Michaud on June 20, 1996 stating the very opposite. I would therefore be pleased to show these documents to our hon. colleague to correct his view of things.

I would also like to mention what the Association des consommateurs du Québec had to say.

[*English*]

**Mr. Gallaway:** Mr. Speaker, on a point of order, I would like you to consider Standing Order 11, specifically section (2).

We are hearing debates being brought forward from when this was before the House at third reading, such as references to letters written on June 30, 1996. I would like to remind members that we are not debating jurisdictional items, which have already been debated, but are in fact debating the amendment as proposed by the Senate and the amendment as proposed by the opposition party.

He is referring to—

**The Deputy Speaker:** I understand the point made by the hon. member on the question of relevance. In a technical sense we often have a great deal of debate in the House which does not, at least to this Speaker's eyes and ears, seem to be terribly relevant. However,

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I am sure the hon. member for Portneuf will make his comments relevant to the amendment for the duration of his speech.

[*Translation*]

**Mr. de Savoye:** Mr. Speaker, I appreciate your perspicacity. You realize I was repeating what the hon. member for Sarnia—Lambton just said about the amendment.

Since certain claims were made about the position of certain associations or cable distributors, I assume he realizes that we must get back to the position taken by these people. We will be very close to what happened a few days ago, because we know that the bill before us has come back with an amendment from the other place.

So what happened in the other place on April 8, 1997? As you know, the amendment proposes to reject the amendment from the other place. So what happened? I could not be more relevant.

Well, the Association des consommateurs du Québec—and I was about to say this when I was interrupted by a point of order—the association submitted a brief on the bill. In its brief, it rejected claims that the bill will be beneficial to Quebec consumers and to the French speaking public in Canada as a whole.

Always with reference to what we received from the other place, I would like to repeat certain comments that were made in one of their committees, the Standing Senate Committee on Transport and Communications. The comments were made by the Hon. Francis Fox. You will recall that not so long ago, Mr. Fox was the Liberal Minister of Communications, and so you could hardly call him a member of the Bloc or a sovereigntist. We can assume that these comments are representative of the beliefs of a staunch Liberal.

He said that what is at stake is a long list of concerted efforts by successive Canadian and Quebec governments to provide for the development of a French audiovisual resource offering a wide variety of quality programming. Supporters of Bill C-216, and he did not doubt they were well intentioned—and I have no doubt about that either—were in fact undermining all these efforts to which they seem to be oblivious.

• (1905)

I might also add that, in this case again, I am in agreement with what Mr. Fox said. He goes on to say, and this is particularly interesting, that the bill should be amended and he lists a number of reasons for doing so. First, this enactment flies in the face of all that has been done in the past 15 years. It does not have its place in the main section of the Broadcasting Act, which reflects a positive view of what our system should be. It changes the rules set after careful consideration by the designated authority: the CRTC. It changes the rules ex post facto between licensing and connection, ignoring the most basic rules of natural justice.

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Mr. Fox adds that nowhere in the bill is the francophone issue, be it in Quebec, New Brunswick or Manitoba, taken into account, making any plans for new French language services an impossible dream.

He then refers to production and creation, saying that all the commitments made to the CRTC will disappear, when CRTC decisions were contributing to consolidate state of the art technology in Montreal, for instance, production companies, which are of source of pride to the industry and which owe at least part of their success to this control: Coscient, CINAR, Les Productions La Fête, Softimage, Prima Film, SDA, Malofilm, and so on.

We are talking about a independent producers market worth \$350 million. When Mr. Fox makes such comments and the Bloc Quebecois takes the position it has taken, it is to defend the interests of Quebec and those of the Canadian francophone community. For our hon. colleague to feel that we are acting against the wishes of consumers, this can only be explained by his taking an anglophone view to the issue. If I were an anglophone from another province, like our colleague from Markham—Whitchurch—Stouffville, I would probably jump up and say: "Come on, let us pass this legislation". But I would do so because I do not know what the situation of our francophone population really is with respect to cable distribution.

I want our colleagues in this House to understand that the Bloc's position is not intended to affect anglophone consumers in any way. At the time, at second reading, I urged the hon. member for Sarnia—Lambton to amend his bill, so that it would only apply to cable services provided in English. Had he done so, I would have been pleased to support his bill. In fact, I have here with me the transcript of the comments I made at the time, on September 16, 1996, but I will not go back to them, because I could be ruled out of order for quoting such antiquated excerpts.

I will say it again. Had the hon. member for Sarnia—Lambton had the foresight to restrict the scope of his bill to English-language cable services, there would be unanimity in this House. But the member tried, like many others before him, to get involved in Quebec's affairs. Of course, if we had achieved sovereignty, neither we nor the hon. member would have to deal with this issue. But Quebec is not yet a sovereign nation. It is still part of the Canadian federation and, on behalf of my fellow Quebecers and francophones from across Canada, I must say no to this bill.

**Mr. Stéphan Tremblay (Lac-Saint-Jean):** Mr. Speaker, I would like to speak to Bill C-216, an act to amend the Broadcasting Act. When we speak of broadcasting, we speak of culture and of heritage and that led my colleague, the member for Richmond—Wolfe, to comment on bills such as this.

This is probably one of the last times I will speak in the House during this Parliament, and I want to say that one of the things that have hurt my feelings the most is the way heritage and culture are dealt with here.

• (1910)

Only this afternoon, I asked the Minister of Canadian Heritage if it was normal to require individuals applying for a job with Heritage Canada to hand in a 250 word essay in support of Canadian federalism. We know that 75 per cent of the young people from Quebec who usually apply to Heritage Canada voted yes during the last referendum. So it almost boils down to telling Quebec "pay taxes, but you are not entitled to the services we can provide".

This reminds me of the recent refusal by the NFB's cultural production fund to finance Mr. Falardeau's film on the Patriotes. Sometimes, one almost has to apologize for being a Quebecer. It seems to me it is a fund to which Quebecers contribute financially. The vast majority of Quebecers would like to see Falardeau's film. I would like to see it myself. It is a part of my history and it is perfectly natural. But Ottawa says: "You do not have the right to see such films".

The third thing bothering me about heritage and culture is that members opposite and beside voted not to revoke the conviction of Louis Riel. It seems to me it would have been so easy to vote in favour, at least as a symbolic gesture. But they did not. Then they wonder why Quebecers want to leave Canada. It seems obvious to me. I can tell you that, this year, I have really seen it all.

That having been said, about Bill C-216 on broadcasting, the September 25, 1996 issue of *La Presse* said: "The subscription act would jeopardize the French cable industry". Essentially, what this bill wants to do is to prevent cable distributors from connecting some subscribers and then charging them until they say they do not want that service any longer.

I have no problem with what is called the negative option billing. If I put myself in the shoes of my colleague opposite, the member for Sarnia—Lambton, I think I could congratulate him. I do so through the Speaker. I think he is defending the interests of his riding, except that this shows a problem in the system, that is, in order to solve a local problem, the government must draft Canadian legislation at the expense of other regions, including Quebec.

Why do I say the member for Sarnia—Lambton has good intentions? Subscribers that are offered cable products must pay for them until they call their cable distributor to tell him they do not want them any longer. When all is said and done, this is not a bad approach by the cable companies. They impose certain channels on their subscriber and, if he does not want it, he must say he does not want to pay for it. So, basically, I find this is very good.

However, this must be examined on a larger scale. We will also recall that this bill is the result of a revolt in the Vancouver area. So, when Rogers decided to change the service packages offered to its subscribers, they lost some channels that they liked or they had to pay more to have them back. Furthermore, the onus was on the subscribers to notify the cable distributor of their intention not to renew their subscription. This is called negative option billing.

Again, this bill is full of good intentions but it could hurt Quebec. We are against this bill because it encroaches on Quebec's jurisdiction. How many times has it been said in this Parliament that this or that area comes under provincial jurisdiction?

● (1915)

But the federal government cannot help showing off and encroaching on Quebec's jurisdiction. On the subject of relations between businesses and consumers, section 92(13) of the British North America Act has this to say:

92. In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,

—  
(13) Property and Civil Rights in the Province;

This section of the Constitution applies to all businesses, even those under federal jurisdiction, such as broadcasting and telecommunications corporations. If the CRTC has the power to license broadcasters, the Government of Quebec has the power to legislate commercial relations between those institutions and consumers.

One of the main reasons—I think this is rather obvious—is that it is an encroachment on Quebec's jurisdiction. They do not ask for our opinion, they just go ahead. It is a little bit like putting a bandage on a wound, when we know very well that it will only make things worse.

The second reason I oppose this bill is that it prevents the creation of any new French-language broadcasting service. Under this bill, before offering a new non mandatory service to the basic or optional service customers, the cable distributor should first obtain consent from each of his subscribers. I can give an example.

In Hull, if one customer says he does not want the news service recently offered by TVA or whatever, all the customers will be penalized. It seems to me that we must preserve some freedom of expression. Even if 50 per cent of the customers rejected such service, the other 50 per cent would still want it. The negative impact is not that strong.

These different proposals deserve to be examined in the context that is unique to Quebec. Since each specialty channel targets a specific segment of the public, it is hard to reach the critical mass that will ensure its viability. This limit takes on even greater

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proportions because, in a small market like Quebec, we could be penalized.

Several industry experts have argued that, in Quebec, if RDI or the Canal Famille had not been provided to consumers free of charge for three months, it would have been impossible to offer those services. People who do not know a product are not inclined to buy it.

What we are proposing is the procedure in effect in Quebec, that is, the introduction of new channels. I am very open to the idea of new television channels, new products. Offer them free of charge, just like a sample you would send consumers, and then let the consumers decide if they want them or not. This is just common sense.

Let me substantiate this with a few opinions. Those are the views of people who appeared as witnesses before the Senate committee. The chairman of the CRTC said that this measure, apparently in favour of consumers, was actually not in their best interests but rather bad for them. A high rate of penetration is essential for the French language specialty channels to survive in Quebec and in the rest of Canada. Legislation to protect consumers from abuse is useful in a monopoly context, but we are no longer in such a context.

A number of companies are competing to provide signals to consumers who benefit from that competition. The former Liberal Minister of Communications, Francis Fox, has outlined the measures taken since 1980 to protect French culture in Canada.

**The Deputy Speaker:** I am sorry to interrupt the hon. member, but his time is up. The hon. member for Anjou—Rivière-des-Prairies.

● (1920)

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, when he made his speech earlier, the hon. member for Sarnia—Lambton suggested that the Bloc has no definite reason to move an amendment asking the Senate to reject its own amendment.

I totally disagree with him. The Bloc has excellent reasons to do so, as we will show. Negative option billing is a fundamental problem which concerns a large number of Canadians, but which does not exist in Quebec. Why? Because it is up to the provinces to legislate in this area, and Quebec did what it had to do a long time ago. Quebec has legislation which effectively prohibits—

[English]

**Mr. Keyes:** Mr. Speaker, on a point of order, I wonder if there is a disposition in the House to carry forward with a vote on the amendment or carry the amendment on division?

**The Deputy Speaker:** The hon. parliamentary secretary is asking for unanimous consent.

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**An hon. member:** No.

**Mr. Keyes:** You do not want to vote?

[*Translation*]

**Mr. Pomerleau:** No, Mr. Speaker, I have not concluded my remarks.

**The Deputy Speaker:** The hon. member for Anjou—Rivière-des-Prairies has the floor.

**Mr. Pomerleau:** Mr. Speaker, many Canadians have been affected by negative option billing, but not in Quebec.

Do I have two minutes left, Mr. Speaker?

**The Deputy Speaker:** The period allowed for this debate expires at 7.27 pm. The hon. member has five minutes left.

**Mr. Pomerleau:** The Bloc has excellent reasons to move this motion today. Our motion rejects the Senate amendment because:

—in the opinion of this House, it does not bring the bill into conformity with the objectives of the Broadcasting Act with regard to French-language services.

We know that services must be provided in French exactly as they are provided in English; there are two official languages in Canada and they are equal everywhere.

To settle the problem of negative option billing in Canada, which should be settled through provincial legislation, my hon. colleague is proposing a federal bill that would reduce French language television programming.

My colleague should have asked the provincial legislatures to pass the regulations now before this House. This is an area under provincial jurisdiction. Thus, first, this is not the place to solve this problem and the bill has the disadvantage, when the provinces do not do their job, of allowing the federal government to encroach on provincial jurisdictions, which Quebec has always been opposed to.

So, not only do we not solve a problem correctly by raising it in a legislative assembly that does not have proper jurisdiction, but once again Quebec is being had, and forced to fight these motions when the Constitution provides quite clearly that this comes under provincial jurisdiction.

[*English*]

**Mr. Gallaway:** Mr. Speaker, on a point of order, again I must remind members opposite of Standing Order 11(2) and that we are debating the amendment as proposed by the opposition and the amendment as put forward by the Senate, neither of which has anything to do with jurisdiction.

[*Translation*]

**The Deputy Speaker:** I thank the hon. member and I ask if my colleague can speak to the amendment before us with some relevance.

**Mr. Pomerleau:** My remarks are very relevant, Mr. Speaker. We reject the amendment proposed by the Senate because it does not bring the bill into conformity with the objectives of the Broadcasting Act with regard to French language services.

If motions have to be moved at every turn, we will see to it.

• (1925)

What we have shown here is that the bill is strictly a measure against francophones in Canada and Quebec. If our colleague wants to introduce a bill to solve the problem, he should do so in the provincial legislatures and not here.

**Mr. Regan:** Wrong.

**Mr. Pomerleau:** That is not wrong. What you are saying is totally unreasonable. Why then would we be rejecting an amendment moved by the Senate? It is because the Association des consommateurs du Québec went to the Senate and said in its brief that the bill did not meet the objectives it was supposed to meet and, furthermore, that it would create a lot more problems than it would solve. In the bill, there was no mention of jurisdictional encroachment, and that is a second factor.

I will read a few quotes from the Association des consommateurs' brief: "We recognize that the objectives which led to the introduction of this bill may have been worthy and beneficial to English Canada, but we are convinced that the authors of the bill never examined or understood the disastrous consequences of this bill for francophones in our country".

I will conclude with this remark. I think our colleagues should reread this report which describes exactly why francophones—

**The Deputy Speaker:** My colleagues, the hour provided for the consideration of Private Members' Business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

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## ADJOURNMENT PROCEEDINGS

[*Translation*]

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

### GOVERNMENT CONTRACTS

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, I do not know what has gotten into our colleagues opposite, whether it is the



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upcoming election making them nervous, both in the House and in committee, but I would like to come back to the issue of federal government procurement, which has naturally interested the official opposition for a long time now.

Like most members of the Standing Committee on Government Operations, we have heard many criticisms of government contracts, which have been described as unfair and ineffective. Despite the fine talk of this government since it came to office, things are pretty much the same as they were in the dark Conservative past. Of the \$8.6 billion spent by this government in 1994-95, 37 per cent was on sole source or non-competitive contracts. This is very troubling. The Liberal majority, like us, was left staring at the same sad figures.

Therefore, in the present tendering system, it is important to make some very minor changes. It would not even take very much time. These changes were proposed by SMBs that appeared before the committee. To name but a few, first of all small and medium size businesses are complaining about lack of information on tenders. They have no way of knowing what the government wants to buy.

They also feel that the tendering process has its shortcomings. They experience great difficulty in contacting the user of the product or service, or the true purchaser of goods and services. Reaching these people, or not reaching them, can make the difference between having the winning bid, or not.

• (1930)

The tendering process is an extremely complex one, which discourages the small and medium size businesses from bidding. They have trouble filling out the necessary forms. There is too much unnecessary red tape. As well, the small and medium size businesses fear, and rightly so, that contracts are awarded on the basis of nepotism and political favouritism, and favour Ottawa-based companies.

I have made a list of the comments made by certain small and medium size businesses in my riding. This is what I heard: "We are registered suppliers but we are never asked to tender our services", "we have to know the buyer to be able to sell a product or a service". That is par for the course in my riding, at CFB Bagotville. I also heard this: "We are not informed of requirements or products", "we are not asked to bid, although our names are on the lists, although we are qualified". Others told me: "I tried my luck recently, but I have serious doubts about the integrity of the system".

There is another aspect I would like to discuss, since you are signalling that my time is up: Quebec's share of the procurement of goods and services. In 1994-95, there was a shortfall of 22,000 jobs in Quebec because the federal government did not give Quebec its fair share of the procurement of federal goods and services.

[English]

**Mr. John Harvard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the Minister of Public Works and Government Services followed closely the work of the Standing Committee on Government Operations and welcomes its final report and recommendations on government contracting.

The minister was pleased to note that the report recognizes much progress has been made by the government to improve the contracting process. At the same time, this government is committed to taking further steps to enhance the openness and accessibility of the federal procurement process for all Canadian businesses.

We rely heavily on views expressed at the committee and on the committee's interim report while developing the request for proposals for the new electronic tendering system. This new system will be launched June 1, 1997. It is a joint federal-provincial initiative that will give Canadian firms cheaper, more user friendly, single window access to information on government business opportunities.

With regard to the matter of sole source contracting, the Department of Public Works and Government Services is sensitive to the concerns of the committee. However, there are cases when the government can turn to only one supplier. Reasons for this include: extreme urgency; exclusive rights, such as copyright and patent; the need for systems to be compatible; or the need to obtain replacement parts from the original manufacturer. The competitive approach is always preferred.

The Department of Public Works and Government Services has dramatically reduced its reliance on sole source contracting from 47 per cent of the value of contracts in 1992-93 to 26 per cent today. One of the ways we have achieved this is through the use of advanced contract award notices or ACANs. When the department publishes an ACAN on the open bidding service and in the "Government Business Opportunities" publication, any supplier that feels qualified to meet the requirement can challenge the sole source award. When the supplier is successful in demonstrating its capability, the requirement is completed.

To be clear, when the non-competitive approach is used, it must be for valid and compelling reasons. Otherwise the requirement is tendered competitively.

I hope that helps the hon. member.

• (1935)

[Translation]

## TARIFFS ON AGRICULTURAL PRODUCTS

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** Mr. Speaker, I rise again this evening in adjournment proceedings to find out from the Secretary of State for Agriculture how quickly the government will come to the defence of farm producers and especially Ontario and

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Quebec producers of quotaed products. That is what we call rightly or wrongly supply management in the case of eggs, poultry and milk.

I will take a moment to remind the House of the issue. In response to market globalization, Canada signed an agreement with the United States known as the FTA. A few years later, we expanded the agreement, which became NAFTA. Mexico joined the two original partners.

In the fall of 1993—it was signed in the fall of 1993—GATT became the WTO. Within the context of the WTO and NAFTA, we set tariffs on imports of these various products to protect our agriculture, administered by supply management.

The tariff percentages are huge. But they protect our domestic markets very well. In general terms, they vary from 180 to 360 per cent. We must reduce these tariffs by 30 per cent over the next six years. It must, on average, be not less than 15 per cent.

However, the United States, in their usual heavy handed fashion, are making our life very hard. We had to argue before a NAFTA tribunal and we won five out of five. The head of the tribunal and the four judges supported without exception our tariffs on eggs, poultry and milk.

However, the trade representative, Charlene Barshefsky, swore up and down to the American farming community that she would fight to the end and win. Having lost under NAFTA, the U.S. is now turning to the WTO, and the reports I have are quite alarming, because there is serious question about this government's efforts to defend producers since we have seen how pliant it has been in the past before American demands.

I offer as an example the situation with durum wheat and lumber. We give them too much, when we should not. The point of my remarks is to make the government aware and remind it that the Bloc Quebecois will be there in the next elections to be on the lookout and ensure that the Liberal government defends the rules for our farmers who depend on supply management.

[*English*]

**Mr. Jerry Pickard (Parliamentary Secretary to Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I thank my colleague for his question.

We understand that some groups in the United States are disappointed with the NAFTA panel ruling and are continuing to press the United States government for further action. The U.S. has indicated that it remains committed to improving U.S. access to Canadian markets by doing everything possible consistent with the U.S. trade laws and obligations to pursue the tariff-free access.

However, the panel's final report released on December 3 fully upheld Canada's position that the application of Canadian WTO tariff equivalents to the U.S. origin goods is fully consistent with our international trade obligations both under the NAFTA and the WTO. Consistent with the panel's findings, we see no basis for negotiations. Both sides should now focus on respecting their negotiated agreements.

• (1940)

A key factor to our success before the NAFTA panel was the wholehearted support and participation of all stakeholders in all provinces in a truly team Canada effort. We remain committed to continue to work closely with Canadian stakeholders to defend our interests against any future challenges that we may face.

It is important to understand that oftentimes political statements are made by those who would represent individual groups in the United States. We here in Canada have stood very solidly behind our negotiations, behind what we have done and we have been upheld by the panel. I do not believe at this point in time we have anything to worry about in this regard.

## ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, last week I asked the Minister for International Trade to confirm that he would not sign the multilateral agreement on investment being negotiated at the OECD unless the Canadian government got exemptions for job creation and other key sectors of great significance to Canada, such as sovereignty over cultural institutions and our natural resources.

My question arose from the fact that the multilateral agreement on investment builds on NAFTA and, like NAFTA, has as its goal the creation of a level playing field for investors from outside Canada.

I am pleased to hear that the government plans to set conditions on foreign investment because, as I understand the agreement, only those sectors that are explicitly excluded by a country are exempt from the national treatment which would be accorded foreign investors under the proposed agreement. Consequently, Canada must negotiate exemptions for certain sectors, among them job creation, control over our natural resources, water, which is of particular interest to western Canada, energy, and possibly investments that would affect our food security.

NAFTA already restricts Canada's ability to require U.S. firms to meet employment targets as a precondition of investing in the country. If this restriction were extended to all OECD nations, the government would have great difficulty directing the investment process so as to promote job creation according to national goals.

Furthermore, there is the risk of signing a trade and investment agreement that will not pay adequate attention to environment

*Adjournment Debate*

## TRANSPORT

related concerns. I urge an approach which ensures that sustainable development be at the centre of the decision making process both of national governments and international trade institutions.

To conclude, I hope the minister can give assurance that Canada will not sign the agreement unless it retains control over job creation and unless Canada retains sovereignty over water, energy, forests and fisheries.

**Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.):** Mr. Speaker, the hon. member for Davenport commands respect and it is a privilege for me to respond to his concerns on behalf of the Minister for International Trade.

Negotiation of a multilateral agreement on investment at the OECD is still at an early stage. Although the original goal was to complete these negotiations by May, an extension to 1998 appears necessary. Canada has committed to nothing at this stage.

The principal objective underlying the MAI is to improve investment protection for foreign investors. A core principle is equal treatment for foreign and domestic investors with exemptions for sensitive sectors such as cultural industries. As exists under the NAFTA and WTO agreements, countries will be allowed to file exemptions for certain measures they wish to maintain.

Canada will not sign an MAI that inhibits Canada's ability to link the granting of investment incentives to job creation or to impose or maintain foreign ownership limits for privatized crown corporations.

Canada will retain the ability to review large scale mergers and acquisitions involving Canadian companies, protect its cultural industries, protect the integrity of Canada's health care system, require job creation as a condition for receipt of investment incentives, require companies to carry out R and D activities in Canada as a condition of receipt of federal funds, and regulate crown corporations and monopolies.

Through the MAI, Canadian investors will have greater access and protection in Europe, Japan, Australia, New Zealand, Korea, as well as other countries willing to adhere to MAI rules.

• (1945)

Signatories to the treaty will adopt investment rules similar to those accepted by the NAFTA partners. Equally important in a world where countries fiercely compete to attract foreign investment, Canada's adherence to an MAI that protects Canadian interests will raise our attractiveness as an investment location.

Foreign direct investment contributes significantly to Canada's growth, prosperity and employment creation. In the MAI negotiations Canada will be seeking disciplines on U.S. extraterritorial measures such as Helms-Burton, again for the benefit of Canadian investors.

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, on March 17, I rose to ask the Minister of Agriculture and Agri-Food if he would be changing the Canada Transportation Act to provide some rebalancing in the relationship between shippers and railways by including a shipper's right to performance guarantees with appropriate penalties for poor rail performance.

The question arose because of the abysmal performance that the railways have shown over the past winter, leaving almost 50 ships waiting in the harbour in Vancouver for which farmers, through the Canadian Wheat Board, were paying demurrage costs.

The problem with the Canada Transportation Act is that there is no way for the shipper, in this case the farmer or the Canadian Wheat Board, to extract penalties from the railways.

The act was fairly silent on this. The justice system has ruled that farmers are not shippers. It has also ruled on other occasions that the wheat board is not a shipper. Therefore it is virtually impossible for the people who are damaged by non-performance to arrange contracts with the offending party to make certain that performance does take place.

I did not ask the question in a vacuum. I had done considerable research and found that the elevators in western Canada were full of the grades of grain required for the ships. The terminals which load the grain after it is received at the port from the railways, from the prairies, were empty and unable to fill the ships. It does not take a genius to decide that something had gone wrong with the rail system.

I found that the rail system had performed very badly. It had made some attempts to correct the bad performance. It had brought in locomotives from the United States but for some reason it did not bring them up to performance standards for northern conditions. Apparently they were filled with summer fuel and they froze. They would not work. They were usually left out in the middle of somewhere which clogged up the system at the same time. While 50 to 100 cars were sitting full, there was no transportation to pull them. When the railway did start pulling them the transportation conked out. Taxis would have to go to rescue the crew. Other crews would come in to try to get the engines drained and working.

The management on the railway's part was absolutely abysmal. It is not that it was not being well paid with the new CTA changes. It no longer is bound by the 20 per cent limit on the amount of money it can claim back for investment costs. Those are now estimated to be somewhere between 30 per cent and 40 per cent.

Under the old act the railway was required to provide certain performance guarantees which the government was able to manage

*Adjournment Debate*

by the payout of something in the order of \$700 million annually. With that club over its head there was a lot better performance.

Now that the club is gone, now that there is no possibility of signing performance guarantee contracts with the wheat board or the farmer, there has been no compliance and there has been no performance.

While the railway can complain that the weather was bad, it is bad every January and February. The farmers manage to get their grain through that weather to prairie elevators. Why could the railway not run similar equipment with diesel fuel like the farmers do through the mountains?

**Mr. Stan Keyes (Parliamentary Secretary to Minister of Transport, Lib.):** Mr. Speaker, I know the hon. member has a working knowledge of the Canada Transportation Act. He knows that it is the intention of the CTA to modernize and streamline rail regulation, promote the formation of shortline railways, ensure that shippers continue to have access to competitive transportation services. Unfortunately, and the hon. member hit on it, the act cannot predict or prevent bad weather.

On the subject of the movement of grain, the government is concerned about the current situation. However, we want to focus on solutions, not finger pointing, to improve the efficiency of the entire system from the farm gate to the ship clearing the port.

There have been dramatic improvements in the shipment of grain to the west coast in recent weeks. Rail car unloads during

March averaged 4,400 cars per week as compared to under 4,000 for the last week of February.

Grain terminals are now operating seven days a week and the number of ships waiting on the west coast has been reduced to 13 from 43 in mid-February.

The situation is improving on the prairies and on the west coast. The backlog is being dealt with. It is not our intention to forget the problems encountered this winter, nor should we look backward to start assigning blame, as the hon. member would like us to do.

Instead I suggest to the hon. member that we need to take the opportunity to look ahead to find ways to make long term improvements to the system. Finding solutions will require the co-operation of all parties concerned. Ministers responsible for transport or agriculture from the four western provinces have called an inquiry which is just one of the several options now being considered. Whatever the option ultimately chosen by the government, our main objective must be to ensure that we have the most efficient, effective and reliable grain transportation and handling system possible for our producers, shippers and customers.

**The Deputy Speaker:** A motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at two o'clock.

(The House adjourned at 7.52 p.m.)

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