



CANADA

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OFFICIAL REPORT
(HANSARD)

Thursday, February 11, 1999

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, February 11, 1999

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*English*]

WAYS AND MEANS

NOTICE OF MOTION

Hon. Jim Peterson (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 to amend the Income Tax Act, and I ask that an order of the day be designated for consideration of the motion.

These amendments deal with permitting the new foreign bank entry regime for Canada, the so-called foreign branching regime, a long awaited measure. I am also tabling background notes.

* * *

[*Translation*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am pleased to table, in both official languages, a number of order in council appointments which were recently made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker,

pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 10 petitions.

* * *

[*English*]

NATIONAL HOUSING ACT

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.) moved for leave to introduce Bill C-66, an act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to make a consequential amendment to another act.

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

* * *

• (1005)

BANK ACT

Hon. Jim Peterson (for Minister of Finance) moved for leave to introduce Bill C-67, an act to amend the Bank Act, the Winding-up and Restructuring Act and other acts related to financial institutions and to make consequential amendments to other acts.

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

* * *

CANADA POST CORPORATION ACT

Mr. Rob Anders (Calgary West, Ref.) moved for leave to introduce Bill C-474, an act to amend the Canada Post Corporation Act.

He said: Madam Speaker, the operations of Canada Post have been somewhat suspect for a number of years. There is suspicion among people that it is using the money it brings in from regular mail to subsidize other aspects of its operation, for example its courier service and electronic mail, and to drive its private market competitors out. In Calgary we had people who went ahead and had their own mail delivery service called T2P overnight. I think we can deliver better service with Canada Post by allowing competition so people can see what other options there are out there.

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

*Routine Proceedings***CRIMINAL CODE**

Mr. Deepak Obhrai (Calgary East, Ref.) moved for leave to introduce Bill C-475, an act to amend the Criminal Code (breaking and entering).

He said: Madam Speaker, it is my pleasure to introduce my private member's bill in the House today. This bill would establish a minimum two year sentence for second or subsequent convictions of break and enters on dwelling houses. I am proud to state that I have the support of the justice ministers of Alberta and Manitoba. It is my hope that this private member's bill will receive support from my colleagues so we can effectively address this national problem. Canadians view break and enter crimes as more than just property crimes. They view them as crimes against the person.

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

* * *

PROGRAM COST DECLARATION ACT

Mr. Alex Shepherd (Durham, Lib.) moved for leave to introduce Bill C-476, an act to provide for improved information on the cost of proposed government programs.

He said: Madam Speaker, this bill is a second attempt on a bill that was brought up in the previous parliament which went as far as the committee stage. This bill attempts to empower the House in the sense that it requires all legislation and new programs introduced by the government to be costed. That costing or the anticipation of that cost is then scrutinized by the auditor general. It essentially allows us as legislators to understand the basic costs of new programs.

• (1010)

More important, it allows us as legislators to go back to our constituents and to explain to them how much new types of government programs are costing.

I do not believe there are very many people in the House or in the country who do not demand greater accountability for government. That is what this legislation would do.

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

* * *

CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD ACT

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.) moved for leave to introduce Bill C-477, an act to amend the Canadian Transportation Accident Investigation and Safety Board Act and the Canada Labour Code as a consequence.

He said: Madam Speaker, with the extreme growth that has taken place in interprovincial and international road transport in the last few years, there is a gap in safety regulation with respect to very large vehicles.

Any accident involving them right now is investigated only by the province in which the accident took place unless the provinces makes a special request to the Transportation Safety Board to become involved in the investigation.

This bill would require that the Transportation Safety Board have authority over any accidents occurring with large trucks and buses in interprovincial or international transport.

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

* * *

PETITIONS

HUMAN RIGHTS

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition on behalf of a number of Canadians, including some from my own constituency of Mississauga South, on human rights.

The petitioners draw to the attention of the House that violations of universally accepted human rights continue to be rampant around the world, particularly in countries such as Indonesia.

The petitioners also acknowledge that Canada is internationally recognized as a champion of human rights in the world.

The petitioners therefore call on parliament and the Government of Canada to continue to condemn such violations of universally accepted human rights and to seek to bring to justice those responsible for such abuse.

NATIONAL ANTHEM

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Madam Speaker, pursuant to Standing Order 36, I have the honour to present on behalf of the constituents of Bruce—Grey, in particular from the areas of Leith, Chatsworth, Kemble and Owen Sound, a petition requesting a change in the national anthem.

The petitioners would like that the second line read "True patriot love in all of us command".

GRANDPARENTS

Mr. Bryon Wilfert (Oak Ridges, Lib.): Madam Speaker, pursuant to Standing Order 36 I have the pleasure to present a petition on behalf of many Canadians with regard to access for grandparents to their grandchildren.

The petitioners request parliament amend the Divorce Act to include a provision as supported by Bill C-340 regarding the right of spouses' parents, the grandparents, to have access to or custody of children.

There is currently legislation in several provincial jurisdictions, including Quebec and Alberta, that allows grandparents the right to see their grandchildren.

Mr. Mac Harb (Ottawa Centre, Lib.): Madam Speaker, I have a petition signed by many Canadians calling on parliament to amend the Divorce Act to include the provision as supported in Bill C-340 regarding the right of spouses' parents, the grandparents, to have access to or custody of their children.

• (1015)

MARRIAGE

Mr. Tom Wappel (Scarborough Southwest, Lib.): Madam Speaker, I have three petitions to present today, all on the same subject matter, from Canadians in Pincher Creek, Alberta, Edmonton, Alberta and various smaller communities in the province of Nova Scotia.

All of the petitioners pray that parliament enact Bill C-225, an act to amend the Marriage Act (Prohibited Degrees) and the Interpretation Act so as to define in statute that a marriage can only be entered into between a single male and a single female.

Mr. Tony Valeri (Stoney Creek, Lib.): Madam Speaker, I have two petitions signed by constituents of Stoney Creek who feel it is the duty of parliament to ensure that marriage, as it has always been known and understood in Canada, be preserved and protected.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Ms. Thibeault): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—POVERTY IN CANADA

Ms. Diane St-Jacques (Shefford, PC) moved:

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That, in the opinion of this House, the government should take steps to alleviate the burden of poverty in Canada by encouraging self-sufficiency and self-reliance, and to that end, should increase the basic Income Tax credit to \$10,000, index the tax brackets and index the Child Tax Benefit.

She said: Madam Speaker, I would like to inform you that I will be sharing my time with my colleague, the member for Madawaska—Restigouche.

We have decided today to put a matter of national urgency before the House, a matter that cannot wait any longer. I am referring to poverty.

Barely a few days before the next federal budget is tabled, I consider it entirely appropriate to hold a public debate on this national scourge, which continues to be one of the main obstacles to equal opportunity in Canadian society.

I would like right off to establish the parameters of the debate I am initiating today with the aid of a historic reminder. On November 24, 1989, this House witnessed a rare act of solidarity on a matter of national urgency, the unanimous passing of a resolution expressing a common desire to eliminate child poverty in Canada by 2000.

Despite this desire, clearly and—I said it and I repeat it—unanimously expressed, there are today 564,000 more children living in poverty than there were in 1989. In fact, the rate of child poverty rose from 15% to 21% during this period.

In other words, this means that one child in five is exposed daily to the cruel consequences of misery and poverty. The reason these children are living in such conditions is that their parents are among the 20% of the Canadian population who live below the poverty line.

These alarming figures have moved me on numerous occasions in recent months to beg the Minister of Finance to make children a priority in the next federal budget, among other things by indexing the national child benefit in order to ensure that families receiving it maintain their purchasing power.

I have reminded him of how vital it is to invest right now in the well-being of our children, so that they may develop to their full potential and contribute to Canadian society later on.

Yet every time I have tried to get a commitment from him, or from any other minister of the Liberal government, I have had to settle for a nicely recited litany, always the same one, of nothing but columns of figures. All these statistics are, of course, aimed at singing the praises of this government and how well it has done in improving the economy and creating employment.

• (1020)

Instead of openly admitting the deplorable situation in which some of the children of this country are living, and instead of assuming their responsibilities by putting their shoulders to the wheel in order to correct this national aberration, the members of the government are content to issue glowing reports about the

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excellent health of our public finances. Yet they cleverly forget to point out that, in order to attain that excellent health, they have given up providing a social safety net for Canadians. They also cleverly neglect to mention that this race toward economic recovery leads to an even more marked deterioration in the living conditions of those whose financial situation is already precarious.

The director of Repas Granby et Région Inc., a social advocacy group in my riding, recently informed me of the dramatic impact this insane pursuit of economic recovery can have sometimes.

When I hear him tell the story of this single mother who must sometimes resort to prostitution in order to support her children or that of a welfare recipient who committed suicide upon learning that her benefits had been cut, I understandably cannot applaud the government's approach to putting its fiscal house in order.

I think therefore that it is appropriate to mention an important fact, which has been overlooked in the government's rhetoric. In its two terms, the government opposite will have chopped more than \$10 billion from social transfer payments, yet it continues to portray itself as the champion of the young, the old and the unemployed and of social programs.

However, the Prime Minister was nowhere to be seen yesterday morning, when victims of his so-called sound management rallied on Parliament Hill to condemn his vision of wealth distribution. I was there, along with my leader, the right hon. Joe Clark, and my colleague, the hon. member for Madawaska—Restigouche. I can tell you that the government's triumphalist statements about its good management of public affairs are not very well received by this bitter and desperate constituency.

On behalf of these and of all Canadians who bear the brunt of this government's economic policies every day, I urge my colleagues not to give up.

These people, who came to Ottawa to express their anger and despair, need our vigilance and support. They are a living reminder of this government's economic failure. In spite of what the Prime Minister and his government colleagues may say, they failed miserably in their most basic duties by letting some of their fellow citizens become so impoverished that they have to do without food and shelter.

I am not the only one who is running out of patience with the government's indifference. The Prime Minister should ask young people if they are happy to wait, to hear nice speeches, to see their debt reach excessive proportions, and to find out that post-secondary education is becoming increasingly inaccessible.

Young people are not any more gullible than us. They know that it is the Liberals who contributed to the gradual and systematic erosion of our public education system. Again, the Liberals' wealth redistribution record has been absolutely dismal.

Since 1989, the year which I used in my introduction as our base year for this debate, average family income in Canada has fallen by roughly 4%. It has gone down, not up. Yet, the Minister of Finance claims that the economic fundamentals are right, that unemployment continues to go down, and that inflation is below 1%. Despite all that and despite the fact that the economy, as the minister says, is doing better, the question is: Better for whom?

It is certainly not better for the average Canadian family, whose income has gone down by 4% in recent years. It is not better for the children I met this morning at a school in the national capital region, where we served breakfast. These children, who were shamelessly abandoned by the state, must rely on charitable organizations to start their day with some food in their stomachs.

• (1025)

It is definitely not better for families on welfare, which must face a daily reality that most of us cannot even imagine.

In my riding, the co-ordinator of the Association coopérative d'économie familiale de Granby recently told me about the anguish experienced by these families toward the end of a month, when the fridge and the cupboard are empty, or when spring heralds the arrival not of flowers and birds but of the letter they will receive from Hydro-Quebec demanding that they pay the arrears accumulated during the winter, otherwise power will be cut off.

This may all be very new for our well-fed and well-lodged ministers, but it is nothing unusual in the lives of a growing number of our fellow citizens.

The proof is in the number of food banks, which have almost tripled in Canada since 1989. According to the Canadian Association of Food Banks, the number of communities relying on this service has risen from 180 in 1989 to 508 in 1998.

I must confess I have long been puzzled by cabinet's indifference to the national tragedy I have just described.

After all, this is the same government that signed the Copenhagen accords in 1995, committing it to take concrete action to improve the living conditions of the poorest of the poor in Canada. I would almost have to conclude that this attitude on the part of government members indicates a flagrant lack of compassion for the more unfortunate members of our society.

That would certainly confirm the popular belief that legislators, the very people with the power to change things, are often indifferent to the basic needs of those they represent. But I am an optimist by nature and I refuse to believe that the government will not listen to reason.

Time is running out. Something must be done. The issue of poverty must be addressed without further delay. Canadians want a

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proactive government that will get moving and do whatever it takes to put an end to the national disgrace of poverty in this country.

Solutions exist. All that is lacking is the willingness to do something. One of the things the government could do is to remedy the inequality of taxation practices and not tax low wage earners to death. It could also encourage self-sufficiency and self-reliance by increasing the basic income tax credit to \$10,000 and indexing the tax tables and the child tax benefit.

On behalf of our society's most disadvantaged members, I call on the government to show leadership and compassion.

[*English*]

Mr. Gurmant Grewal: Madam Speaker, I rise on a point of order. Would the House give its consent to revert to the presentation of reports from committees under Routine Proceedings?

The Acting Speaker (Ms. Thibeault): Is there unanimous consent to revert to Routine Proceedings?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I listened with great interest to the member for Shefford. If my memory serves me correctly, this is not the first time we have debated this issue in the House and I congratulate her for bringing this issue once again before the House for debate.

I have been very concerned about the issue of bracket creep which is more or less what she is talking about. I do not want to play cheap politics, but I was taken aback when she said that she and Joe Clark were outside yesterday with the poor on Parliament Hill. I thought: Where was Mr. Clark in 1984 when legislation was introduced which created bracket creep?

This problem was created by that party. That party, in its wisdom, said it was not going to index anything unless it was over 3 percentage points. She is absolutely correct that since that time low income families of the country have been devastated by a constant erosion of their incomes.

• (1030)

Worse than that, this party has created a poverty trap which people cannot get out of. In other words if someone is making something like \$10,000 or \$15,000 and wants to make an extra dollar, the marginal rate of tax is 50%.

Her motion talks about assisting self-sufficiency. I agree with her that we have to do something about it, but she should not stand and say that she and Mr. Clark were very concerned about the poor people outside this door the other day. Mr. Clark was sitting in these very chairs as a minister when that legislation was passed.

I always hear about the great wonderful things we should do. How much will it cost? Has she done her homework? Can she tell me how many taxpayers dollars it will cost to implement the message she is talking about today?

[*Translation*]

Ms. Diane St-Jacques: Madam Speaker, I am very sensitive to my colleague's comments, and I also think he is sensitive to the issue of poverty. However, his remarks today concern a period of full blown economic crisis. The federal government did what had to be done at the time.

Since 1993, however, the economy has recovered, and the government still continues to overtax employees at hugely excessive rates. It cut over \$10 billion in social transfers. It made bad choices.

We are here today to debate, and not necessarily to toss the ball back and forth. We have to find solutions now. We have to stop talking and find ways to help these people. The things that happened in the past are in the past, and there are reasons why they happened. Today, let us take the time to find ways to help people who are suffering now.

Mr. André Harvey (Chicoutimi, PC): Madam Speaker, I would first like to congratulate my colleagues from Shefford and Madawaska—Restigouche.

For the past two years, my colleague has shown concern about the situation of the poor and the disadvantaged, and I think that this is a very important matter. I was smiling, because my colleague from the Liberal Party was talking about the situation in 1984, when the Liberals had just increased the debt eleven fold, from \$18 billion to \$200 billion. We doubled it in nine years, for reasons he is familiar with, namely debt service.

I would ask my colleague, given that the fight against poverty concerns taxation, if there might not be one time measures to be taken. One of the greatest growth sectors of the economy are the soup kitchens and shelters for the homeless. Right now, there is no program to help these two types of agencies, which need funding urgently.

I would like to ask my colleague whether she thinks the upcoming budget could contain a specific program to support these two types of agencies, which are helping the most disadvantaged.

Ms. Diane St-Jacques: Madam Speaker, I would like to thank my hon. colleague from Chicoutimi, who shares my great concerns about poverty, for his words.

I agree there ought to be programs to help these people. As I said, food bank use has nearly tripled. There are, I believe, some things that need to be done on this score.

I could give a number of examples in my riding of people whose income is not enough to cover housing and clothes, and when the

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end of the month is approaching, there is nothing left in the cupboard to eat. Something must be done. Food is a primary need.

Mr. Jean Dubé (Madawaska—Restigouche, PC): Madam Speaker, first of all, I wish to thank my colleague from Shefford for agreeing to share her time with me so that I might speak to the House on this motion.

It is a motion of vital importance to me. There is no doubt that a lot of statistics will be recited to us today, some more disquieting than others. In my own riding, nearly 20% of families were low income families in 1995. That same year, close to 50% of single people were in the low income category.

• (1035)

In other words, the problem of poverty is not only an urban one. It does not manifest itself only in major centres. Poverty is a scourge in all regions and in all communities in Canada. We have a duty to address this problem in a concrete manner. We could spend weeks and months throwing up our hands at the huge scope of the problem, but that will do nothing to help the poor of this country,

The motion we are presenting today offers some really down to earth solutions which would make a big difference to many low income individuals such as the elderly, young people and children, single mothers, low wage earners, and many others.

[*English*]

The issue of poverty is very complex, which is why we know very little about the true state of poverty in our country. As a country we have not developed an effective way to identify and measure poverty. We have not identified all the causes of poverty and we do not have an effective and complete strategy to eliminate poverty. That may be a tall order, but unless we take specific first steps poverty will continue to grow.

The House has always been full of good intentions. In 1989, 10 years ago, members of the House gave their unanimous support to a motion which sought to achieve the goal of eliminating poverty among Canadian children by the year 2000. A mere 10 months away from this critical date, the rate of children living in poverty has grown by 500,000, from 1 million in 1989 to 1.5 million in 1999. This is a true shame and a national tragedy.

I would like to quote one parliamentarian who spoke in the 1989 debate:

I never hear the Minister of Finance talk about the real deficit of this country, which is those one million kids in poverty. That is the real lack of investment. That is the real tragedy. That is the greatest deficit we face. That is the problem, and there is nothing being done to address that kind of issue.

The person I have just quoted is the current foreign affairs minister of the Liberal government. I look forward to hearing his comments today to find out if he is proud that many more children go hungry every night because of his government's policies.

The growing rate of poverty has become an international embarrassment for Canada. Last December a United Nations committee chastised Canada for its inaction in this domain. The 1998 report of the United Nations Committee on Economics, Social and Cultural Rights is less than flattering and Canada has a long way to go to meet the covenant obligations.

The UN report pointed out that since 1994, in addressing the budget deficits by slashing social expenditures, Canada has not paid sufficient attention to the adverse consequences of the enjoyment of economic, social and cultural rights by the Canadian population as a whole.

It also notes that the absence of an official poverty line makes it difficult to hold federal, provincial and territorial governments accountable for their obligation under a covenant. There has been little or no progress in the alleviation of social and economic deprivation among aboriginal peoples. In all but two provinces the national child benefit is in fact only given to children of working poor parents instead of all children of low income families as it was meant to be given.

• (1040)

[*Translation*]

A reading of the UN committee's report leaves us with the impression that, in recent years, poverty has become an even more serious problem in Canada. Our country boasts about being a champion of human rights, co-operation and compensation. This means the international community should see us as a country that is trying to eliminate poverty.

However, based on our Prime Minister's recent actions, it looks like the tarnishing of Canada's international reputation is no big deal for this government.

Reports such as this one serve two main purposes. First, because they tarnish our international reputation, they motivate us to take quick action to solve the issue and thus limit the damage. Second, they make us see the point of view of outsiders who have no direct interest in the affairs of our country. Consequently, these reports are generally quite objective, honest and fair.

Most people are prepared to talk about poverty and are concerned about the poor. Unfortunately, when the time comes to act, they usually decide to use their time and energy for other purposes. To merely talk about poverty does not help alleviate the problem at all. If we really want to eliminate poverty, we must immediately take concrete action.

[*English*]

There is only one way to eliminate poverty and it is by placing more money in the hands of Canadians. The government can do this through lower taxes and tax exemptions, better education and

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the creation of an environment that will stimulate economic growth and development.

In the motion we have proposed today we have identified but a few simple steps that would go a long way toward helping poor people. We suggest that the government should increase the basic income tax credit to \$10,000. It should index tax brackets and index the child tax benefit.

There are many other measures that could be undertaken and I am sure we will hear many other suggestions today from all parties in the House during the debate.

No one party can lay claim to the best solutions to eliminate poverty and no one party can appropriate social conscience to the exclusion of all others. Within our chosen parties we are individuals who serve the people that live in our communities.

The people in my riding want us to act to better the lives of many of our neighbours, our friends and even strangers we have never met. I for one look forward to listening to my colleagues in the House in the hope of having a non-partisan and productive debate on this burning issue.

As I stand before the House I am reminded of the words of John Donne, a 16th century English poet and clergyman who wrote the following:

No man is an island, entire of itself
Every man is a piece of the continent, a part of the main
If clod be washed away by the sea, Europe is the less.
Any man's death diminishes me, because I am involved in man kind.
And therefore never send to know for whom the bell tolls,
It tolls for thee.

The bell is tolling for all of us in the House.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I say at the outset that I agree with the sentiment of the motion before the House today on poverty. It is an extremely important issue. It is an issue that puts our children particularly as having the first call on the resources of the nation, and with that I agree.

With regard to the specifics of the motion I do not agree. I want to quickly share why I do not agree on each of the points and ask for the member's comments.

• (1045)

The first item is with regard to increasing the basic amount, the non-refundable tax credit from the current \$6,456 up to \$10,000. That action would in fact be a benefit for all Canadians right across the board. It would be a tremendously expensive proposition and certainly would not focus dollars. Therefore I am not in favour of across the board increases.

Second, indexing the brackets would simply only benefit those who are currently making over \$30,000 a year. Again it misses the

target. The target is not those making more than \$30,000 a year. We all know it is something much less.

Finally, with regard to the child tax benefit, there is no question that is one that specifically does go because it is income tested to our lowest income Canadians. An indexation of that in the current year would only generate an additional \$14 a year to a family. That itself is absolutely insignificant compared to the cost of the other matters the Conservative Party is raising today.

All of the things his party is proposing have nothing to do with real poverty. Given that, would the member not agree that the important element in addressing poverty is first to define real poverty, not relative poverty, and to establish ways in which we can focus and target our resources to deal with real poverty in Canada? Real poverty is what they were talking about in 1989, food, shelter and clothing, and not what they are talking about today on child poverty, when they say that child poverty exists when children cannot go to a birthday party because they cannot afford a good enough gift.

Mr. Jean Dubé: Madam Speaker, before I answer that question I would like to propose an amendment to the motion, that the words—

The Acting Speaker (Ms. Thibeault): I am afraid at this point the member is not permitted to propose a motion. The member may answer the question.

[*Translation*]

Mr. Jean Dubé: Madam Speaker, I am pleased to answer the question.

[*English*]

As far as measuring real poverty, yes, there is a problem with that in Canada. I do agree we have to find a way to measure the real percentage of real poor people in Canada. With the way it is now measured with the LICO, the low income cutoff, we know and Statistics Canada knows that it is not the right way to measure it. Yes, we must identify first of all what the real rate of poverty is.

As far as tax exemptions, we have spoken about the \$10,000 as proposed by us today. It is certainly a first step. I do not see where a government can charge taxes to people earning under \$10,000. It is absolutely ludicrous to even think that people earning under \$10,000 have to pay taxes.

I would like to note something here. The 1990 Liberal caucus task force, which was co-chaired by the finance minister, recommended: more funding for affordable housing in provincial transfers; new federal-provincial programs to assist working poor with housing costs; holding a national conference on the homeless; increasing the funding of housing co-ops; looking for new ways to

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use housing co-ops; making surplus crown lands available below market value for low income housing; encouraging public-private partnerships to build affordable housing; and eliminating standard aboriginal housing by 2000.

Those were recommendations made by the current finance minister in 1990. Like so many other Liberal promises, all of these remain unfulfilled.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, since this government first came to office, the overall level of the tax burden and especially how it impacts the most vulnerable in our society has been a major consideration in our budget deliberations. This year is no exception.

I would like to thank the hon. member for raising an issue that is not only timely but also is of considerable importance and relevance to our underlying success and stature as a nation. It provides an appropriate opportunity to highlight actions that our government has taken in budget after budget.

• (1050)

Both the Prime Minister and the Minister of Finance are on record as saying that our government is committed to reducing the tax burden on Canadians. The 1998 budget gave concrete proof of this commitment and that this commitment is real, with over \$7 billion over three years to the benefit of 14 million Canadians.

Both the Prime Minister and Minister of Finance have made it clear that our priority within tax reduction is to give first place to those who are in the greatest need, those in poverty or those with low incomes and especially families with children. Here again our budgets have given proof to this priority through real performance.

For example, in the 1998 budget we acted to increase the amount of yearly income that low income Canadians can receive on a tax free basis by \$500. That took 400,000 Canadians off the federal tax rolls completely.

Even more important in my mind has been the work we have done with the provinces and territories in the development of the national child benefit system. Our goal is to ensure that children are always better off when their parents leave welfare. That is why the 1997 budget announced an \$850 million increase in our support to low income families through the Canada child tax benefit. That was followed up in the 1998 budget with measures to provide an additional \$850 million increase in the child tax benefit, \$425 million in July 1999 and \$425 million in July 2000. Taken together, these measures benefit about 1.4 million Canadian families with 2.5 million children.

Let me make one thing clear. Our government recognizes completely that such measures are but steps, though important steps, in a much longer journey. We make no claims that we have

done enough in the battle against need and hardship, but what we have done is what we could afford to do. This is the reason that while I respect the intent of today's motion, I cannot endorse its sweeping menu of action.

We have to remember that just five years ago this nation was burdened with a deficit of \$42 billion. Interest payments on our surging debt were consuming about 33 cents of every tax dollar. Our fiscal follies were exacting a painful price. It was measured in interest rates that were too high and job creation that was too low. That is why our government has constantly balanced our commitment to tax reduction and our priority to ease the burden on low income Canadians with another equally binding commitment, that is, before all else to get the government's books back in balance.

What is important to understand is that these two binding commitments are not in conflict. They actually reinforce each other. The proof of this is also very visible today. The surest form of sustained assistance for Canadians in need is the opportunity to earn a better living, and that means jobs. The surest way for the government to obtain the revenues to better assist Canadians in need is through real economic growth, the type of growth that is helped by low interest rates and marked by growing employment.

We were not going to achieve these things if we were to continue as a nation to borrow against the future. That is why we took tough consistent action to put an end to government that lived beyond its means. Our success here is also a matter of record.

In the fiscal year 1997-98 we eliminated the deficit for the first time in over 25 years and we committed ourselves to balanced budgets again this year and in 1999-2000. It was not an abstract achievement. It has helped to position us so that despite a difficult global economy, Canada is still recording moderate growth. More importantly, this January our unemployment rolls fell to 7.8%. Yes that is still too high, but it is also the best performance since June 1990. In other words more Canadians are working than we have seen in almost a decade. That is the best way, the most sustained way to hit poverty head on.

It was our fiscal success that made it possible for last year's budget to begin the process of broad based tax relief so many Canadians desire. We were able to undertake investments such as the millennium scholarship fund, an investment that will help thousands of young Canadians obtain a higher education.

• (1055)

I emphasize once again that there is much more to be done but we will not do it in a way that jeopardizes the sustained advances, fiscal and economic, that have been hard earned by Canadians. That is why we did not and still do not have the luxury of moving toward the menu of actions the hon. member opposite is suggesting.

The world economy is still volatile. Private sector forecasts of Canadian economic growth have been consistently ratcheted down

over the last nine months. While there have been some positive indications currently, the time is much too soon to make the kind of tax reduction commitments that are being suggested in this motion which we would pay for year after year after year.

Yes we will continue our process of expanding tax relief as the Prime Minister and the Minister of Finance have stated, but we will also place continuing value on prudent planning and fiscal forecasts.

We dare not repeat the error of the hon. member's own party when it was in government of relying on rosy forecasts today that deliver economic turmoil and fiscal failure in the years that follow. No, we will continue our balanced approach because it is the approach that helps the most Canadians in the most need in the surest way. It is the approach that best ensures our government can continue to provide real assistance where it matters and in a way that can be sustained. Let me remind the House that this targeted approach to helping those in need has been a constant in budget after budget.

We know that charities are vital partners in the battle against poverty. That is why in our very first budget we lowered the threshold by which charitable donations begin to earn the 29% tax credit. We know that taking targeted action to boost assistance to students and to people trying to improve their economic condition by upgrading their education helps address poverty.

In conclusion, it is hardly strange that our government's record of tax relief may not be as dramatic or all encompassing as some opposition members say they would like it to be. It is always easy to spend money when one is not answerable to the future consequences.

A responsible government has to address more than just good intentions. It also has to face hard facts and deal with real risks. That means facing up to continuing fiscal constraints and dealing with the real risk of economic volatility.

The most important fact of all is that this government has proven year after year and budget after budget that a balanced and moderate approach delivers the results that Canadians want and that Canadians deserve. These results are positioning all Canadians for a more secure future whereby we can continue to deliver genuine gains for Canadians in need, rather than just pontificate politically as we just heard from the party opposite.

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, I would urge that the parliamentary secretary not reduce this to pure partisanship. This issue requires all parliamentarians to work to ensure that this issue is addressed because poverty and particularly poverty affecting children is something that all parliamentarians should take very seriously.

Supply

My question for the parliamentary secretary relates to the employment insurance fund. The fact is that EI premiums are a regressive tax on the poorest of Canadians. Somebody making \$39,000 per year in Canada pays the same amount of EI premiums as somebody making \$300,000 per year. It is grossly unfair in that regard.

The changes made by this government to EI benefits has hurt significantly. The draconian changes have savaged benefits for instance for seasonal workers. In my riding 4,580 people qualified for EI in 1994. That was reduced to 3,130 in 1997.

I want to read from correspondence received from one of my constituents. I want the parliamentary secretary to hear this so that he has some awareness of how his government's changes in employment insurance have affected people living in rural Canada and the rural poor. This is one letter I received:

How do you expect people to live on \$200 per month for food, clothes, fuel, lights. Try to run a vehicle when the nearest town is 40 miles away. The government has never fought for seasonal workers. Seasonal workers need fairer treatment. How do you think small businesses, stores, farms can deal without crop pickers, without road work, without forestry workers, without strawberry pickers and planters, blueberry rakers, what about landscapers and roofers?

• (1100)

The changes made have impacted significantly, particularly rural Canada, and have created a sense of poverty that is egregious and unacceptable in our country. It is time we stand up and take off our ideological blinders in the House. It is time to do what is right and either reduce the EI premiums such that more Canadians can go back to work or take that fund for what it was designed, a fund to benefit those people who paid into it. It is absolutely grossly unfair that the EI fund which was designed to benefit the poorest of Canadians is being taken now by this government to pad its books to look better for the finance minister's records. It is no good to have a country that is in the black when Canadians are in the red.

Mr. Tony Valeri: Madam Speaker, for the benefit of the hon. member I will repeat what I said when I first stood up. I indicated that the raising of this issue was not only timely but of considerable importance and relevance to our underlying success in stature as a nation. If the hon. member would like, I would certainly take the time to provide him with a transcript of what I had said.

With respect to his comments on EI, one only has to remember not too long ago when the Conservative government was here in Ottawa when it did nothing but increase EI premiums, devastate the economy and increase poverty in this country. That government did nothing but have employment insurance premiums going up, unemployment going up and the economy going down. And this hon. member has the audacity to get up and talk about what this government has done in a negative way. January was the seventh consecutive month in which employment increased. There has

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been an average increase of about 57,000 jobs per month over those seven months.

We all know the issue of poverty is an issue we would like to deal with. Every parliamentarian in this House would like to deal with poverty but most parliamentarians in this House understand that whatever it is we do as a government, we must do it in a measured fashion. On one hand he talks about doing something on the benefit side while on the other hand he talks about ripping seven or eight billion dollars out of the bottom line to deal with his EI premiums because he thinks it is going to create jobs. When I speak to small business people they say "reduce my EI premiums and I will hire as many people as you like".

Small business is concerned about the relevance of the economy. That means interest rates, a growing economy and growing opportunity which is what this government is providing.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, it is an honour to stand in the House of Commons, this place of debate on the behalf of Canadian people, to debate this Progressive Conservative Party motion.

It is important to be aware of what that motion actually says. I will address a technical problem in it shortly. It states:

That, in the opinion of this House, the government should take steps to alleviate the burden of poverty in Canada by encouraging self-sufficiency and self-reliance and, to that end, should increase the basic income tax credit to \$10,000, index the tax brackets and index the child tax benefit.

It is interesting to me when the word poverty is used. We always characterize Canadians as caring. That is what we are in this country. That is one of the great benefits of being a Canadian. That is one of the things that makes me so grateful to be a Canadian, that we can help one another.

• (1105)

I suppose the first question is who is in need of this. Hence this statement. We want to address the problem of poverty. We want to alleviate poverty. Second, what is the method whereby one does that?

I would like to address the question of the definition of poverty. I believe I have stated this in this House before but it bears repetition. I think it is very important.

Our eldest son spent some time in different countries working with Christian relief organizations. I remember the time when he was in southern Sudan where there was a lot of poverty and famine. Brent communicated back to us "We are having great success where we now are. When we first came there were 150 children every day dying of starvation. We have reduced that number to 60". He then put into brackets "of course, by Sherwood Park

standards," a town near where we live, "we have not yet reached the goal".

I think it boggles our minds. It wrenches our hearts to think of moms and dads and family members burying their children because they have died from starvation. That is true poverty. I sometimes think maybe as a country we are very selfish because of the definition we use for poverty when there are children around the world who literally are starving to death because there is absolutely no food. I have seen these pictures. I am sure that all members have seen them, little children with the distended abdomens swelling from starvation. It is very sad.

I believe that not very many children in Canada actually die of starvation. There may be some but I believe it is very few. Of course, if there are any, that is not acceptable. Surely in our country, the richest country in terms of resources, an eager population willing to work, we can provide for every one of our citizens so that they do not live in poverty but rather have sufficient food, adequate clothing and adequate shelter.

I taught mathematics for 31 years. One thing I always resisted was a statistical application to marks in my classes. I always set out standards. I said to my students "When you graduate, I want you to have competence". When I taught surveying students I said "You will not survive as a surveyor if you do not have a mark of 70%, 80% or 90% in trigonometry because that is the basic building block of your program. I expect you to get more than 70%. I will not fail one-fourth of you because you are in the bottom quarter of the class".

Yet that is part of the statistical measure that we use in Canada to define poverty. I simply question the integrity of that measure.

One of the measures used is that any child living in a family whose income is less than one-half of the median income is living in poverty. If our median income in Canada for a family is \$56,000, which I think is close to the number, that means anyone with a family income of less than \$28,000 is living in abject poverty.

Yet I know many people who earn \$18,000 a year who have families and children. They do not consider themselves living in poverty. They have adequate food, clothing and shelter. So I think we should be intellectually honest. We should exercise integrity in our definition of poverty, always remembering there are people who are having trouble making ends meet. There is no doubt about that.

• (1110)

It goes without saying, it is inevitable that living in a country where every penny earned is subject to taxation, where the governments confiscate 55% of everything earned, there is not enough left for us in order to alleviate poverty. We are causing the poverty. Think of how many millions of people who would not have a problem of poverty if we stopped taking that money.

There is a technical error in the bill. I am sure the PCs did not mean this, that they wanted to increase the basic income tax credit to \$10,000 since that is about 10 times what it is now. I move:

Replace the words "increase the basic income tax credit to \$10,000" with "increase the tax free threshold to \$7,900".

I have two reasons for this amendment. The income tax credit is an income tax term which basically relates to the amount of money returned to families based on their taxable income. There used to be a basic exemption, a certain amount of income on which we did not have to pay income tax. That amount is now nominally about \$6,400 for an individual and a little less for a spouse.

The tax credit given on the income tax is actually \$1,098. I am sure the PCs did not mean to increase the tax credit from \$1,098 to \$10,000. That is unreal. The amount I propose is a more realistic figure. Instead of having about \$6,400 exempt from taxation, it is about \$7,900. It is still an increase and the basic personal credit would be increased to \$1,300. That is the wording of it and I am sure that the members of the party that proposed the motion today will agree with this amendment since it clarifies what they want. It brings it to a more realistic number and basically should settle the issue.

The Acting Speaker (Ms. Thibeault): The debate is on the amendment.

Mr. John Bryden (Wentworth—Burlington, Lib.): Madam Speaker, the member pointed out there is a flaw in the motion and he has moved an amendment correct that flaw.

The member for Mississauga South pointed out that the two other aspects of the motion would have very little effect. Limiting bracket creep to all incomes means that it would affect all Canadians and it would have very little effect on the impoverished. The member for Mississauga South also pointed out that the recommendation with respect to the child tax benefit would result only in a net benefit of about \$14 a year.

A motion like this really is a partisan motion because it is not so much the content of the motion or whether the content of the motion is worthy or practical. It is a motion that is designed to put us in the situation where, if we voted against it, it would appear we were voting against combating poverty.

• (1115)

I hope the member and his party will examine this motion on its merits and show courage when they vote, and not support it simply because they are afraid to be branded as being against combating child poverty. They should treat this motion for what it is worth, and it is not a very practical motion.

Mr. Ken Epp: Madam Speaker, I think it is an eminently practical motion, as amended. I believe it is high time that we start

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leaving more money in the hands of families so they can avoid poverty, instead of driving them into poverty.

There are many businesses which end up declaring bankruptcy because of the high levels of taxation. They lay off their people and they land in poverty. If we had a tax regime that would allow them to thrive and survive, then we would have less poverty.

I have seen people who are jobless. My family used to serve soup in the evenings to homeless people. We used to minister to them. We provided basic food to them. The best thing possible that we could do for them would be to provide them with a job.

How does one do that? It is not by overtaxing Canadian businesses, families and individuals and then having a huge army of bureaucrats to distribute the money. The answer is very simple. Leave that money with the people. They will drive the economy because they will have money for food, for housing, for shelter, for clothing and for some of the luxuries of life. That is what drives the economy. That is what provides jobs. These people now, in much greater numbers, would have jobs. Meanwhile, we would still have a greater income, even at lower rates, because more people would be employed and the economy would thrive. With that additional money we could generously provide for those who because of physical and other problems cannot work. I know those people too. I have friends who are unable to work.

I wish I had more money in my pocket so I could help them directly. I have done that from time to time. However, the taxation level is such now that after we pay our bills we have scarcely anything left. It is unfortunate.

The way to handle this is through organizations. Yesterday we talked about the homeless. There are many private organizations, such as Habitat for Humanity, which more efficiently handle limited resources in providing homes for the homeless than does any government bureaucracy. That is what I am talking about.

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, did the member actually say that some Canadians may starve, but not many? Does he actually believe that the homeless have chosen somehow to be homeless? Does he believe that there are not children who are going to school hungry in the mornings? Does he recognize that in constituencies like mine there are families of four making less than \$10,000 per year, living in squalor?

Perhaps it is easier for him. Based on statistics, he has a 9% poverty rating in his riding. But for those of us who represent ridings with significantly more poverty this is a real issue. It is very easy for someone in the House making around \$100,000 a year to pontificate about Adam Smith, but there is a lot of poverty out there and there are a lot of people who need our help.

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Mr. Ken Epp: Madam Speaker, yes, I am aware of the fact that there are some people who are hungry. However, I do not believe—and my words were specific—that they are starving to death. That is what I was talking about.

I insist—

The Acting Speaker (Ms. Thibeault): The hon. member's time has expired. Resuming debate the hon. member for Saint-Hyacinthe—Bagot.

• (1120)

Mr. Ken Epp: Madam Speaker, I rise on a point of order. I beg the indulgence of my fellow colleagues. Could I, by unanimous consent, finish my sentence?

The Acting Speaker (Ms. Thibeault): Is there agreement for the hon. member to finish his sentence?

Some hon. members: Agreed.

Mr. Ken Epp: Thank you, Madam Speaker.

For those families who actually have children who are hungry, let us provide a government regime of whatever means to provide for those children. We think the best way is by providing them with jobs, which come from lower taxes.

Mr. Gurmant Grewal: Madam Speaker, I rise on a point of order. I would ask for the unanimous consent of the House to revert to Routine Proceedings in order that I may table the third report of our special Standing Joint Committee on Scrutiny of Regulations.

The Acting Speaker (Ms. Thibeault): The hon. member is seeking unanimous agreement. Is there agreement?

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I wish to thank the hon. member for Shefford for this opportunity to debate an issue as important as poverty, and children living in poverty in particular.

I must congratulate the hon. member for Shefford, who has done a wonderful job on this issue. Ever since she was elected to this place, she has had a thought-provoking input. To her credit, she also made representations at various levels to denounce the alarming growth in poverty, especially among children.

Like the hon. member for Shefford, we have noticed that the poverty situation is critical. There are at least 5 million Quebecers

and Canadians living in poverty today. Since 1989, poverty has grown by approximately 45% in Canada. That represents a substantial deterioration of the situation.

You will recall that 1989 is the year when Canada signed the UN Convention on the Rights of the Child. Since 1989, not only have we not managed to reduce child poverty in this country, but the number of poor children has actually increased by 500,000. In 1989, we had 1 million children living in poverty, with parents who were themselves living in poverty; today their number has grown to 1.5 million.

The situation has worsened particularly since 1993, when this government took office. There are three reasons for the spiralling poverty of parents and children in Quebec and in Canada, all of them attributable to the policies of the Liberal Party and of the Minister of Finance, who loves to tell us about his record surpluses. What he fails to mention is that his pockets are full because those of the public, particularly the poor, are emptier.

Since it first came to power in 1993, this government has deliberately set out on three courses of poverty creation. First, it has increased taxes. Since the Minister of Finance, the member for LaSalle—Émard, brought down the first Liberal budget in 1994, individual and corporate taxes have gone up by \$34 billion.

Of this \$34 billion, over \$20 billion comes out of the pockets of individual taxpayers. People pay \$20 billion more in taxes today than they did before the Liberal Minister of Finance brought down his first budget.

Corporate taxes have increased by over \$14 billion since 1994 and this has led to pockets of poverty. When corporations are overtaxed—as they are by the Minister of Finance—they do not create enough jobs, nor do they make the contribution to the community's prosperity that they should. This is the first problem created by this government that has led to an increase in poverty.

The second is the cuts in social transfers to the provinces, particular those for social assistance, post-secondary education and health.

• (1125)

With his 1995 budget, the Minister of Finance inaugurated a regulatory mechanism for his various transfers to the provinces for social programs.

Every year, the provinces have \$6 billion taken from them, to finance social assistance in particular. Social assistance is an anti-poverty program which helps those in greatest need. Since 1995, this government has set in motion a totally hypocritical policy which means that, year after year, without any need for the Minister of Finance to make any announcement, \$6 billion is taken away from the provinces, in part to finance social assistance, all the anti-poverty programs, and health.

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By the year 2003, some \$40 billion will have been drained off by this government to finance social programs. After all that we have the Minister of Finance standing up, hand over heart, to talk about poor children. This is shameful. This is hypocrisy, pure and simple. This Minister of Finance ought to be ashamed. He would like to bask in praise for his success in improving public finances, but this success has been achieved at the expense of the most disadvantaged, at the expense of middle- and low-income taxpayers. He deserves no congratulations. He ought to be ashamed of his part in destroying the legacy of his father, a man who was a great builder of social programs in his day.

The third deliberate action by this government that has had an effect on poverty is the creation of an employment insurance plan that is so Manichaean and so removed from its initial objectives as to have only 36% of the unemployed in 1999 benefit from it. That is a shame. And if it does not amount to throwing families and children deliberately into poverty, what does it do.

At the moment, only 36% of the unemployed receive employment insurance. That means that 64% of the unemployed, who should receive benefits, are marginalized on the labour market, forced to take welfare and impoverished by this government.

Therefore, we have three primary sources of poverty arising from a term and a half of Liberals in office and an unscrupulous Minister of Finance cutting wildly everywhere it hurt the most, that is, in the pockets of the public already hit by poverty and struggling with every month end. Then they come bleating about poverty and talking about returning the money the provinces had cut. Are they hypocrites or what? They are the ones who cut the funds to the provincial governments to pay for health care, social welfare and antipoverty programs and now they come crying over the fate of the poor.

The Minister of Human Resources Development even wrote a book during his term of office. I have criticized that enough, it would be overdoing it if I did it again today. He was going on in his book about the most disadvantaged when he was the artisan of the marginalization of whole families. Thousands of children are living in poverty because of him. He bleats on in his book, when he should sit down in his office and redo the entire employment insurance program. He should propose something reasonable, which does not exclude the unemployed from a plan intended to help them.

On the subject of these three sources of poverty, we in the Bloc Québécois have presented our proposals on several occasions since September, following our prebudget tour of Quebec. The first time was before the Standing Committee on Finance. The second was when we tabled a minority report in the context of the prebudget activities of the Standing Committee on Finance. And finally, the third time was when we held a press conference in December to identify our budget expectations.

Given these three deliberate measures that have pushed people toward poverty, the motion should have asked the government—and I say this with all due respect to my colleague—to, first of all, improve access to employment insurance, because that program no longer makes any sense. The EI program systematically puts families on the street and increases poverty.

Second, the motion should have asked for an increase in transfers to the provinces. Not one quarter or one half of what should be given, but the whole amount taken from the provinces year after year, that is \$6 billion annually until the year 2003.

Third, we agree with the Conservative Party that tax tables should be indexed. Clearly, these tables should be indexed.

• (1130)

Our three suggestions are within the budget limits that a responsible federal government must set for itself. If we look at the anticipated surpluses for this year and next year, our three proposals are fully within the limits of the federal government's financial authority.

We are asking the government to improve access to employment insurance by providing up to \$6 billion. We are also asking it to set aside another \$6 billion for transfers to the provinces. This makes a total of \$12 billion, to which we must add \$2 billion to index the tax brackets. We arrive at a grand total of \$14 billion, while this year's surplus is expected to be around \$15 billion.

By contrast, the Progressive Conservative Party's proposals, including those made in its minority report, in December, largely exceeds this anticipated surplus. I wish to point that out to the hon. member for Shefford. When one makes proposals, one must evaluate them thoroughly and, based on an initial assessment, it would cost \$21 billion to implement the proposals made by the Conservatives. This would largely exceed the moneys available for this year and next year.

I also want to say something else. With all due respect to my colleague from Shefford—as I said earlier, this does not apply to her as she has been doing a wonderful job of fighting child poverty—I cannot help but feel a little uneasy with a motion like this one coming from the Conservative Party, especially since it was a Conservative government that de-indexed the tax tables in 1986 and redefined the statistics on child poverty so that, on paper at least, it would appear that things were looking up, while in fact they were not.

I am also a little—

The Acting Speaker (Ms. Thibeault): I am sorry to have to interrupt the hon. member, but time has run out.

Mr. Yvan Loubier: Could I have the unanimous consent of the House to finish my sentence?

The Acting Speaker (Ms. Thibeault): Is that agreed?

Some hon. members: Agreed.

Supply

Mr. Yvan Loubier: Madam Speaker, to conclude, while I salute the work done by my colleague from Shefford, my uneasiness comes from the fact that the measures that plunged the people of Canada and Quebec into poverty in the first place were Conservative measures. I would simply ask her to take note of this fact and perhaps accept on behalf of her party the blame for its past actions.

Ms. Diane St-Jacques (Shefford, PC): Madam Speaker, I wish to thank my colleague, the member for Saint-Hyacinthe—Bagot, for the kind remarks he made at the beginning of his speech.

As for what was done back then, I would remind him that we were in a major recession at the time and had to take certain measures accordingly. I will say nothing further.

I have a question for the member for Saint-Hyacinthe—Bagot about the UN committee's report, released in December 1998. In its recommendations, the committee expressed its concern over the fact that, in all the provinces except New Brunswick and Newfoundland, the national child tax benefit intended for all children of low income families only went to children of low income parents holding down jobs, because the federal government allows the provinces to deduct the full amount of the child tax benefit from the social assistance received by parents.

The committee recommended that the child tax benefit program be amended so that provinces may no longer use it to reduce social assistance.

I would like to have the hon. member's opinion on this.

Mr. Yvan Loubier: Madam Speaker, as I was saying earlier, I have a lot of respect for the hon. member and her work. My initial remarks, good ones, carried through to the end. I did not betray my thought, even though I took a shot at her party and past actions.

That said, there are a number of ways to reduce poverty. We chose three targets, because the government has acted and can act rapidly on these three, which are the primary source of increased poverty over the past five years.

I do not deny that a review of the child tax benefit could help children but, if we analyze the situation, we can see that the government exacerbated the situation in three ways.

First there was a tax increase for middle income families. Many of them were pushed into the low income bracket because of government taxes.

Second, accessibility to employment insurance has dropped to 36%. It seems to me that the effects on poverty of working to raise this 36% average back up to the 80% of a few years ago would be direct, effective and unbiased.

• (1135)

Third, we cannot cut \$40 billion by the year 2003 from transfer payments to the provinces for social programs without that having an impact on poverty.

We have taken this approach because we know that the federal government can address these three parameters starting with its next budget. I do not, however, deny the UN recommendation, and once again I say to my colleague that she is doing a good job, and I hope she will keep at it.

[English]

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, as I listened to the dialogue between the two members it occurred to me that the member for Saint-Hyacinthe—Bagot did not answer the question so I will repeat it for him because obviously he did not hear it. It must be the only reason that he would not reply to it.

The question was whether provinces should be allowed to claw back the increased tax benefit zeroed in on tax credits for child tax credit.

This is very appropriate because that is exactly what Ontario has done. As we know through some of our discussions on the social union, this is where we lose the whole concept of our policy even though we in our good intentions in this House may well say we should increase the tax credit to ensure that money gets into the hands of low income families. It means nothing if the province turns around and says that under its social assistance system that is additional income entering the household and therefore it will reduce the social assistance payment.

How does the member want to address it? Will he answer the question or not?

[Translation]

Mr. Yvan Loubier: Madam Speaker, such statements denote a lack of judgment, because of course the provinces have fewer means, after they have been pushed to the wall, after funds have been taken from them. All the surplus the government has accumulated has had two sources, the provinces and the unemployed.

Since the provinces have their backs to the wall because of the federal government's actions, the hon. member ought to look in his own back yard and look at what the government has done and, as a responsible MP, get his Minister of Finance to change his attitude. The minister is more concerned with his success in connection with the record surpluses than with the plight of Canada's poor.

Supply

[English]

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I am pleased to have this opportunity to rise in the House to speak on the motion brought forward by the member for Shefford.

Any time we have an opportunity to speak on issues about poverty and what is happening in the country it is important that we do that. I thank the member for the work she has done and for bringing forward this motion.

I begin by talking about this kind of motion and the kinds of debates we have in the House because it speaks to the issue of needing to look at the record of what has happened. Unfortunately the reality is that for the last two decades poor Canadians have heard again and again many promises about reducing unemployment and eliminating poverty in Canada. But the reality is that none of those promises has been fulfilled, not by the Tory government when it was in power and certainly not by the Liberal government since 1993.

The reality for poor Canadians is that they are sinking deeper and deeper into poverty and more and more people are facing unemployment, facing part time work, low wages, underemployment, shrinking welfare rates and poor bashing. That is the reality of what is going on in Canada.

I will take the issue of the record and the credibility of what it is we do as political parties and talk about what happened yesterday on Parliament Hill because certainly the media today are full of news stories of how Mr. Clark was jostled in the crowd and that he went there with good intentions to speak to people but poor Mr. Clark, look what happened to him.

I was there yesterday at that rally.

• (1140)

I saw what happened and I saw the reaction of people. First, it was not a little nest of two or three people who decided to take on Mr. Clark and give him a hard time. It was 200 or 300 people who were outraged that he came unannounced, uninvited to that rally basically with a media entourage to take away from the rally.

If Mr. Clark had genuinely wanted to find out how people were feeling, if he wanted to understand what people were experiencing he could have gone to the Bronson Centre the night before, Tuesday night, where people had arrived on buses and where people were sitting down in the cafeteria eating their supper.

He could have gone in quietly, talked to people and said "I am the leader of the Progressive Conservative Party. I want to find out what your concerns are". But he chose not to do that.

It was a media show that arrived with Mr. Clark. I talked to many people in that rally. The reaction they had to Mr. Clark was

absolutely genuine because they were angry. They understood what the record was.

People do not forget. The rally was not a rent a crowd. It was not people who professionally demonstrated. These were people who are hurting, who are homeless, who are poor. They came to Parliament Hill to meet with the Prime Minister and were turned away.

The reaction that Mr. Clark got was no surprise to me and no surprise to anyone who was there. If he did not understand that, if he did not understand the reaction he got, then he does not understand much about this issue. That is very important for the record. Poor Mr. Clark, he got a rough time.

As far as the motion goes, it is basically supportable even though we will not be voting on it.

The issues we have to address are not just tax credits. What we have to address is a systematic problem of chronic poverty and unemployment in this country.

What we have called for in the New Democratic Party is for the government to set real targets, achievable targets for eliminating poverty and reducing unemployment.

This is something the Liberals are very proud they have done in terms of the deficit. What we have been saying is we have to do this regarding poverty and unemployment.

Again, if members look at the record it becomes very clear. I heard one Liberal member speak about how the Liberals have produced a balanced and moderate approach.

We have to understand that the so-called balanced and moderate approach has been at the expense of more and more people living below the poverty line. It has been at the expense of more and more unemployment in this country.

If the Tories are serious, if the Liberals are serious about dealing with this issue of poverty, if we truly did have a belief in 1989 through the unanimous resolution of the House that we would eliminate child poverty, then we need a systematic approach. Unfortunately that is lacking in this motion.

On the issue of tax credits I believe we should have fair taxation. The reality is the richest one-fifth of Canadians receive close to half of all the income in Canada while the poorest one-fifth of Canadians receive just 3.1%.

When we look at the child tax benefit, there is an injustice because it is not indexed. I would certainly agree with the motion on that basis.

This simply does not go far enough. We need to talk about fair taxation. We need to look at what the Vanier Institute is saying in its recent report, that tax cuts benefit mostly wealthy and upper income Canadians.

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If we are talking about tax credits, we have to look at the taxation system and say why is it that wealthy Canadians are paying less in taxes proportionately and poor Canadians are paying more.

I would like to address what I heard when listening to the debate today as the member from the Reform Party was speaking to the question of what a poverty line is. I was really outraged by the comments the Reform member came out with.

He talked about what true poverty is. He said true poverty is basically kids who are starving to death. He said that actually there are not that many children who die of starvation in Canada.

One had to infer from this that we probably do not have much of a problem relative to, say, the third world.

• (1145)

The hon. member should take the time to go to almost any community in Canada to see the poverty that exists. There are kids who go to school hungry. They do not do very well at school because they do not have enough to eat. There are hundreds of thousands of people who live in substandard housing. There are about 100,000 Canadians who are homeless. That is poverty. It is poverty in our country. It has been recognized by the United Nations committee that has done research on our compliance with the UN covenant on social, economic and cultural rights.

I would ask the member from the Reform Party what he is really saying when he says that we do not have poverty in this country. Is the member saying that he wants to see people dying of starvation on the street before the Reform Party will acknowledge that we have huge income inequities in this country and serious problems with the inequitable distribution of wealth and resources?

The Reform Party's answer is simply to cut taxes. I would ask Reform members to look at our neighbours to the south, whom they always like to use as an example. If tax rates are lower in the United States, and I believe the Reform Party thinks they are, why does it have an even higher poverty rate than Canada?

These issues require very serious examination and a serious program if we are to address poverty in Canada.

The member who introduced this motion has done good work in bringing this issue forward. It is important that we work together as much as possible, particularly on bills such as Bill S-11 which seeks to have social condition included in the Canadian Human Rights Act as a ground against which there cannot be discrimination. We also have to have credibility and acknowledge what has been done in the past.

I say to those members, in terms of the policies of their party, if they are truly committed to eliminating poverty, then they should

stand in defence of social housing. It was actually under the Tory government that social housing was gutted in this country and the job was finished off by the Liberal government.

Let us get the record straight and let us make a real commitment to reduce poverty and unemployment in Canada.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, anytime is the right time to talk about poverty in Canada in this place. We should do it more and I wish we could have an allotted day or an emergency debate on poverty so that we could hear from more members of parliament.

This debate about poverty so far has been about taxes. People who are living in poverty do not pay taxes because they do not have an income.

I am a little disappointed because, as of yet, I have not heard one mention in this debate about the family. The member will know that lone parent families—and I say lone parent, not single parent—number about 12% of all families in Canada and account for about 46% of all children living in poverty.

Child poverty is a politically convenient term for family poverty. We have to understand that point fundamentally and we have to deal with it. If we are to deal with child poverty, family poverty, and we know that almost half of it is due to family breakdown in Canada, then the member should be prepared to deal with the reasons the Canadian family is under attack and the reasons the Canadian family is breaking down.

Divorce, domestic violence, alcohol and drug abuse, adultery, and all kinds of other reasons for the family breaking down are the root causes of the majority of poverty in Canada. I want to know whether the member would agree and if she would encourage her colleagues in the House to start talking about the real fundamentals of poverty, the breakdown of the Canadian family.

Ms. Libby Davies: Madam Speaker, I thank the member for his comments. I would agree that the issue of child poverty is really a political term that has been created. I have to say, though, that it has come mostly from his own party which has chosen to characterize poverty as a children's issue. The Liberal Party has campaigned on the child tax benefit.

• (1150)

I would agree that when we look at poor children we have to look at poor families and the fact that most of those families are unemployed.

Families are under attack, but if we look at what has happened over the past few decades, families are under attack because of public policies that have undermined the ability of families to cope in our society. We see rising unemployment, shrinking EI benefits,

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the lack of housing, the lack of social programs and even welfare rates that have been attacked by many provincial governments because of the shrinking health and social transfers. Those have all been public policy decisions which have attacked the family.

It all depends on how one wants to look at this. If lone parent families live in poverty they will have a lot of difficulties, but that does not necessarily mean that family breakdown has to do with economic and social conditions or the lack of housing and decent paying jobs for women.

Maybe the member and I have different perspectives on how we look at this issue, but I would agree that when we talk about poverty we should talk about the whole family. We should also talk about single people. Some Canadians who are feeling the worst effects of poverty are single people. However, we do not like to talk about single people because it is unpopular to do so.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, my intervention is more a comment than a question.

I appreciate the member pointing out that what I said may have been misinterpreted.

When I look at the pictures of our kids and the things that I have seen secondhand from third world countries, it tears my heart out. That is what I was trying to communicate.

Certainly, if we have people who are hungry here, we need to look after them. There is no question about that.

Ms. Libby Davies: Madam Speaker, I am glad the member from the Reform Party clarified his comments. We only have to look to our own backyards, to our own communities, to his community and to my community, to see that those same situations exist. Maybe they are not as stark, maybe we do not see them as much on the media, but they are visible, they do exist and it means that we have to work here at home.

Mr. Peter Stoffer: Madam Speaker, I rise on a point of order. This certainly has no reflection on yourself, but I cannot help noticing that in debates of this nature, throughout the time that I have been in this House, the first person who asks a question or makes a comment generally gets four to five minutes and the second person gets thirty seconds. Thus, the second person, or possibly the third, does not get an opportunity to reflect upon what they may want to say or the reaction to it.

I am wondering if it is at all possible for that to be a little more balanced, where the first person could have a minute or two and then the second person could have a minute or two.

The Acting Speaker (Ms. Thibeault): The hon. member certainly has a good suggestion. Maybe we could now proceed with one minute questions and one minute answers. Is that agreed?

Some hon. members: Agreed.

The Acting Speaker (Ms. Thibeault): Very well, I have no objection to that.

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Madam Speaker, I am pleased to speak today to the motion proposed by my hon. friend from Shefford. I will be sharing my time with my good colleague from Chicoutimi.

Perhaps the most visible sign of poverty in Canada's cities is the growing number of homeless people. In the 10 minutes I have available to me I would like to discuss the cause of homelessness and the lack of adequate housing for many low income families. I will also show how this government has failed Canadians in need of housing and suggest some ideas on how we might begin to tackle this problem.

In the recently released Toronto task force report on the homeless, Dr. Anne Golden noted that there are four principle causes of homelessness. First, there are social factors that have contributed to the breakdown of families and other social support networks. Domestic violence, physical and sexual abuse and the alienation of individuals from family and friends have all added to the problem of homelessness.

● (1155)

Poverty as well continues to aggravate this problem. In recent years the incidence and depth of poverty have increased because of changes in the structure of the labour market. For example, Canada's unemployment rate continues to be about double that of the United States. As well, reductions in transfers from the federal government to individuals have left low income Canadians with fewer resources to pay for housing.

Third, many people who suffer from mental illness and addiction become homeless after being deinstitutionalized because communities lack adequate support programs. Inadequate discharge planning of hospitals and jails also results in people being released on the street with no support systems.

Finally, since this Liberal government was elected in 1993 the supply of affordable housing has shrivelled. The dwindling supply of low cost rental units and rooming houses, the withdrawal of federal support for new social housing programs and the abandonment of social housing by the federal government have all made affordable housing much harder to find.

All these factors have combined to send the numbers of Canadians who are either homeless or who lack adequate affordable housing skyrocketing in the last six years.

Ironically, the current finance minister, the man who has had the ability to address this problem for the last six years and who has

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done nothing, once promised that he would fix it. Yes, it is hard to believe, but the hon. member for LaSalle—Émard who has been Minister of Finance for the last six years once cared about homelessness in Canada.

In 1990 he co-chaired, along with the member for London North Centre, a Liberal caucus task force on the homeless. He told us that he was concerned about this important social problem. He and his Liberal cronies shuffled all across the country. They met with all the right groups. They said all the right things. They smiled for the cameras. They tried to look concerned. Then they wrote a flowery report. The finance minister said "Trust me. I have the answer. If you elect Liberals we can fix the problem". We all know what happened. They got elected and promptly and conveniently forgot their promises.

Let us take a look at exactly what the finance minister promised to do for the homeless when he got the power. He said that housing is a fundamental human right. The Liberals promised to discuss housing rights at a first ministers' conference and they promised to enshrine in the Constitution, no less, the right to adequate shelter. What happened? When they got elected they said "Thanks for your vote" and they tossed out their promise.

The finance minister also promised to provide more money for housing to the provinces through the Canada assistance plan, now called the CHST. Guess what? They got elected and instead slashed provincial transfers by 40%. So much for the promises of the member for LaSalle—Émard.

They said we would get a new federal-provincial social program to assist the working poor with housing costs. It never happened.

They promised they would hold a national conference, bringing together federal, provincial and municipal governments to fix the problem. The Liberals still have not set a date.

The finance minister promised a few other things. He assured us that if Canadians elected a Liberal government he would increase funding for housing co-ops and look at new ways of using co-ops. He gave us his word that he would make surplus crown lands available below market value for low income housing. He said he would encourage private-public partnerships to build affordable housing. Get a load of this: he promised that he would eliminate substandard aboriginal housing by the year 2000.

If we were keeping score, so far the finance minister has hit zero out of eight.

I could talk all morning about the failures of the Liberal government, but that would not help solve the problem. Let us talk about some of the things we can do. This is a solvable problem which does not take brain surgeons to fix.

First, let us hold the national conference on the homeless which the finance minister promised nine years ago. I realize that there are those who will roll their eyes and say that we need less talk and more action, but I am not talking about a bunch of politicians sitting around, complaining about how awful a problem this is and that someone should do something about it. What I am proposing is that all three levels of government come together to devise and implement a strategy to address this problem. We need to identify measurable targets with time lines and divide up the task between the three governments with respect to their jurisdictions. And then we need to do it.

● (1200)

Second, the federal government needs to stop the downloading of social housing to the provinces. You cannot fix your house if you have given all your tools away and we cannot fix the housing problems if the Liberals have given up control over social housing. Let us be frank here. The decision to offload the responsibility for social housing to the provinces has been an unqualified disaster.

I am not a conspiracy theorist, but if the housing minister had purposefully set out to royally screw up our system for providing affordable housing to Canadians he could not have done a better job than he already has. Half the provinces will not sign the agreement and those are the provinces with the vast majority of social housing units. The provinces that have signed are the smaller provinces which are also cash starved.

Let us not kid ourselves. Look at what happened to job training. The Liberals had this bright idea that they would transfer job training to the provinces. We all know what happened. The provinces gladly accepted the job training money and then had to use that money for hospitals, schools and social services because this same federal government cut those transfer payments by 40%. Now there is no more job training in Canada and the exact same thing will happen with social housing.

We can raise the supply of affordable housing in Canada, but that is only half the answer. We also need to address the income problem, and there are two things we can do. No Canadian who earns \$10,000 a year or less should have to pay personal income tax. We need to raise the personal income tax exemption to \$10,000, not the \$7,900 the Reform member said we should raise it to. This will immediately put cash into the hands of low income Canadians. We need to create more jobs for those on the margins of society. Let us make it less expensive for employers to hire by reducing payroll taxes.

I reiterate that this is a solvable problem. Despite its promises the Liberal government has abandoned the homeless and allowed this problem to get worse. Some people may wonder why the Tories are interested in helping the homeless. Why worry about the homeless? None of them ever voted PC. If we think about what it

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means to be a Conservative, we will understand why this is important. We believe in family and in our communities. We are the party of nation building and we believe in equality of opportunity. Homelessness strikes at all these core beliefs.

If we can deal effectively with these issues it will solve problems in our families. It will strengthen our communities and our country. It will ensure that Canadians who have been forgotten by the government will once again have access to the same opportunities as everyone else. This is why we need to act now.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, I listened intently as the Conservatives talked about what it is like to be a Conservative. I remind them that they had nine years in government to fix a lot of the problems and to set the way.

I wanted to talk to the member about the summit he proposed. What happens in non-aboriginal communities is very severe but not as severe as what happens in our aboriginal communities. Should the leaders of our aboriginal communities be invited to participate in such an active dialogue?

Mr. Gilles Bernier: Madam Speaker, when I talk about Canada as a country, natives are Canadians also. If there would be such a conference of all leaders, I believe aboriginal leaders should be involved.

I live four kilometres from the second biggest native community in New Brunswick. It is no fun to take a ride on that reserve and see how natives are living. Many have to live and feed their families on \$68 a week. It is a disgrace to Canada for them to be living in such conditions.

• (1205)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Madam Speaker, I want to take the opportunity to respond briefly to the some of the comments from members of the NDP.

It find it quite ironic they would point out that we were in government when in fact they had a provincial government for many years and impacted very negligibly on the situation of the poor in the province of Ontario. Similarly there was a very scathing and unwarranted attack on Mr. Clark and his decision to attend the rally on Parliament Hill yesterday. It is ironic particularly in light of the fact that he is in Montreal this morning at another such event aimed at helping poor and homeless people.

Similarly I point out that this day of debate that was initiated by the Progressive Conservative Party comes on the heels of the NDP decision to debate an issue concerning Canada's water, a national resource. I am not diminishing that initiative. It is important, but it

was the Progressive Conservative Party that brought this debate forward today in a very non-partisan way.

To bring this kind of politics into it at this level is very destructive. Let us keep the focus on what this is about. It is an issue of trying to help the poor, trying to do something positive about the issues that exist for the homeless. We will not even raise the fact that the Prime Minister chose not to meet with them and would rather be snowboarding in Alberta.

Mr. Gilles Bernier: Madam Speaker, I respect the points of my colleague from Nova Scotia. They were really just a comment. He referred to some of the comments the NDP member made earlier. I totally agree with my colleague from Nova Scotia.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, it is somewhat ironic that the motion in essence makes reference to the working poor and yet every time I hear Conservative colleagues speak they talk about the homeless.

I am trying to understand how the motion helps address the homeless issue. The Conservatives are talking about the working poor and about increasing the basic income tax credit to \$10,000—it was amended by the Reform Party to something less than that—and the cost of indexing the tax bracket. Collectively they are talking about \$28 billion or \$30 billion of tax measures over three years.

They keep talking about the homeless in their speeches but their motion makes reference to the tax system. How does the motion assist those individuals who are not working? They are talking about homeless people. They are just making political hay.

Mr. Gilles Bernier: Mr. Speaker, the Parliamentary Secretary to the Minister of Finance talks about what poverty has to do with homelessness. To be poor means people cannot afford housing.

The member does not have to go far because he works for the minister responsible for the task force report he produced back in 1990. At that time the finance minister promised to make affordable housing accessible to all Canadians. That was part of the task force of 1990.

I do not know what the parliamentary secretary is talking about. Before he refers to me he should refer to the finance minister in that regard.

Mr. David Price (Compton—Stanstead, PC): Mr. Speaker, most of my colleagues today have talked about poverty in Canada for all Canadians. However I want to speak to the issue of poverty in the Canadian forces. It relates directly to the motion:

That, in the opinion of this House, the government should take steps to alleviate the burden of poverty in Canada—

This is a big part of poverty in Canada.

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Like other members of the House I have served on the Standing Committee of National Defence and Veterans Affairs which spent the best part of last year studying the quality of life in the Canadian forces. "Moving Forward: A Strategic Plan for Quality of Life Improvements in the Canadian Forces" is a benchmark study and one that I hope the Liberal government will implement. What members of the committee heard was very sad, actually pathetic.

At one point in time there used to exist a kind of social contract between the people, their representatives, the government and the military. It existed for hundreds of years based upon a contract of unlimited liability.

• (1210)

The unlimited liability for those in the military profession meant that they would go off and fight and if necessary die when governments, the contractor, tells them to. In return, governments have given militaries a quality of life, their own special society and veneration when they retire or later die. There once was a quality of life, not poverty, but not with this government. To date it has broken its part of the contract.

Our soldiers, sailors and air crew go wherever they are told and do so outnumbered, ill equipped, if equipped at all, and uncared for by our government. They go without a whimper.

We must remember that this is the Liberal government that sends its soldiers to the army surplus store for boots and clothing. This is the Liberal government that sends its air crews on search and rescue missions with the Labrador helicopter or on flight training with parachutes that do not open. This is the Liberal government that says to the navy that there are no problems with the Sea Kings. Of course they are serviceable only 40% of the time and their mission systems fail at least 50% of the time.

This is the Liberal government whose Prime Minister travels all over the world offering the same Canadian military to whoever might want them, whether they have been asked formally, informally or not even asked at all, and without care or thought for their well-being. Last but not least, this is the Liberal government that sends military families to food banks and soup kitchens, poverty at its very worst.

This Liberal government has broken its portion of the contract. Shame. We hear the stories of military families going to food banks. It is heartbreaking to the hardest of hearts. We hear stories of sailors delivering pizzas at night to feed and clothe their young families. It is absolutely unacceptable. We hear stories of PMQs in such bad shape that one is afraid to go through the door.

Things just went from bad to worse when the Liberal government dispatched our military to far off places. People went from

poverty with family support to abject poverty in some cases and with loved ones thousands of miles away and until recently with no support at all. Mothers are forced to shoplift for necessities. Then there are the injured from our peacekeeping operations that were abandoned. Lastly our veterans, some with benefits, some without like the merchant navy vets.

The anger and frustration the committee met on the road were incredible. I for one am changed by what I saw and heard. I would like to think that all of us were changed by it and for the better.

We came forward with a report, a blueprint to help the Liberal government deal with the problems of poverty in the Canadian forces. This was the committee's first priority and I hope it is the government's when it comes to the men and women in our Canadian forces.

We as a party want to see the quality of life study implemented but not through troop reduction or delays in much needed equipment. We can give a corporal a paycheque so he does not have to go to a food bank, but we cannot give his family his life back if he is lost in a Sea King helicopter.

The problems with poverty and the quality of life in the Canadian forces are easy to solve. The problems are as clear as the solutions. In large measure the solutions involve something that has no monetary value, compassion. Sometimes it is important to say that we care. The solutions also involve the expenditure of money, about \$700 million, but surely it must be worth it.

The committee recommends several improvements in the quality of life for military personnel, solutions that will ease poverty in a large measure if not eliminate it. There are some recommendations in the quality of life report which I think are key in fighting poverty in the Canadian forces and re-establishing a quality of life erased by the Liberal defence cuts. I want to paraphrase them quickly.

The pay levels for entry level ranks of private, second lieutenant and lieutenant must be increased by 10% no later than April 1, 1999. Reservists deserve a pension plan and deserve to be paid on time and correctly. The Department of National Defence should establish a global cost of living allowance.

• (1215)

The department should ensure that personnel at all bases have access to well maintained single quarters. The housing agency should provide adequate and sufficient services, including emergency repairs. The accommodation allowance should not be considered taxable income. The department should ensure that base housing remains suitable and affordable. There should be rehabilitation training for injured members of the Canadian forces prior to their release and a commitment to supporting military family support centres.

All these recommendations and the many more found in the report sound so natural, even logical, maybe a better word is expected, that people actually shake their heads in disbelief when we tell them that is not the case right now.

The men and women of the Canadian forces put it on the line for us every day, as do their families. They deserve our support and our compassion. It is time for the Liberal government to put its slash and burn policies behind it and do its part in giving the Canadian forces they require and deserve.

My party and I are also concerned about the plight of our veterans. We have veterans struggling to survive. They are living just below the poverty line and need assistance. We have all heard the horror stories of how some have been treated or their widows. It is an outrage. As Canadians I hope we do not have to start selling neckties and bow ties like the Gurkha Trust to help support our Canadian veterans. I hope it does not come to that.

As for our merchant veterans, we all saw those delightful old gentlemen sitting the steps of Parliament Hill fighting for what they deeply believed in, just as they had crossing the grey, unforgiving Atlantic. I hope they have not been starving themselves in vain. It is plain to every member of the House that there are veterans both recent and old living in poverty. It is a shame.

The Liberal government has a chance ahead of it to rehabilitate itself in the coming budget and give the Canadian forces and our veterans the money they need to have quality of life and to survive. This is the time for Liberals to move forward and bring in a budget that will allow the Department of National Defence to implement the quality of life study and to buy new maritime helicopters. This is the time for the Liberals to put a few dollars aside to compensate merchant navy veterans.

In conclusion the report called on the Liberal government and future governments to make a national commitment, a moral commitment to the Canadian forces. We must recognize military life is different and unique from civilian life. But just because they are trained for war does not mean they have to spend every day of their service lives and after until death in the trenches.

These measures I have talked about will ease poverty in the Canadian forces or end it. The 60,000-strong Canadian forces deserve better. I hope the Liberal frontbenches recognize that and redeem themselves in the eyes of the Canadian people at budget time.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I again thank the Conservative Party for the motion and for bringing up the problem with our veterans and those in our military.

The member is talking about compensation for the merchant marines which I wholeheartedly support. But he would also apply

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that compensation to our Buchenwald vets as well. I would like his comments on what he thinks Canada should do for our Buchenwald vets who have been fighting for proper compensation an awfully long time. Does he agree they should be compensated as well?

Mr. David Price: Mr. Speaker, I thank the hon. member for the question.

We have to look at all vets who have done anything for this country. They have to be taken care of. We have put them aside for far too long.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I am very pleased that my hon. colleague spoke about the forces and the terrible problems they are having. Back in New Brunswick we are all very much aware of that.

When we see our military men going to soup kitchens, which is what has been happening, we feel very much ashamed. I feel very much ashamed to be in the House of Commons and allowing that to happen.

• (1220)

In my riding of Saint John, New Brunswick, the largest city in the province of New Brunswick, we have the largest percentage of people living in poverty of any other part of the province. This has never happened before.

When we get up in the House and ask the hon. Minister of Industry to please bring in a national shipbuilding policy, he just stands up and says he is not looking at subsidies. I am not looking at subsidies. I am looking at addressing poverty, giving people back all their dignity and that can only happen if we have a lot of co-operation from across the floor.

I ask my hon. colleague what does he see. What should we be doing to correct the problem we are having with our armed forces?

Mr. David Price: Mr. Speaker, we have gone through this quality of life study. It is probably one of the best things this government has done in a long time and the interesting thing about it is that the Liberal backbenchers who were sitting on that committee agreed with it totally. We were able to put in different amendments. They even agreed with the amendments.

We have a solid document in front of us, something that will help out our armed forces. So I think we should follow through with the quality of life report.

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I am pleased to address the opposition motion concerning poverty and the tax burden. I will be splitting my time.

They are matters of real concern for Canadians and they deserve the full attention of the House. However, I am worried about the

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underlying assumption of the hon. member's motion, that the government is in a position to take extreme action, to take action to dramatically bring down our national tax burden.

There is no politician, certainly not on this side of the House, who does not want to bring tax reform to Canadians, especially to help reduce poverty. But, and there is a very big but, appealing politics often does not make good public policy. The national pocketbook can simply not pay for the wish lists many of us have. If we cannot afford it, we cannot do it.

Too many governments in the past have had good intentions that have outweighed fiscal reality. As a result of two decades of deficits we had a national debt that was the second worst, the second highest among G-7 major industrial nations. It affected our growth. We lagged in growth and there were too many Canadians, despite the spending, who remained in need. That is not to deny that easing Canada's tax burden must be a priority. It is a priority for the government. Tax cuts should be focused first on those in the greatest need. That is just what we did in the last budget.

Canadians made it very clear in the last two federal elections that it is a fundamental priority for them that the government continue to give good financial management, both of the nation's resources and of government itself.

When I speak to my constituents in Kitchener Centre as well to Canadians from coast to coast, which I have had the opportunity to do being a member of the finance committee, I have not heard any voices saying that cutting taxes is more important than maintaining the gains we have made.

Canadians remember too well the price we paid for relying on deficit spending, resulting higher interest rates, lower economic growth and the jobs that have been lost. A key priority for the government is to avoid returning to the vicious cycle that was dominated by federal policy in the two previous decades.

Priorities are neither simple nor self-evident when it comes to the budget of a government. This debate attempts to focus on a single issue, an issue dealt with in isolation, and even one as compelling as poverty can make this conversation simplistic and self-serving.

• (1225)

Let me again emphasize that we are committed absolutely and aggressively to tax relief, especially for low income Canadians.

We will not do so through knee-jerk decisions that ignore fiscal reality, the world environment and the appropriate role for government.

The finance minister addressed this in his October economic update before the House finance committee. Our work as a government reflects that the pursuit of frugality had to become a

defining feature of everything we do. This is a principle that must govern all policy making and debates such as ours here today.

Given the volatile condition in many parts of the world economy, we are in a situation that calls for great care and extreme caution. We must be realistic about the resources at our disposal.

Some seem to believe we have mountains of money to spend, that we should step back and take action immediately. I suggest we need to continue with a more balanced look, a look that takes global trends into consideration.

As a government we need to continue to make hard choices. I suggest we will continue to do that.

The minister pointed out what has happened in the average forecast of economic growth by private sector experts over the past year. In January 1998 they were estimating a nominal income growth of 4.7% for that fiscal year. By the fall, it was revised downward to 3%. For 1999, a 4.9% nominal income growth was projected. By the fall, that too was down significantly, reduced to 3.5%.

What do these revisions mean in the size of the possible fiscal surpluses projected by the private sector? The answer is it would take out over \$5 billion of government revenues in the coming fiscal year, 1999-2000. This is what next week's budget will address.

In our last budget many criticized us for being too prudent, too cautious in their estimation. We are hearing that same criticism in today's debate. We have been attacked for not moving quickly to slash taxes but the dramatic downward revision of private sector forecasts illustrates that as a government we must stick to a careful approach to budget planning.

We simply cannot afford the risks associated with the changing of planning assumptions so drastically month by month. This is not an academic argument or some arcane point from economic theory.

Consider the result if we followed the advice of some not long ago to take \$9 billion to \$10 billion of tax burden action, action they claimed we could afford.

If they were wrong, the result would push us back into deficit virtually overnight. It is easy to be wrong. Projecting government revenues and spending pressures, very large numbers, is dealt with in a matter of a mere 12 months. The fact is government revenues and spending, including interest payments on the debt, are both in the range of \$150 billion.

If forecasts are off by merely 1%, an amount statistically not particularly significant, in each of these sectors, if the revenue is out 1%, it is lower and costs are up 1%, the answer is that they are out by \$3 billion. That is \$3 billion we do not have.

If we committed the \$6 billion to \$7 billion in tax cuts with little more than 1% shortfall in revenues and 1% again in costs, we would be back into the world of deficit financing. To get out we

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would simply have to raise taxes. Then they would be higher and we would be back into that downward spiral.

It is these risks based not on ideology but mathematics that the finance minister must consider when planning his new budget. That is why I share his concern that the fiscal dividend over the next two years must be estimated to be modest, much less than would be required to provide sufficient funding for the types of initiatives on tax reduction that today's motion calls for. Clearly careful consideration and choice in allocating that dividend will be required.

Again in the words of the finance minister, the very reason that we have met our targets, the very reason we are now able to say that despite the global economic crisis we are still on track not only to balance the books but to have a dividend, all this is anchored in the caution we have applied from the very beginning.

• (1230)

Some have said we should implement major personal income tax cuts, for example, an average of \$600 annually per taxpayer. That comes with a price tag of about \$9 billion per year. Others are demanding that employment insurance premiums be reduced to a so-called break even level. That comes with a cost of \$6 billion per year. Still others are saying we should mount a larger attack on the debt. That would cost in the neighbourhood of \$3 billion a year. If we add that up, our total bill would be \$18 billion each and every year.

This is not a complete inventory; this is merely a highlight of some of the requests that have been made of the government. Adopting all of these principles very clearly would put the country back in a situation of serious chronic deficits. Adopting any one of these proposals could put us in financial difficulty.

Let me again emphasize, I do not intend to understate the significance that Canadians and our government put on easing taxes and reducing poverty. It is only by looking at the sum of our priorities that we will be able to give long term security to all Canadians. That is why it would be irresponsible of us to accept, as this motion does, the easy assumption that government has all kinds of money at its disposal.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I cannot understand how the hon. member across the way can stand in her place and talk about this government, her government, governing by frugality. If it were not so serious, it would be laughable.

Her government took power back in 1993. The present Liberal administration has had close to one and a half mandates and it has yet to hit its budgeted target for spending. And she has the audacity to stand in her place and talk about governing with frugality.

The facts are that last year in the budget the finance minister estimated the spending to be about \$104.5 billion. He is over that by an estimated \$3 billion already. And he is talking about another \$2.5 billion for health care that he is going to retroactively put back into last year's budget which will put him somewhere around \$6 billion or \$7 billion over budget. How is that governing with frugality?

Mrs. Karen Redman: Mr. Speaker, as we travelled across Canada one of the things we heard from economists, everyday Canadians and business people was that they embraced the kind of prudent forecast the finance minister had made. In fact revenues have consistently come in over budget. It is that kind of forecasting that has led us to a balanced budget and being able to pay down the deficit.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, earlier in the debate one of the member's colleagues mentioned the child tax credit that was given to the provinces and how the provinces were clawing some of that back. He is right. The provinces are clawing some of that back but the reason is that the federal government allowed them to do it in their negotiations.

Why did the federal government allow the provinces the ability to claw back the child tax credit?

Mrs. Karen Redman: Mr. Speaker, provinces are allowed the autonomy to do that in order that those moneys can then be redirected to that target group of people. I would also add that is one of the reasons last week was so exciting for all members of this House. With the signing of the social union we see a demand for transparency. Any money flowing from the federal government to the provinces will then go directly to the people it is targeted at.

I think we will see this government continue to refine federalism in a way that is meaningful to all Canadians in partnership with the territories and the provinces.

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, I would like to congratulate my colleague. She is on the finance committee and she does have a very clear view of what this government has been doing.

There is no question that in the last budget 400,000 Canadians came off the tax rolls and 90% of Canadians benefited from tax relief. There is no question that 1.5 million people have been put back to work.

• (1235)

When we talk about self-reliance, what the member is suggesting and I would like her to comment on is the fact that the government has a clear plan. We cannot do everything. We are criticized by the opposition when we do not spend money, and

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when we do spend money they criticize. When we give tax cuts they say it is not enough. Clearly it is a lot easier to talk than it is to act.

This government is acting. This government has a clear plan of what it is doing. It is taking a step by step approach. Not everything is done in one year. Governments are elected for a maximum of five years. I would like the hon. member to comment on that type of approach.

Mrs. Karen Redman: Mr. Speaker, consistently as we crossed Canada last year and this year, we heard a call for a strategic plan for targeted investment by this government and for programs that can be sustained as opposed to throwing money at quick fixes to problems. This is exactly the kind of thing my colleague points out. This government is here for the long haul, for strategic investment and to continue a balanced approach for governing Canada.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am certainly happy to participate in this very important debate on the issue not only of child poverty but of our income tax system.

Once again I think the member for Shefford has brought to the floor of the House her concerns and indeed the concerns of many people in this country to deal with the issue of child poverty.

First I would like to talk about the issue of bracket creep, and issue which has been thrown around the House. I do not think a lot of people fully understand what bracket creep means. Back in 1984 when inflation was something like 10% the then government in its wisdom decided that it would only index the taxation system to the extent that it exceeded three percentage points. At the time that meant a 7% address to the inflationary factor. In those days it did not seem like a big problem.

Of course it is the stated policy today of the Bank of Canada to keep our inflation rate within a very specific band of between 1% and 2%. Consequently the entire inflation that is occurring within the Canadian economy is not being recognized in the income tax system.

It is an insidious growth because of course we think of 3% as not being a lot of money in any one particular year, but obviously over a 10-year period it is a very significant amount. As years have gone by and the issue of bracket creep has constantly impacted on the system this disparity has become greater and greater.

I looked at some of these numbers and the total cost of doing away with the problem in income brackets that it affected. I was struck with how the peaks of this tax had gone from little bumps on the graph to significantly huge amounts, and it continues to do so. These brackets and tax escalation occur around the income tax brackets themselves in a change of income of \$30,000 and at \$65,000. The total money that our taxation authority gleans from

the process is about \$840 million. So that is an answer to the Conservatives who refuse to answer the question on how much would it cost to solve this problem.

The real issue is, is that money an entitlement of our tax collection system? Quite frankly it is not. It is taxation on increases in income that never in fact occurred. People's income rose, if they were so fortunate to have it do so in keeping up with inflation and many people were not, but their tax brackets did not. At the same time so did the consumer price index. They have had a constant squeeze on their disposable income and we keep taxing them. There are some tremendous examples of where people whose income rose \$900 in a year actually saw their tax burden increase \$1,400. That is an overview of the problem.

• (1240)

Quite frankly, I do not think if anybody is honest about it they will think that is not a systemic problem within the taxation system.

The next question is how do we solve it? Those of us who are bold enough and do not have any responsibility for the system itself will say fix it and will pay the \$850 million or almost \$1 billion.

The reality of government finances is that we cannot fix it all at once. I am very hopeful that we will fix it slowly over a period of time. It has taken since 1984 for it to get embedded in our system. It may take two or three years to get it back out of our system. I think the government's intentions are well founded to try and do that. The members on this side have been veracious in trying to move some of those amendments.

The issue of child poverty is something that bothers all of us. I have heard people in this House asking what the definition is and how do we define it. It gets very difficult. Various people mentioned the United Nations declaration of income levels and said it is very hard to hold the government's feet to the fire because there is no real definition, and we talk about low income cutoffs. That is the problem we in government see reported across Canada.

The reality is that \$20,000 can buy more goods in one part of the country than somewhere else. A \$20,000 income to somebody living in downtown Toronto no question is poverty. I have had farm clients over the years who made \$20,000 and have lived quite well, but of course they are eating their own produce and so forth. When we talk about using low income levels to define poverty there are discrepancies.

There is another thing that has always bothered me about this issue. When people talk about child poverty, I think what they are really talking about is child neglect or child nutritional problems. There must be another way to measure the nutrition of our youth. That is really the problem.

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I have talked to nurses and teachers in my riding. I have discovered that it is not necessarily low income people, although there would be a high quotient related to income levels, but there are also people in the so-called middle income bracket whose kids are not getting the proper nutrition. It is a bigger problem than just setting out low income levels.

I would like to get us off this stereotype debate with the New Democratic Party saying to just redistribute all the income and the problem will go away. The issue has changed tremendously over the years between this business about rich and poor, between a knowledge based society and a lack of knowledge society.

When people phone me and say they cannot get a job, that they are living in poverty and so forth, invariably the first question is what is their educational background, how much investment have they personally put into their human capital. If they are in what we think is the high risk area, because we are responsible for the employment insurance system, ages 17 to 24, invariably they have very little education.

What obligations do governments have to solve this so-called disparity between rich and poor? We have to encourage people even at a very young age. Of course, they have to be properly fed for their brains to absorb knowledge, but we have to instill at a very young age and a consistent age a greater celebration of the importance of getting a better education.

I do not have to tell the members here that this is a provincial jurisdiction. This is the problem in this issue. When it comes to our problem, adults are standing outside our doors complaining to us that the provincial education system may well have failed them in the past. How do we as legislators do a quick fix of that? There is no real quick fix. The scholarship millennium fund was hotly debated in this House.

• (1245)

The reality is that is one way in which the federal government can be proactive in looking at people who for some reason whether economic or otherwise cannot get a better education. The government can step in and say we realize we have a basic obligation to you to get you a good education and to ensure that you and your children will be able to plug yourselves into the basic economy and earn a living from it.

We cannot keep thinking about this debate as just a matter of money. It is a matter of human capital. As legislators we should spend a little more time trying to find programs to increase the nutrition of our young people and to ensure they have the skills to make sure this is a problem that will eventually go away.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, I agree that we should be talking about finances and issues

of taxation, exactly what the hon. member spoke about for the first eight minutes of his speech. He talked about the NDP wanting to redistribute the wealth. I remind him that we have not said that. We have said that it is better to redistribute allocation of resources.

An example is our fishing communities on the east and west coasts. DFO's practices and policies have allocated that common property resource to fewer and fewer hands, which is the corporate sector. That sector gets richer and richer while thousands of people lose their livelihoods to partake in the economy he talked about. Would the member not agree that a better allocation of resources, which would enable people to work in their coastal communities, would be a better way to end child poverty in those communities?

Mr. Alex Shepherd: Madam Speaker, according to my reading of the coastal fisheries issue no matter what coast you are on in Canada there are no more fish. We can talk about it being a terrible thing that the fishery is in decline but the bottom line is there are no more fish.

We really need aggressive policies to ensure there are different resources available so we can restructure and diversify these economies. That is happening but it may be happening a little slower than it should be. The Nova Scotia Technical College is a great resource for the people of Nova Scotia to glean that knowledge.

The regional disparity in Canada in this age of the information highway is ridiculous. It does not really matter where you live in this country, everybody should have equal access to those skills that will sustain them over a good number of years.

Mr. Eric Lowther (Calgary Centre, Ref.): Madam Speaker, I appreciated the comments of the hon. member for Durham. I know that in his professional life he worked a lot in financial situations and accounting and that he is well respected in that field.

I particularly appreciated his comments on the impacts of bracket creep. I was reminded as he was speaking about a recent report from the C.D. Howe Institute that talks about how Canada's personal income tax system has not been adjusted properly for inflation since 1985. As a result more taxpayer income has become effectively subject to tax. For Canadian families this means higher taxes on the average of about \$1,000 per family due to bracket creep. I certainly concur with his comments. Now that we are moving into the days of surplus, is it the member's priority that we address this with the surplus money?

We may be saying there are no tax increases but in effect with bracket creep real tax increases are taking place.

Mr. Alex Shepherd: Madam Speaker, it is an issue the government has recognized as a problem. We are moving in a direction to

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eradicate it. I do not think it will disappear overnight. It will take time.

I have another observation which is often given by the real opponents to fixing the system, to index the taxation system may well lead to inflation, in other words what creates inflationary pressures. I remember the days when everybody's labour contracts were specifically tied to the consumer price index. When the consumer price index went up 7% their wages went up 7%. Wages went up 7% and the products they bought in the store went up 7%. We got into an inflationary spiral. There is an argument within the taxation system that said we are trying to control things at zero or break even inflationary rate, so why should we index the taxation system which may well lead to a cascading effect? I am not a strong believer in that argument but it is an argument that we have to take into account.

● (1250)

Mr. Eric Lowther (Calgary Centre, Ref.): Madam Speaker, I will be sharing my time with the hon. member for Souris—Moose Mountain.

We appreciate the good intentions of the motion to address the indexing of the child tax benefit and the increase of the threshold on when people begin to pay taxes.

Part of my concern is that a motion like this couched in the terms of addressing poverty is perhaps not comprehensive enough. To take a small part of the issue, a piecemeal approach, probably does not serve all Canadians well. That is part of the reason why Reform has done such a diligent job in our budget alternative package we presented to the House, to various members and to people across the country.

It is prudent for us to pause for a moment to reflect back as we are in the throes of this debate on poverty and ask what we can do in the tax system to address it. In Canada over the last 15 or 20 years we have incurred a \$600 billion debt, the highest debt ever, massive tax increases combined with that. There has been lots of money drawn from the taxpayer and also borrowed and yet we are in a country where we talk about one in every five children is supposedly in some state of poverty.

When we think about that it does not seem like getting more money both through borrowing and through taxation into the hands of government has really done much to address poverty if it is true that one in five is in a state of poverty as some would claim. We had a debate on poverty.

It is time to review quickly some of our own points that are more comprehensive. I do not have time today to go through our complete budget submission but there are some things I want to highlight to show it is more than just the components that are in this motion before us today that would address some of the challenges of the less fortunate in Canada.

Certainly our budget submission calls for very substantial tax reduction with the surpluses that are available. As well we call for a very substantial reduction of the debt which is really borrowing on the future of our youngest Canadians. The core programs that are so important to Canadians must be strengthened.

One of the speakers today quoted from the recent Vanier Institute study. The study states that in 1996 family incomes were only \$600 above their 1980 level, 16 years. Family incomes on an after tax basis declined by over 5% in real terms from 1989 to 1996.

Taxing is impacting families. We are talking about poverty today and it is within that context I would like to talk on the impacts of taxation on the financial future of Canadian families. I want to quote from another study in 1998 by the National Foundation of Family Research and Education talking about bracket creep which we just heard some comments on. It says bracket creep and the clawing back of tax credits from families with incomes as low as \$20,000 per year means that families earning between \$20,000 and \$40,000 per year are now paying the highest marginal tax rates in the country.

● (1255)

What we are creating with this heavy level of taxation is a type of a working poor scenario. That is of real concern to me as it is to many Canadians and I know many members House share that concern.

It is interesting also from the Vanier report that in 1980 financial stress on families was relatively low. In the 1990s this most current report states that most measures under financial stress are reaching record highs.

Families in Canada are under financial stress and I think it is incumbent on members of the House to find ways to relieve that stress and tax reduction is certainly one of the most obvious and straightforward ones that I know we could find a lot of agreement on in the House.

I want to talk a bit about some of the specific proposals in Reform's budget alternative better way budget. One of them has to do with reducing or at least considering and investigating the impacts of the current tax legislation on marriage. One submission states that single income families may pay considerably higher amounts of federal tax than two income families with the same level of family income.

Take a family earning \$30,000 annually. While a dual income family splits the income 50:50, the single income family will generally pay about \$4,317 a year in federal and provincial income taxes, whereas the dual income family pays a combined \$3,492 a year. So it is 24% more in tax for a single income family. These are the kinds of inequities that I think should be investigated to bring some greater fairness and equity into the way families are treated and taxation is applied.

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As a specific step we could take in this direction, we are suggesting that one of the easiest and most straightforward things to do is to increase the married credit by setting it equal to the basic personal credit at \$1,098 from its current maximum of \$915. The proposal provides for a tax reduction when coupled with the increase to the basic personal credit that we advocate of \$675 for single income families across Canada. This is an important proposal for a couple of reasons. It is important because why should the spouse who is in the home and maybe not employed in the private sector have some type of exemption that is less than the basic exemption? We are advocating that it should at least be equal.

Another important point we call for to address some of the taxation impacts on family is that the current system allows for deductions of \$7,000 for children under seven and \$4,000 for children aged seven to sixteen. That is the current situation. We propose to replace this system with one where all families with children become eligible to receive a refundable child care expense credit of 17% of \$7,000 or effectively \$1,190 for all children up to seven years of age. Further, a credit of 17% on \$4,000, or \$680 in hard cash return, will be made available for parents of children seven to twelve years of age. The credit would be available to all families with children whether they are earning income or not and provide benefits for each child under the age of seven and for children seven to twelve.

There are costs I could provide on that. We have quantified that. We have examined the impact of that recommendation to make sure that it is consistent with our overall budget proposal.

• (1300)

Another area I would like to address is directly related to the impacts of capital gains taxes in Canada. Let me quickly touch on a reduction of capital gains and how that could help us strengthen opportunities for the less fortunate. The increase in economic activity which would result in a reduction of capital gains taxes would lead to greater employment and thus higher income tax revenues. In other words, the economic benefits of a reduction in the capital gains rate far outweigh the short run costs of them. There are a number of studies I could quote if I had the time to do so.

To sum up, the thrust of the motion today is to alleviate the burden of poverty and calls for two specifics on tax policy. We must meet the needs of those who are not able to help themselves and are facing harder times. However higher taxation and increasing debt are not working.

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Madam Speaker, I am pleased to join in the debate. I congratulate the Conservative Party for putting the motion forward. It is a very timely motion.

I will not deal with the taxation part of the motion so much as I will deal with some terms used in the motion such as burden of poverty. I doubt if any member of the House has more firsthand knowledge of poverty than I have. It did not really affect me too much, but I was born in a period of time in southern Saskatchewan known as the dirty thirties. That period of time had a great commonality: everybody was poor. In our house we were so poor we did not even have mice. That may be a joke, I say it in fun, but I know what poverty is all about.

As I travel across the country it bothers me to come face to face with poverty, particularly young children suffering from poverty. That to me is the most horrendous sight. It is bad enough to see it on television in third world countries, but when it is face to face it shakes me up because I have been there.

I do not know if I was ever hungry. I do not know if I ever had too much cake or pie. I do know that my mother could make beautiful loaves of bread, fry some sour dough and we could afford a bit of syrup.

Today the burden of poverty should not exist. I encourage the House to listen to the words in the Progressive Conservatives supply day motion where it says "encouraging self-sufficiency". That begins in the home.

Because of my background we grow a huge garden every year. My wife and I have taught our children to do the same. What is the reason for it? I grow a huge garden to give it away. Before I was elected I set a goal to grow a tonne of vegetables. With the modern black squash which they call zucchini, I did not have to wait very long to get 300 or 400 pounds of those. We would give them away. I would pick out families I knew in a huge area to come and get vegetables mainly because they had children. There are ways in which to encourage self-sufficiency not only from an individual level but from the level of the provincial government and the level of the federal government.

• (1305)

It bothers me that we declare to society what the poverty line is and we have a mother and a father with two children living below the poverty line and Revenue Canada is still extracting taxes. Let us think about that.

In the words of the motion, self-efficiency is destroyed. People ask themselves what is the use. Dad is out working. Mother is out working. Grandma may be looking after the children. They have to pay income tax when they are many thousand of dollars below the declared poverty line.

What about self-reliance, in the words of the motion? Self-reliance brings to the individual a sense of pride in what can be accomplished. It broke my heart less than three weeks ago to have

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somebody come into my office to say: "Thank you for getting me a job but I am only \$5 a week better off with a job than I was before".

How by government's means do we create and encourage a sense of self-sufficiency and self-reliance when we fall prey to heavy taxation? I want to give a couple of examples.

While I was in Estevan, Saskatchewan, which is part of my constituency, a young fellow came to my office and told me about his dilemma. His EI had been cut off. He was employed by a construction firm that often lays its people off but he was on call. They had to get the machinery ready to remove the snow from that small city. He got in three days of work and bingo. He would have been better off if he had not got that work. We do strange things to destroy pride in the individual. He did not have very much money. I went down to his boss and got his boss to get him a loan to spare him until he got back on EI.

Let us take a look at some very serious problems. Let us start teaching people. Let us start seeing an attitudinal change and looking at the things we can accomplish. I picked up the list of boo-boos that governments make in spending. I think of how that money could be used through proper channels. We could certainly alleviate a whole lot of poverty.

What would happen if this became an issue not only at the federal level but at the provincial and municipal levels? We should somehow get the politics out of it, from what I am hearing today back and forth. Do we think that five and six years old who do not have enough to eat at home know what a Liberal, a PC, an NDP or anyone else is? Do we think they care? We care when it comes to wanting to provide all the help and dignity we can to elevate the self-sufficiency, pride and self-reliance of these people. Too often we go about it the wrong way.

• (1310)

In closing I will use an illustration. There is an idea in government that all it needs to do to cure a problem is to dump more money into it. I could spend from now until midnight talking about programs the government has dumped money into which have not solved the problem.

A World War I veteran lived eight miles up the road from me. During the thirties when I was a boy he decided to raise sheep. It was not too profitable, but he shipped three carloads of sheep to the Burns slaughterhouse in Winnipeg. Mr. Kimmerly got a letter back reminding him that the sale of the sheep did not cover the cost of freight and asking him to kindly remit \$3.78. He wrote a letter back saying very nicely that he did not have any money but he could send some more sheep.

Money is not always the answer. We should look at the question of poverty in the light of becoming involved not from the political viewpoint but from the human viewpoint.

Mr. Gilles Bernier (Tobique—Mactaquac, PC): Madam Speaker, I respect my colleague from the Reform Party and thank him for his nice comments. I had hoped to hear some of the same comments from his other colleagues this morning.

We are talking about poverty. I am a person who knows about poverty. I understand my colleague was born and raised in the thirties during the great depression. I was born and raised in later years. I was born in 1955. Today we have been talking about how we differ, how to establish where poverty starts and ends. When I was first married I had to go on welfare. I know what it is like to be on welfare and to be on EI. I also know how it feels to have small kids and not have enough money to buy a loaf of bread or a quart of milk. I went through that. That is poverty. One Reform member mentioned those starving to death in Sudan. I would give my shirt to somebody who needed it because I was one of them before.

Last summer we in the House of Commons gave ourselves a salary increase. I took my salary increase and gave it to charity. Is the hon. member willing to do the same?

Mr. Roy Bailey: Madam Speaker, I do not want to use this opportunity to talk about charity.

I am assuming the hon. member has heard of the term tithing or one-tenth. Since my children are raised and finished university I have more than exceeded that every year. I am very proud to do so. In order for me to do that, I doubt if anyone in the House lives in an older house than the one in which I live.

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I have a quick comment and question to remind people in television land just how ridiculous some things are.

I have gone across the country and seen the poverty that exists in the cities and on the streets. I know what we are talking about. First it was a million children in 1993 and now we are up to a million and a half. This leads me to understand that we are not doing a very good job.

I know what living in squalor is like on reserves. I have personally been in their homes and have talked with native people who are suffering. They provided great hospitality with what little they had. I have reviewed the public accounts that come out every year. We also have a member who puts out a waste report.

The hon. member is probably a couple of years older than I am but not much more. Three years ago the government—and it is just one small example of millions of dollars—put together a committee which according to public accounts cost \$116,000 to study seniors and sexuality. I wonder if the old fellow, like this old fellow, feels a whole lot better that this wonderful Liberal government is spending big money to study us old guys and our sexuality. How does he feel about that?

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• (1315)

Mr. Roy Bailey: Madam Speaker, I was not aware of that particular study. I might say, as well, that I am glad I was not a candidate for the study. But I do appreciate the member's point.

I have noticed a difference. We have these soup kitchens in our community. I phoned a soup kitchen last summer because I had almost 300 pounds of potatoes to give away. The response I received was: "Could you bring them up when they are cleaned?" Can they not even clean the potatoes they are given?

This goes back to my original point of self-sufficiency and having some pride.

I turned the TV on that night and saw: "Wanted: people to help serve". Why not serve the people and have those people who have eaten serve the others? The process should be about self-sufficiency and self-reliance. I really believe that could do a lot.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the issue before the House today is probably one of the most important challenges facing our country.

Poverty is a complex problem and for every complex problem there is a simple solution, but this one is wrong. Today we have had a suggestion that we can deal with poverty by giving tax breaks to the poor. Not only do the poor not pay tax, the poor do not have income. In fact the poor are those in our society who are unable to help themselves. They are the ones who are on welfare and social assistance. They are the ones who need Canadians to re-establish their value system so we ensure that all Canadians can live in dignity.

A parliamentarian once said in this place that when dignity is lost, everything is lost. We should never forget that.

Child poverty is a convenient political synonym for family poverty. We should talk about family poverty in Canada. Nobody but nobody could ever argue against dealing with child poverty. It tugs at the heartstrings. However, by dealing with the issue of child poverty we ignore the reality that family poverty is the real issue and that the root causes of poverty rest with the conditions of the Canadian family.

Canada does not have an established poverty line. Statistics Canada has announced on many occasions that we do not have a defined poverty line. We do have, however, the low income cut-off, which is a measure of income levels which provide a certain amount for the basic necessities of life plus an additional amount for all other good things necessary for general Canadian life in terms of the lifestyle that Canadians would seek to enjoy.

Those kinds of calculations tend to generate high numbers. In 1989 when the Canadian Council on Social Development an-

nounced its numbers of so-called children living in poverty, it said the number was one million children, one out of six children in Canada. Ten years later the same agency reported that 1.5 million children are living in poverty, which is one out of five children.

The calculation used to determine poverty in 1989 had to do with the ability to provide food, clothing and shelter. Today the definition includes much more than that. What we have done is allowed the definition to float in a way which tends to increase the numbers to levels which nobody but nobody believes.

I believe that Canadians have actually become desensitized to what poverty really is in Canada. It has become so inflated that we have lost our focus on what real poverty is. StatsCanada and the LICO are talking about relative poverty, not real poverty.

• (1320)

It is about time that we understood what the level of real poverty in Canada is so that we can focus our attention and make sure that our limited resources are focused on those who are really living in poverty, and there are many people in Canada who are living in real poverty.

In 1989 the House unanimously passed a resolution to seek to achieve the objective of eliminating child poverty in Canada. "Seek to achieve" basically means to do something, to try. It does not mean to eliminate child poverty.

Members will be interested to know that that particular event was not as momentous as they would think. The motion of that day was made by Ed Broadbent on the very last day that he served as a member of parliament in the House of Commons. It was a Friday. There were four hours of debate only and most of that debate concentrated on tributes to Ed Broadbent. There was very little actually said about the real issue of poverty, except about references to the third world and children starving to death.

The discussion and the debate then, if members would check *Hansard*, was clearly not the discussion of poverty that we think it was. In fact, with 10 minutes to go in the debate before the House adjourned, the then secretary of state for youth, Jean Charest, entered the House huffing and puffing and said "Mr. Speaker, considering the exceptional circumstances today", referring to Mr. Broadbent's resignation from the House, "and pursuant to discussions that we had before the debate, I move that the motion be passed unanimously". *Hansard* then recorded some hon. members saying yes and the House adjourned. That was it.

The House did not actually have a serious debate about poverty, except for one speaker, to whom I want to give credit, and that was Perrin Beatty, the current chair of the CBC. Perrin Beatty spoke very eloquently in the House about the changing nature of the

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family and the reasons that was contributing to this whole problem of child poverty.

Poverty in our case today is somehow determined to be a measure of income. It is not just a measure of income, it is a measure of resources. That means income and assets, plus the value of social benefits and services that are available to Canadians so they are able to live in dignity, to have food, clothing, shelter and the basic necessities of life. Those are the things we should be measuring.

If we look at the root causes of people living in poverty in Canada we will see that a lot of seniors are on that list. A lot of seniors are on that list because they did not have the opportunity to provide adequately for their retirement income. Their income levels on their tax returns show them to be below some artificial low income cut-off.

There are immigration problems. Many immigrants, in particular the refugees who come to Canada, are unable to assimilate and to care for themselves as well as they should. They are also on this list.

Then there are the mentally and the physically disabled, those who are unable to care for themselves.

This is not something which we can simply pass a resolution on and then eliminate. It is a fact of life, which means that the social values of Canadians should be: How are we going to protect and care for the physically and the mentally disabled, those who are not able to care for themselves? That is a separate issue in the whole complex dynamic of poverty.

How about the youth? There are tens of thousand of youth floating around this country. If we look at the condition of today's Canadian youth we have to ask ourselves: Why is it that about 25% of Canadian youth drop out of high school? How is it possible for a high school dropout to even think of fully participating in the opportunities of Canada? To opt out of high school is to sit on the curb and watch the parade go by. This is an important aspect of poverty.

Again though, as members will notice, that falls under provincial jurisdiction. Federal issues are involved, municipal issues are involved, and there are also Canadian issues. If we are going to deal with poverty, we have to get Canadians on side as well. There has to be a minimal expectation that all Canadians will act in good faith and will work hard to get themselves out of the situation. Those are the things that we have to do.

Drug and alcohol abuse and addiction are very significant contributors to poverty in Canada. There are people who have illnesses and we are not providing services to help them.

• (1325)

That is part of the situation. It is mostly a provincial issue, but we as a federal government have to support serving Canadians

with those health care needs. That is why we have a social union agreement. That is part of the agenda.

The single largest contributor to child poverty in Canada has to do with the breakdown of the Canadian family. Twelve per cent of all Canadian families are lone-parent families. They account for 46% of all children living in poverty. Almost half of the poverty situation we are talking about today has to do with the breakdown of the family.

Why does the family break down? It is a very complex area. It has to do with domestic violence. It has to do with substance abuse. It has to do with the lack of a job. It has to do with adultery. It has to do with a lot of things.

Let us not deal with poverty as a linear problem that has linear solutions. We have to deal with poverty as a complex problem, requiring a multiplicity of solutions that we can all support at all levels of government and embrace all Canadians to be part of the solution, not part of the problem.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, it is amazing to hear a Liberal backbencher talk about poverty when it was his government that gutted the EI system and caused a lot of the problems in this country today.

The fact is that people want to work. Fishermen in the coastal communities and farmers on the prairies want to work. When they could not work they had to rely on the EI system, an EI system that is failing well over 65% of the people in this country. It is not just lone parents and families that break up which are suffering, there are many families with a husband and wife who find it difficult to make ends meet today.

I would like the member to respond to the fact that it was this government's drastic cuts to EI, to satisfy its fiscal objectives and banking needs, which created a huge social deficit in which parented families are greatly suffering as well.

Mr. Paul Szabo: Madam Speaker, the EI debate has taken place in the House on many occasions. I will not try to repeat those arguments.

I would rather spend the couple of moments that I have to reiterate to the member that if we are serious about addressing the complex problem of poverty in Canada, one of the most significant elements has to do with the Canadian family. It has to do with the erosion of the Canadian family, the breakdown of the Canadian family, which leads to many broken homes, homelessness and real poverty.

Let us make a commitment now to at least admit that the breakdown of the social and moral fabric in Canada is collectively our fault, which will take our collective will to change.

Mr. Jean Dubé (Madawaska—Restigouche, PC): Madam Speaker, once again the member opposite, when he talked about education, referred to provincial boundaries. We all know that if our kids are going to survive in this global market they need a better education.

He also spoke about the compassion his government has for broken homes, family split-ups and school dropouts. Let me remind the hon. member that transfer payments to the provinces were slashed by his government. Broken homes, split-ups and dropouts are caused by this government's lack of job creation. That is the real problem with this government.

If the member had control of the EI surplus, if he could decide what to do with the EI surplus, what would he do?

Mr. Paul Szabo: Madam Speaker, we are not here to debate the issues that the member raises. We are here to talk about poverty.

Let me use my one minute to make reference to the Golden report on the homeless in Toronto. It was a very good report.

• (1330)

It was found that half the homeless in Toronto actually had no roots in Toronto. They had migrated from other places across the country. It reminds me of the *Field of Dreams* statement if you build it, they will come. Toronto's experiences found that yes, they built it and they did come.

Golden tries to suggest that somehow we have preventative strategies to deal with homelessness and with poverty. In fact, their idea of addressing poverty was to mask it. It was to deal with making poverty invisible. It had nothing to do with dealing with the root causes.

The root causes are more fundamental than a tax break because as I said at the beginning of my speech, the poor in Canada do not pay taxes because they do not have income. Tax credits as proposed by the Conservative Party are really an inappropriate approach to dealing with poverty. It is going to take the collective will of all three levels of government as well as the Canadian people to understand that we are the cause of this problem collectively and we collectively must be the solution.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I am pleased to rise in the House today to debate this very important motion.

The motion of the hon. member for Shefford states that the government should help to fight poverty in this country by encouraging self-sufficiency and self-reliance. These are excellent goals and underscore several programs and initiatives which we in

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the federal government have undertaken especially in partnership with the provincial and territorial governments to do precisely that.

The new national child benefit is one of the most obvious examples of this kind of movement. As hon. members know, this initiative came into effect last year following extensive discussions between the federal, provincial and territorial governments on how to most effectively address the issue of child poverty. Even though Canada is one of the most successful and socially advanced countries in the world, the very sad fact is that far too many children in our country still live in poverty.

Poverty is a numbing and degrading experience for anyone, but it is particularly difficult for children. It can mean a child is not only deprived of proper food, clothing and other essentials but also has long term health and social consequences that come up later in life.

In order to address this issue, as of July last year the federal government invested an additional \$850 million per year in support of children under the national child benefit. By July 2000 the federal investment will be at least an additional \$1.7 billion per year. That is over and above the roughly \$5 billion annually the federal government already invests in families with children through the Canada child tax benefit.

As a result of this initiative, more than two million children are receiving higher federal payments each month to help ensure that they have adequate food, clothing and shelter. It will help provide for some of the necessities that children need for a healthy start in life.

What does this have to do with self-sufficiency and self-reliance? It has a great deal to do with it. The problem is that too many parents on social assistance cannot accept a low wage job without penalizing their children. They are often caught behind that infamous welfare wall, meaning that when they move off social assistance and into a job, they can actually end up with fewer benefits and services for their children than what they had received while on social assistance. That truly is a shame. They lose social assistance benefits, things like dental plans, transportation allowances, housing allowances and other supports which come to an end when they take that job.

The new program will help to lower the welfare wall with a higher Canada child tax benefit for all low income families whether they are in the workforce or not. That is an important change. This in turn means that provincial and territorial governments will be able to reduce the amount they pay to families on social assistance.

It is not simply a windfall for the provinces. As part of the deal, provincial and territorial governments have agreed that they will take the money they save and reinvest it in income support and services to help poor families; services such as provincial child benefits, child care support for working parents, basic skills

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training and other preventative services for children that reflect the needs of individual communities. As a result of the first phase of the national child benefit, most provinces already have these complementary programs in place.

• (1335)

The provinces will also be investing more as a result of the government's commitment to further increase the national child benefit supplement by an additional \$850 million per year starting this July and next July. These complementary provincial services range from child benefit and employment supplements for low income recipients to child care tax credits to programs for optical care and prescription drugs for school age children and many other initiatives.

The end result is that more low income parents will be encouraged to get back into the workforce. More children will therefore benefit because of a higher household income.

The government does not suggest for a minute that this new program solves all the problems, not at all. What it does represent is a new beginning, a fresh start if you will, a chance to provide a more comprehensive way to meet the challenge of poverty in this country.

At the same time the government is working to ensure that it has better information on which to base policy decisions, something that is extremely important as our society and the economy undergo the increasingly rapid pace of change that has characterized the past number of decades.

The national longitudinal study of children and youth will be enhanced to provide more specific community based data that will greatly assist all governments in making policy choices that are better targeted and more effective.

The government believes that making an investment in our children and our young people is in our own long term best economic and social interests. Certainly it is. That is why the government has also implemented other measures, such as increasing the deductions for child care expenses, providing a family income supplement for roughly 200,000 low income parents receiving employment insurance benefits, enhancing the community action program for children and putting more emphasis on prenatal nutrition programs for children at risk.

That is also why the government has a number of programs to help Canadians find and keep jobs. The Canada jobs fund is helping to create jobs in high unemployment areas. The youth employment strategy is helping thousands of young Canadians with that all important transition from school to work. We also have a program called employment assistance for persons with disabilities to help those persons with disabilities join and stay in the workforce. The

government has also introduced the Canada opportunities strategy that helps more Canadians, young and old, to gain access to a good education and to acquire the skills they need to get a good job.

The government has a clear strategy to fight poverty in this country. Many great initiatives are well under way and are directly addressing the concerns raised in this motion.

The strategy is to get as many people as possible into the workforce, or certainly back into the workforce so that they can earn a living and support themselves and their families. Since 1993 some 1.6 million new jobs have been created in this country. I believe that when the Minister of Finance presents his budget next week, Canadians will see that this government intends to continue to pursue the strategy of job creation and growth which we have done and which has invigorated our economy and helped give more and more Canadians the chance to be full participants in the economic and social life of this great country of ours.

No one should have any doubt that this government is serious about fighting poverty in this country, nor should anyone doubt that this government believes that the best way to do so is to encourage the self-sufficiency and self-reliance referred to in this motion. That is important to note and I think we on all sides of the House should do so.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, I just wanted to ask the hon. member, whom I greatly respect by the way, about the recent letter which was referred to by us last week in the House of Commons. Is one of those programs he talked about the quota that HRDC personnel are now required to meet to take money from EI recipients in order to protect their jobs from the wrath of this government? How is arbitrarily taking people off EI especially in remote communities going to help them feed their families and end child poverty?

• (1340)

Mr. Lynn Myers: Madam Speaker, I thank the hon. member for the question.

We on the government side have a tremendous record when it comes to issues of poverty, especially child poverty. The kinds of things that we have implemented over time and the kinds of things that we will be implementing over time are truly in the best interests of Canadians wherever they may live.

Canadians understand that what we as a government are doing is in the best interests of everyone. It is done so with compassion and tolerance, knowing that we need to pursue that and ensure that poverty as we know it is eradicated to the best extent possible.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, I listened to the hon. member's thoughtful comments.

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One can say one cares, as the hon. member does, and he is undoubtedly sincere, but he is a member of a government that showed no compassion, that did not anticipate the impact on people of its cuts to employment insurance and to transfers.

Let us not forget that it is this government that decided to turn funding for education, health and the Canada assistance plan into a single transfer. Once that was done, the government was quick to reduce federal funding from \$19 billion in 1994 down to \$11.5 billion. The result is that the provinces had to make cuts in health, education and social assistance.

They are now saying "We will allocate money for the poor. We will help the poor". People are people. How many have found themselves in dire straits? Poverty is not just a question of money, it is a question of despair, of repeated failure, of dignity, or lack of dignity, as was pointed out.

I would appreciate it if the hon. member could comment.

[English]

Mr. Lynn Myers: Madam Speaker, I thank the member opposite for the question.

I reject out of hand her premise of failure. I reject out of hand her premise of our lacking compassion. On the contrary we have not failed. We do have in place a system of compassion to help Canadians wherever they may live in this great country of ours. We have built in the kinds of programs necessary to assist Canadians and to help them, not only people in poverty and especially our young people, but in all kinds of ways. We have done so through the transfer payment system and will continue to do so in a very meaningful way that underscores our government's commitment to this all important policy area.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Madam Speaker, the government speakers have indicated that the provincial governments were at fault, that it is not really the government's fault as it has great programs.

Over the past 130 years or so that this country has been governed, the Liberal Party has been a big part of it. Where we are at today in child poverty is a direct result of its performance as a government. It cannot avoid responsibility for that.

Besides the broad issues, there is one area which is clearly the responsibility of the federal government and that is aboriginal affairs. Our Indian reserves are pockets of poverty which I have been trying to do something about in my riding.

I ask the member if the tax issues cannot be fixed, can those areas of aboriginal affairs be fixed where there is no accountability for the money that is going into those reserves? People are getting

incredibly rich and the poor and the small children are literally starving and in poverty.

Mr. Lynn Myers: Madam Speaker, of course we have had a long history of helping people and we will continue to do so. We will do so for aboriginals and for all Canadians.

It is interesting that a member from the Reform Party, which stands for opposing every initiative that our government has ever tried to put in place with respect to poverty, including child poverty, would stand in the House and make those kinds of statements.

When we came to the child tax benefit for example, the Reform Party voted against it. When it came to CAPC, the community action program for children, the Reform Party voted against it. When it came to—

• (1345)

The Acting Speaker (Ms. Thibeault): I must interrupt the hon. member.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Madam Speaker, it is a pleasure to speak today on the motion put forward by the hon. member for Shefford, which reads as follows:

That, in the opinion of this House, the government should take steps to alleviate the burden of poverty in Canada by encouraging self-sufficiency and self-reliance and, to that end, should increase the basic income tax credit to \$10,000, index the tax brackets and index the child tax benefit.

It is a pleasure because, today, we will have an opportunity to debate the issue of poverty in Canada and in every province. I can see that, on the government side, members are very compassionate. They seem to be familiar with the issue and its adverse effects and to know what constituencies are affected by poverty.

My colleague from Mississauga South not only has the gift of the gab, he also has a great deal of compassion, as I heard. Too bad he is not the Prime Minister of Canada. I think he might just implement some of the suggestions made in this motion.

It seems to me that he contradicted something he said earlier. I see him every day applauding the Minister of Human Resources Development and his EI reform. We are aware of the fact that this is a social policy that has taken a serious toll on the public. It has made poverty grow worse day by day.

Compassion is one thing, but action is what is needed. What good is it to recognize and lament the fact that some people cannot afford basic necessities like food and housing, if nothing is done about it. The Liberal government could take a variety of measures to remedy the problem, but it is not taking action. Everyone knows that poverty is growing. There are many more children living in poverty today than there were ten years ago.

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The Bloc Québécois has been actively involved in fighting poverty. I mentioned earlier the employment insurance issue, which is a major social policy. Several of my colleagues have worked on private member's bills that they have introduced in this House. Time and time again, they have suggested various approaches to the government, which brushed all of them off, without any consideration for the effort that had gone into developing these proposals.

Unlike the hon. member for Mississauga South, I congratulate the hon. member for Shefford for bringing this motion to the House today. It allows us to focus on poverty.

It is a motion that is praiseworthy in itself, but we are not in agreement with its wording. We find the motion financially irresponsible. It is all very well to bring in solutions, but they must also be affordable. The main weapons against poverty are not contained in the motion of the hon. member for Shefford.

This morning, the political parties admit that poverty is a real shame. It is time to act, and the Liberal policies in this area have been a total failure. The only ones who can do anything are the Liberals. However, we do not see even a hint of willingness to do something to change the situation.

Yet in 1989, the House unanimously passed the following resolution:

This House express its concern for the more than one million Canadian children currently living in poverty and seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

We are well aware that the Liberals had a great deal to say on this when in the opposition. They criticized the Progressive Conservative government. Now the shoe is on the other foot and the Progressive Conservatives are criticizing the Liberal government for not attacking poverty.

Ten years later, we have a 60% increase in the number of poor children, to a record high of 1.5 million poor children in Canada.

• (1350)

Each successive government has passed the buck on to the next. I think it was under the Progressive Conservatives that social transfers to the provinces were first reduced and UI eligibility requirements tightened.

These are two enormously important social measures that have a major impact on people, and that play a key role in contributing to poverty if corrective action is not taken.

The Bloc Québécois is not pulling figures out of a hat and it is not alone in condemning the situation. There are a number of bodies that advise the government and that examine the problem of growing poverty in Canada. The National Council of Welfare, the

Canadian Council on Social Development, the UN and Campaign 2000 have criticized the government on several counts and asked it to take action where it could.

The National Council of Welfare is not just any old council. It is a body that advises the federal government on poverty. In a report entitled "Poverty Profile 1996", it was already identifying poverty as an issue:

Our child poverty is at its highest level in 17 years.

With 20.6%, or 1,481,000, of Canada's children living in poverty, the Liberals are the clear winners when it comes to driving people into poverty. The poverty rate for all categories of families is 14.8%. The rate for single mothers under 65 years of age with children under 18 is 61.4%.

The policies set up by the Liberal government are nothing to brag about. If we look at the figures, the result is rather disastrous.

According to the National Council of Welfare, the decline in government income support programs, particularly social assistance and employment insurance, is the primary cause of poverty. The federal government hurt people in two ways, by reducing transfers to the provinces for social assistance and by making it harder to qualify for employment insurance.

The cuts affecting transfers to the provinces total \$42 billion, or \$6 billion per year. The National Council of Welfare says that, since the deficit has now been eliminated, the government is in a position to change its approach and to fulfil the commitment it has often made regarding children and their families. This means restoring transfers to the provinces and improving the employment insurance program.

The Canadian Council on Social Development also released a report on progress achieved by Canadian children in 1998. That report is even more scathing. It says that improvements in the lives of Canadian children and young people were offset by negative social and economic patterns. The council blames the bad coverage provided to the unemployed.

So, the Bloc Québécois is not the only one to condemn the government's attitude regarding transfers to the provinces and employment insurance, with all the restrictions that it has imposed.

The United Nations is also a very important body. It released a report, on December 4, in which it strongly condemned Canada for the rapid deterioration of the living conditions of Canadians. Under the UN's human development index, Canada does not take first place, but only tenth place.

As we all know, Canada prides itself in being the best country in the world, but with figures such as those there is nothing to brag about.

Campaign 2000 is another organization dedicated to fighting poverty in Canada. Its report published in 1998 provides very disturbing figures.

• (1355)

The number of children living in families with incomes under \$20,000 has increased by 65%. The number of children living in families experiencing chronic unemployment has increased by 33%. The number of children living in families on social assistance has increased by 51%. The number of children living in low cost but unaffordable housing has increased by 91%.

The government can tell us all it wants about how it is trying to combat child poverty, that it has made it a priority and that its programs take the needs of children and their families into account, but its attitude to the problems of EI and the Canada social transfer put it at the bottom of the class in social policy.

We would like to come back to the member for Shefford's motion and make a few suggestions, because we in the Bloc Québécois think that she did not go far enough and that her figures are unrealistic. We feel that her motion is financially irresponsible and that the measures proposed do not go far enough.

The motion is financially irresponsible and merely repeats some of the dissenting views of this party with respect to the December report of the Standing Committee on Finance. The Progressive Conservative Party is making suggestions which individually have some merit but collectively would clearly push the Liberal government back into a deficit situation.

I would like to outline the costs associated with this motion of the Progressive Conservative Party. The motion would lower EI premiums by \$6 billion without making any improvement to the program. We in the Bloc Québécois have asked repeatedly that the government improve the system, so that more people can qualify, but this concern is not reflected in the motion put forward by the hon. member for Shefford. At present, 60% of the unemployed are excluded from the EI program. This means that many do not qualify, which contributes to the growth in poverty.

The second suggestion in the hon. member's motion is about fully indexing tax brackets, at a cost of \$2 billion. This is in addition to the \$6 billion for EI premiums.

She is also asking that the basic income tax credit be increased to \$10,000. We know that this would cost \$9 billion and that the cost to the public purse per \$100 increase—

The Speaker: I am sorry to interrupt the hon. member. She has seven minutes left to complete her speech, which will be followed by a 10-minute question and comment period. Since this would take approximately a quarter of an hour, I think we should now

proceed to Statements by Members. The hon. member can resume her speech after Oral Question Period.

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STATEMENTS BY MEMBERS

[English]

RBST

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I take this opportunity to congratulate the Minister of Health and Health Canada for their decision to reject the use of rBST in Canadian dairy herds.

As the federal MP for one of the largest dairy producing counties in Canada, I can assure the minister that this decision is a welcome one for dairy farmers in Oxford County. I am especially impressed by Health Canada's diligence in reviewing this product over an nine year period.

The Minister of Health has consistently said that rBST would not be approved if it posed a threat to human or animal health. After studies showed that rBST caused a significant increase by approximately 50% in the incidence of lameness in injected dairy cattle, the department made a clear decision to reject rBST use in Canada. It is a decision which and I and the dairy farmers of Oxford applaud.

* * *

TEACHING

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, today I would like to acknowledge two teachers for their outstanding efforts. These teachers are from the Evergreen School Division, located in the Selkirk—Interlake riding. They have been internationally recognized for their work with special needs students.

• (1400)

John Sarkozi, a resource teacher at Gimli High School, and Brian Thordarson, a resource and classroom teacher at Riverton Early-Middle Years School, were recently awarded the professionally recognized special educator certificate for special education teaching by the Council for Exceptional Children. The Council for Exceptional Children is the largest international professional association for special educators, related service providers and parents.

I take this opportunity to thank those two men and special needs teachers throughout Canada for the extra effort they put forward to educate students with exceptional qualities.

* * *

DANIEL REHAK

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, Canadians are known around the world for our generosity

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and our willingness to help countries in the developing world. One Canadian who recently demonstrated this is Mr. Daniel Rehak, a constituent in my riding of Etobicoke—Lakeshore.

As a volunteer with the Canadian Executive Service Overseas, Daniel shared his expertise and knowledge of local area network systems with the vice-ministry of citizens services and municipal development in La Paz, Bolivia. He assisted the ministry in installing server software, local area networks, and in designing other computer programs to enable it to track migration effectively and efficiently.

Daniel's work is typical of Canadians who are motivated to provide services to disadvantaged economies. On behalf of the people of Etobicoke—Lakeshore I congratulate Daniel for his contributions to international development and for a job well done. He makes Canada proud.

* * *

HERITAGE WEEK

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, this is heritage week in Canada and the theme is honouring Canadian heroes.

I would like to highlight three such heroes in my community of Kitchener Centre. Michael Hildebrand, a Grand River math teacher, will be receiving an award from the governor general for bravery for protecting an 11 year old boy from a black bear attack 18 months ago in Algonquin Park.

The congregation of St. Andrew's Presbyterian Church and the Reverend Grant McDonald this week received a downtown leadership award for their work in the core of our city.

Jessica Smith is an 11 year old who is battling bone cancer in our community. Her good spirits and good humour prove that she is not only a fighter but also a hero.

It is my pleasure to acknowledge these heroes in my community. They are Canadians who are making a difference.

* * *

YEAR 2000

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, this week is year 2000 preparedness week. The government is working to assist businesses and consumers to prepare for the year 2000 bug.

The charitable and not for profit sector is also a vital segment of the Canadian economy and can potentially be affected by the year 2000 problem. All the information available to businesses is also available to the not for profit sector, as are many of the support programs provided by the government.

In particular the year 2000 first step program provides a complete diagnostic service for up to 10 computers for a very low cost. I urge the not for profit sector to address the year 2000 problem and to seek information and support from the government by either calling the task force year 2000 secretariat toll free number or by visiting Industry Canada's website.

It is time for all of Canada to act, including the not for profit sector.

* * *

HEALTH CARE

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, we are facing a major health care crisis in Canada. This is nothing new to the many people who are waiting for surgery or hospital beds or for the doctors, nurses and hospital support staff.

Since 1995 the Liberal government has slashed \$16.5 billion from health and social spending. Now it wants to look like a hero by reinstating taxpayers dollars into the health care budget, dollars it took out.

Heroes do not have to create their own situations to look good. The Liberal government is not a hero when it comes to health care. It is the villain.

Through the Liberals charred earth policy Canada's health care is in jeopardy. In British Columbia patients are being placed not in wards but in linen closets. In my riding of Nanaimo—Cowichan the Nanaimo hospital has been suffering greatly. Over the past two weeks it has had a daily average of 50 people waiting for beds.

In one case a 65 year old woman has been cancelled for hip replacement surgery for the third time. Does she have any comfort waiting in her hospital bed? No. She is on morphine waiting in a wheelchair parked in the hallway—

The Speaker: The hon. member for Essex.

* * *

THE LATE SHAUGHNESSY COHEN

Ms. Susan Whelan (Essex, Lib.): Mr. Speaker, on December 9, 1998 this Chamber, this institution and all of us suffered a great tragedy over the loss of our colleague Shaughnessy Cohen. To some she was a colleague and to others a dear and trusted friend, but all who knew her instantly saw her vitality for life.

Shaughn lived each and every day to the fullest. We miss her, her laughter, her partisanship and even her heckling.

• (1405)

Today I rise to toast what would have been her 51st birthday. As sure as I am standing here I am certain she is having one heck of a birthday party in Heaven today.

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On behalf of her constituents and on behalf of my colleagues I would just like to say happy birthday, Shaughnessy; we miss you.

* * *

[*Translation*]

AGRICULTURE

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I wish to congratulate the agricultural producers of Quebec for their efforts, under the leadership of the Laval University economics and agricultural policies research group, are drawing up a portrait of the agro-environmental situation on Quebec farms. This has been under way since 1997, and the assessment of Quebec's 25,000 farms will soon be completed.

This agro-environmental report on farming is a broad survey of agricultural practices and their impacts on soil and water. The data address some 100 different aspects. The data banks can be cross-referenced to numbered maps to give information by MRC, by watershed area or by crop.

The purpose of this one-of-a-kind undertaking is to provide farmers and government with guidance for improving the impact of agriculture on the environment.

Let us congratulate the farmers for protecting their environment, for it is one we all share.

* * *

[*English*]

GEORGE BROWN

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, I rise today to ask the House to join me in honouring broadcasting legend George Brown.

On Saturday night friends of radio in southern Alberta lost a true pioneer. George began his distinguished radio career in Lethbridge in 1939. During World War II he enlisted in the Royal Canadian Corps of Signals where he helped the allied forces intercept enemy communications. After the war George returned to southern Alberta where he embarked on a long and illustrious career on the airwaves.

A dedicated community member, he served on many voluntary boards and societies sharing his talents. George was a distinguished performer himself performing in choral groups across southern Alberta. A member of the Broadcasting Hall of Fame, George reminded us of an era when radio was our window to the world. George used his love and knowledge of music, particularly his love for big band music, to create a bond with the listeners of his unique Sunday morning radio program.

Our prayers and condolences go out to his family. Thank you George, thanks for the musical memories.

* * *

[*Translation*]

BILL C-55

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, for Canada, Bill C-55 is the best solution to a complex situation, for it fully respects our international trade obligations and fits in with our traditional cultural policies.

It will ban a practice which threatens the continuing success of the Canadian periodical industry, namely elimination of Canadian content by offering an unfair advantage to foreign publishers as far as advertising revenues are concerned. This bill protects against price gouging, which already goes on domestically, even in the U.S.

Above all, it maintains fair market conditions for Canadian publishers, without imposing a tax or in any way limiting the content of periodicals, creating subsidies, or limiting readers' choice.

This bill is, therefore, a logical and effective solution.

* * *

[*English*]

WATER EXPORTS

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, yesterday the Minister of Foreign Affairs and the Minister of the Environment tried to pretend that they were living up to the NDP motion passed in the House of Commons the day before concerning the bulk export of water from Canada.

However, what they announced falls far short of the motion. For example, the motion called on the federal government to declare immediately a moratorium on bulk water exports. Instead there are to be 10 separate provincial moratoriums and they are not necessarily immediate, if some of them happen at all.

Worst of all the Liberals continue to parade the half-truth that water is not affected by NAFTA. If so, why do they say that they want to avoid a national ban on exports on the grounds, that that would treat water as a tradable good and might trigger NAFTA?

If water was exempt like raw logs, beer and culture are under NAFTA, we could ban it or not ban its export as we please; but we cannot and we will not be able to until the Liberals face up to the reality of what they once knew and now deny, that we either have to change or scrap NAFTA.

S. O. 31

[Translation]

THÉÂTRE DU RIDEAU VERT

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, it is with emotion and gratitude that the Bloc Québécois pays tribute to the management and staff of the Théâtre du Rideau Vert, which celebrates its 50th anniversary this year, and expresses its gratitude to Mercédes Palomino, who founded the theatre jointly with Yvette Brind'Amour.

The Rideau Vert is Quebec's oldest French theatre. It has put on nearly 300 productions. Its aims have remained unchanged: to provide the public with professional quality theatre and to promote the work of Canadian and Quebec playwrights.

• (1410)

It put on the first productions of Michel Tremblay's *Les Belles-Sœurs*, Antonine Maillet's *La Sagouine* and Françoise Loranger's *Une maison, un jour . . .* and *Encore 5 minutes*.

The Bloc Québécois hopes the curtain continues to rise at the Rideau Vert for many decades to come on productions that touch both our hearts and our imaginations.

Congratulations to Ms. Brind'Amour and to Metcha.

* * *

THE LATE YVON DUFOUR

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, today Quebec weeps at the loss of one of its great actors, Yvon Dufour, who died at the age of 68.

We watched him in *Le Courier du roy*, *Jeunes visages*, *D'Iberville*, *Les Enquêtes Jobidon*, *La Petite semaine*, where he was the lead, and *Le Temps d'une paix*, among others.

For a person arriving in a new country, local television represents a powerful source of cultural learning. It was how I learned. Yvon Dufour contributed to it significantly. He was part of my discovery of my adopted land. Like many others and with considerable talent, he helped me better understand Quebec.

I wanted to thank him today and to pay him tribute. I offer my heartfelt sympathy to his family.

* * *

[English]

JOB CORPS PROGRAM

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, at the end of March the federal-provincial New Brunswick job corps program comes to an end. This program assists older workers and makes possible projects like facilities beautification, silviculture, fish

enhancement, upgrading tourist facilities and other environmental projects.

While the province was prepared to continue the program, the human resource minister, ignoring his own officials, decided not to renew it or extend it, leaving 956 people with an uncertain future.

Employers and participants have praised the program and new Brunswick communities have benefited immensely from the projects. Cancellation will affect the entire province.

The Liberals have finally stumbled upon a good program and now they are ignoring the assessment of their officials by cancelling it without providing a replacement to meet the needs of participants, employers or the community.

I urge the government to reconsider its plan before adding hundreds more to the ranks of the poor.

* * *

WASTE REPORT

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, the most recent edition of the member for St. Albert's so-called waste report indignantly claims that the Department of National Defence is nickel and diming us into the poorhouse by spending \$1,033 to replace a lost tricycle. "It must have belonged to a general's granddaughter", the hon. member writes.

It turns out that this tricycle was a military cargo transporter used by soldiers to assist victims of the Saguenay region flood in 1996. Only the Reform Party would believe that helping Canadians who are being ravaged by floods is somehow a waste of money.

I have some advice for the hon. member. He should check his facts and do his homework. Until the accuracy of the member's publication improves I will continue to relegate it, the copy of the waste report, to the wastebasket where it truly belongs.

* * *

DONALD CALNE

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, Dr. Donald Calne, who received his arts, science and doctor of medicine degrees from Oxford University, is director of the neurodegenerative disorders centre at the University of British Columbia.

He has achieved international stature for his work on Parkinsonism. He introduced bromocriptine as a treatment for Parkinson's disease. He has demonstrated that latent damage occurs in the brain even before the symptoms of Parkinsonism appear. He was recently named Officer of the Order of Canada for his research, writings and contributions to international medicine.

Oral Questions

[Translation]

HEALTH CARE

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the crisis in the health care sector continues.

Since the Liberals took office, over \$16 billion has been snatched away from the provinces in the sector of health care and social services.

The result is clear in the reports we have been seeing of late. Waiting time in Quebec emergency rooms has reached a critical level. As is the federal Liberals' practice, the blame is passed on to the provinces.

Next week's budget will not provide the \$16 billion already taken. The Minister of Finance will try to convince you he is repairing the health care system, but billions more will be needed to fix it.

Canadians, beware, next week's budget will bring you more taxes and less health care.

ORAL QUESTIONS

• (1415)

[English]

TAXATION

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, a new study by the Vanier Institute of the Family proves what Canadian families already know, that taxes under the Liberals have reached a record high.

Income taxes alone now eat up almost one-quarter of every family's budget. Although we are paying record taxes to the Liberals, they have cut our health care deeper than ever.

Could the Prime Minister please tell us why we are paying record taxes but he has cut our health care to the bone at the same time?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as the Minister of Finance said many times in the House, we have reduced taxes every year we have been in government.

To give an example, when we formed the government the EI premium was \$3.30. We reduced that to \$2.55. We made reductions in taxes every year, including last year. The surtax for those below \$50,000 of 3% was completely eliminated and 400,000 taxpayers were not on tax rolls at all after the last budget.

I am confident that the Minister of Finance will think about the taxpayers come next Tuesday.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, the Prime Minister could check his books. Taxes have gone up, not down. Average Canadians are paying \$1,800 more this year in taxes than when the Prime Minister took over in 1993, yet they have had \$1,150 cut out of their health and social programs. That is \$1,800 more in taxes and they have cut \$1,150 on health care.

How can the Prime Minister bill himself as the great guardian of health care when he ought to be sued for malpractice?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, exactly a week ago I had a discussion with all the premiers. We discussed health care. They were all very positive about the intention of the federal government for the next budget.

Perhaps the member should check with the premiers before asking questions.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I am sure they are comforted that the Prime Minister is going to put back a fraction of what they have taken out since they took office in 1993.

Next week in the budget we will probably hear about a \$2 billion selective tax cut. Canadians are saying "thank you very little". Incredibly, we are still paying more taxes, not less. Since 1993 the Prime Minister has wrung \$1,800 more out of the average taxpayer and still take back \$1,150 in cuts to health care.

How can the Prime Minister brag about being the great slasher of health care and Mr. tax hike?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we were elected to provide good government for the people of Canada and we do not have to work with anybody to try to form an alliance to survive.

We are continuing to provide good government. The united is here and the alternative is there.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, that was very eloquent.

Taxpayers are paying \$1,800 more this year in taxes than they did in 1993. Meanwhile this year, government spending is down \$1,150 per taxpayer for health care since 1993.

Has the Prime Minister no shame that he is charging taxpayers \$1,800 more this year than he did in 1993 yet he is cutting the heart out of health care?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we cut taxes by \$7 billion in the last budget over a period of three years. We reduced the EI premium every year since we formed the government, from \$3.30 to \$2.55.

At the same time, we managed to eliminate the deficit which was \$42 billion. I guess the people of Canada know we are doing our

Oral Questions

best and we are providing good administration which is ensuring the growth that permits the government to balance its books.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the Prime Minister should understand that it was not he or his government that reduced the deficit. It was Canadian taxpayers who eliminated the deficit. He took \$1,800 out of their pockets every year to reduce the deficit. He is putting back a fraction of what he took out of health care.

• (1420)

I wonder how the Prime Minister feels to be known as the man who put the hell into health care.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am a bon Chrétien. I will easily forgive those words. Yes, there is more tax paid in Canada because there are 1,500,000 Canadians who were not working but who have jobs today because we have provided good government. There are more people paying taxes because the level of unemployment went down from 11.5% to 7.8% last month.

* * *

[Translation]

FOREIGN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, General Baril showed us yesterday just what a good cover-up operation he runs.

But the more we hear about the Prime Minister's ski vacation, the less we understand.

My question is very simple: Can the Prime Minister tell us what kind of plane he used to fly to Vancouver and whether it stayed there during his holiday?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Prime Minister always flies in a Challenger. There is nothing secret about that.

I have always interrupted my vacations. When nine Eskimo died in New Quebec, I interrupted my vacation, unlike the leader of the Bloc Québécois.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I do not have a Challenger.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. leader of the Bloc Québécois.

Mr. Gilles Duceppe: Can he tell us then how it is that the Minister of Foreign Affairs and the delegation of members left Ottawa in a Challenger on Sunday morning and flew to Amman in 12 hours, while seven hours were not enough for the Prime

Minister to make it from Vancouver to Ottawa? Will he explain that for us?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, General Baril explained this yesterday. The Canadian Armed Forces are responsible for getting the Prime Minister around. The Prime Minister himself does not tell the pilot what time to get up. That is not my responsibility.

However I would point out to the leader of the Bloc Québécois that the leader of the Liberal Party of Quebec, Jean Charest, who does not have a Challenger either, attended the funeral service in New Quebec.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I was outside the country, but this is not how question period works.

Some hon. members: Oh, oh.

Mr. Gilles Duceppe: Can he tell us how it was that General Baril did not reply when I put the same question to him, and why the Canadian Armed Forces are able to arrange a trip from Ottawa to Amman in 12 hours by notifying opposition members at the last minute, but cannot manage to look after the Prime Minister, who had more than enough time to make it from Vancouver to Ottawa? Would he stop covering up the truth?

The Speaker: The hon. member is making borderline comments. I would ask him to be very careful in his choice of words.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I explained to everyone yesterday that I wanted to be there, that I had sent a team ahead to make arrangements for my arrival in Jordan, but that it was impossible for me to get there in time.

The Minister of Foreign Affairs went, along with members of the House, and he represented Canada very ably. He met the new King of Jordan, the brother of the former king and others, including the UN Secretary General. They all understood perfectly well why I was not there. Obviously, they are a little more understanding than the leader of the Bloc Québécois.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the new king is not his brother, but his son.

The Prime Minister must think we are asleep at the switch.

• (1425)

If the Canadian Armed Forces made such a serious error—because the international press said that the Prime Minister had committed a gaffe—is the Prime Minister going to take disciplinary action against those responsible for such a gaffe, or was it he himself who committed the gaffe?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, obviously the Bloc Québécois does not have enough to worry about.

It would be much appreciated by the governments of Jordan and other countries if the Bloc Québécois were to concern itself with

the real problems in that area of the world and the need to establish a regime that can maintain peace. It was for that purpose that the Minister of Foreign Affairs met with the new king, who is the son of King Hussein, and with the king's brother, who had been the acting leader of the country. But since the Bloc Québécois has a very narrow focus, it was likely unaware that we met with both.

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[English]

HOMELESSNESS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, is the Prime Minister aware that there are 200,000 homeless Canadians, over 5,000 homeless children in Toronto alone? Does the Prime Minister ever take a moment to think about what it is for a child growing up to live without a home?

Will the Prime Minister agree to come with me and see for himself the human horror of homelessness or will he cross the street and just walk on by?

Right Hon. Jean Chrétien (Saint-Maurice, Lib.): Mr. Speaker, I am aware of it and I have done something.

Yesterday the minister of public works gave a list of all the activities this government has moved on in the last few months. He was reporting to the House that he is talking to the provinces to have them collaborate. The NDP Government of British Columbia did not want to participate in the RRAP, a housing program for the poor.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Prime Minister is so concerned about homelessness that he pulled the plug on all new social housing in this country. So what if thousands of Canadians are homeless. Leave it to others to deal with the crisis. Leave it to others to find a way to put a roof over their heads.

It is not cardboard boxes that are needed. It is leadership from the Prime Minister. When will he face up to his responsibilities? When will he reassert a federal role in housing for Canadians who need it?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the government has put hundreds of millions of dollars into these programs over the years. We have done something. We are preoccupied with and working on that.

Rather than recognizing these things, she is refusing to see them. She should be pleading with the Premier of British Columbia to collaborate with our minister to improve the situation in Vancouver. However, as usual, by trying to score political points she has abandoned all the principles of the NDP. It is a shame that she voted against protecting—

The Speaker: The hon. member for Shefford.

Oral Questions

[Translation]

POVERTY

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, immediate government action is required on the issue of child poverty in Canada. We know that child poverty has grown constantly in the past ten years or so.

Will the Prime Minister pledge today, before this House, to improve his government's poor record with respect to child poverty by tabling a comprehensive action plan, with real targets and deadlines, providing for the indexing of the child tax benefit, among other things?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I addressed that point yesterday, indicating that it is a government priority.

Two years ago, we took the initiative, in co-operation with the provinces, to provide in child tax benefits. Over the past two years, \$1.7 billion was provided. I think it was the largest single investment made by the federal government in any social program in three years, and it was for child poverty.

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, in recent months, the government finally reaped the rewards of the efforts made by all Canadians to restore Canada's economic health.

• (1430)

However, the long period of restraint and sacrifices that led to this new era of economic prosperity has exacted a major human and financial toll on many Canadians, especially those living below the poverty line.

Can the Prime Minister give this House the assurance that he intends to redirect the surpluses accumulated through these sacrifices to the most disadvantaged members of our society?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this is precisely what we have done. I just gave the hon. member an answer.

I want to point out to her that the reason we were facing such a difficult situation in 1993 is that we had just taken over from the previous Conservative government. When we voted to provide a tax benefit for poor families with children, the Conservative Party voted against the budget.

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[English]

APEC INQUIRY

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, for a week now the solicitor general has had a letter from the commissioner of the APEC inquiry asking for funding for the students' lawyers so that the process is fair. He has had a whole week. He has dozens of advisers and he has all sorts of lawyers.

Oral Questions

The question cannot be that difficult. What is the answer? Are they getting the funding, yes or no?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, as I indicated previously in the House, I received a detailed letter. My officials and I are studying the letter and we will respond to the letter.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, how complicated can it be? Is the solicitor general having trouble with the big words or what? Get the health minister to go over and help him, whatever it takes. Give us an answer.

If he will not give us the answer today, will he at least tell us when, yes or no?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I can assure my hon. colleague I am evaluating the letter and he will hear the answer.

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[Translation]

AGRICULTURE

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, yesterday the minister of agriculture told me that Quebec farmers affected by the drop in agricultural produce prices would be "treated equitably, the same as any other farmer in Canada".

Am I to understand from the minister's words that he plans to provide Quebec producers with the same assistance as to the rest of Canada, without taking into account the measures already available from the Government of Quebec?

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the discussions with the provinces as far as farm income disaster assistance will ensure that all farmers in Canada who trigger the criteria will be treated the same by the provinces and the federal government on a 60-40 split.

[Translation]

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, we are speaking of a federal program paid for by the taxes of everyone in Canada, Quebec farmers included.

Can the minister explain to us why he insists on imposing a rigid program for all of Canada which penalizes Quebec farmers for the financial assistance already received from the Government of Quebec?

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I find it interesting that the very same member

stands up and wants to know why there is not equity for farmers in Quebec with the farmers in the rest of Canada. Not only for farmers but for everything else, I will assure that there will be equity.

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HEALTH CARE

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, we saw another litany of health care problems on TV last night: preemies without neonatal intensive care beds; Quebeckers without emergency space; and people in B.C. sleeping in the linen closet because there are no beds.

Since the Liberals are wringing more taxes out of us, why is it that our health care system is in such a mess?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, it is true the provinces are having real difficulties meeting their responsibilities and delivering services.

Just last week the Prime Minister led an effort to develop an agreement among governments in Canada to act on health as a priority and will soon be announcing measures in that regard.

The hon. member raises an issue which does not sit comfortably with the Reform philosophy. Reform just a few weeks ago said it would devote one half of the surplus toward debt reduction and the other half toward tax relief, apparently leaving nothing for health care.

• (1435)

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, the minister would like to direct attention elsewhere because he has a record that he is not very proud of. While he has raised taxes by \$40 billion, he has wrung \$16 billion out of the health care system, not a record that anybody should be very proud of.

My question is very simple. When taxes are at record highs, why is health care in such a sorry, sorry state?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the problems one sees on the ground are being coped with by provincial governments. We are going to be there next week in the budget to announce measures we believe will help them.

Let me make clear that the measures we will announce will be intended to strengthen our public system of medicare in the country supported by the Canada Health Act. That is not something the Reform Party understands or appreciates.

We all know what the Reform Party would do. It would repeal the Canada Health Act. It would have American style medicine in Canada. It would have private insurance. That is something we will never do.

Oral Questions

[Translation]

EXPORT OF CANDU REACTORS

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, on Tuesday the Minister for International Trade revealed here in the House that the federal government wishes to continue exporting CANDU reactors.

My question is for the Prime Minister. Given the lack of scientific and social consensus on the safety of Canadian nuclear technology, can the Prime Minister guarantee that his government will not advance the billions of dollars required to purchase new CANDU reactors to Romania and Turkey?

[English]

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, obviously with respect to future transactions, no one can predict what might happen in terms of future business relationships.

On the scientific point, the hon. member does this Canadian technology a grave disservice by implying that it is somehow inherently unsafe. In fact, the Candu has the safest track record in the world.

[Translation]

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, my supplementary question is for the Minister of Foreign Affairs.

Can the Minister of Foreign Affairs tell us whether he intends to follow up on the recommendation of the Standing Committee on Foreign Affairs calling upon Parliament to conduct "a separate and in-depth study on the domestic use, and foreign export of, Canada's civilian nuclear technology"?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, we are actively looking at the very interesting recommendations from the committee. We have 150 days to respond. I can assure the hon. member that we will be responding in a very comprehensive way within that time period. I am sure that we will be able to provide the kind of answers she is looking for.

* * *

HEALTH CARE

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, under the new health care accord that the Prime Minister and the health minister mentioned this afternoon, three provinces may end up paying more than they receive. If the additional health care funds are transferred under the existing

formula, the citizens of Ontario, Alberta and British Columbia will pay more than they receive.

In the interests of fairness and equity, will the Prime Minister commit to transfer the additional funds for health care on a per capita basis?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was there and all the premiers said it was a very good deal.

I do not know where the member is getting that from. Some are presuming that perhaps if we decide to cut taxes, the provinces will have to cut taxes. Everybody will note that the Reform Party is against any tax cuts by the federal government because it might affect the provinces.

Ms. Val Meredith (South Surrey—White Rock—Langley, Ref.): Mr. Speaker, it is very clear to those under the Canada health and social transfer that there are three provinces in this country that pay more.

I remind the Prime Minister that the first principle of the social union that he signed a week ago was to treat all Canadians with fairness and equity. Why is the Prime Minister so willing to put that aside one week later?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is why the premiers signed. It is why they said thank you to the federal government. It is why they said it was a very innovative way to operate the federation, that everybody would be better off with this new system than with the old system.

● (1440)

I know that the Reform Party is in very bad shape these days to raise questions like that.

* * *

[Translation]

HUMAN CLONING

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, at the initiative of the Bloc Québécois, the House will soon debate the basic question of human cloning.

Could the minister tell us whether the government intends to proceed with this matter and could he tell us why he is trying to amend the bill in order to delay its implementation?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, it is common knowledge that the present government opposes human cloning. In Canada, we have had a voluntary moratorium since 1995, and a year ago, we introduced Bill C-47 to ban this and other practices.

We are currently examining a bill to do the same thing, and I intend to table it shortly.

Oral Questions

[English]

ABORIGINAL AFFAIRS

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, my question is for the Secretary of State for Children and Youth.

Inuit communities across the north suffer from among the highest rates of unemployment in Canada. Can the Secretary of State for Children and Youth tell this House what is being done to help Inuit find and keep jobs?

Hon. Ethel Blondin-Andrew (Secretary of State (Children and Youth), Lib.): Mr. Speaker, I was pleased today to have the hon. member for Nunavut with me to sign a national accord with the Inuit Tapirisat of Canada.

The accord recognizes that a one size fits all solution does meet the needs of the Inuit people in the labour market. It will empower Inuit people to design and deliver their own programs. The national accord replaces the existing national framework agreement and signals the beginning of a new five year program that we are going to undertake for the Inuit. The details will be announced by the government at a later date.

* * *

SHEARWATER DEVELOPMENT CORPORATION

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, my question is for the Minister of Industry.

Three days ago Shearwater Development Corporation ceased operations after blowing \$2.6 million in public money. In spite of ACOA largesse and a good income from airport operations Shearwater did not pay its principal contractor, Frontec Corporation, last year and has been hit with a \$677,000 judgment.

Does the minister have any idea where all the money went and is the government responsible for the debt to Frontec?

Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, as I said a week or so ago, the Shearwater Development Corporation was put together to ameliorate the effect of the downsizing of Shearwater. Cornwallis did very well by the way.

The question was, where did the money go. The money went to keep the airport operating. The airport was still operating and the assets are still there.

Regrettably Shearwater Development Corporation is not in business any more. The future of the property and indeed the airport is now between the Government of Nova Scotia and the Government of Canada through public works and government services.

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, Shearwater has given a brand new meaning to the term not for profit corporation.

Shearwater's chairman, Charles Keating, is a high profile Liberal operator. His executive director worked for former MP Ron MacDonald. Neither one of them has any transportation expertise, yet they talked of turning Shearwater into a "multimodal transportation hub".

They made lots of money running that airport. Where did the money go? Will the minister launch an investigation?

Hon. Fred Mifflin (Minister of Veterans Affairs and Secretary of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, as I said before, there is no need for an investigation. The money was spent to keep the airport open. As the delivery agency, ACOA accounted for the money. Due diligence was done. Everything was done properly. There is no need for an investigation. There will be no investigation.

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[Translation]

HEALTH CARE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, emergency rooms throughout the country are in a state of crisis because of the cuts imposed by this Liberal government. The situation is critical in Montreal. Patients are waiting 48 hours on stretchers before getting a bed. In Toronto, the Ontario government is contemplating sending sick children to the United States. B.C. immediately invested \$10 million, Quebec, \$20 million.

• (1445)

Will this Liberal government assume its share of the responsibility and reinvest today? It is today we need money in health care across the country.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, clearly for us health is a key priority. Clearly, as the Prime Minister said, we will be reinvesting in health care significantly in the coming budget.

I would ask the hon. member to wait for next week's budget. We will take steps to improve the situation.

[English]

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, I am glad that health is a priority for the government because my question is also for the health minister.

A report released this afternoon by the Sierra Club of Canada, co-authored by renowned experts in environmental health and safety, is a scathing indictment of the Can-Tox study co-sponsored by Health Canada last year regarding Frederick Street. The findings

of the now flawed Can-Tox study were the basis for the government's inaction.

Will the Minister of Health continue to leave the people of Frederick Street at risk or will he show that it is a priority and do the right thing for the people in that community now and not next week?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, along with the Minister of the Environment I met with the residents of Frederick Street some months ago when I was in Sydney. I said to them then and I repeat now that our concern is for their safety and for their health.

Let me say two things. First, the Can-Tox study was made public. We believe it was right, but we are going to look at the report which we are receiving this afternoon and we will study it carefully.

Second, a joint action group made up of people from the community is looking at strategies. That is where the strategy should start. We will support that process now and in the future.

* * *

THE ECONOMY

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, Canadians' after tax income has declined by 7% since the early 1990s. One in five Canadian children are now living in poverty. All Canadians, particularly low end Canadians, need tax relief now.

In the last budget the finance minister took \$2.5 billion of Canadians' money to put into a millennium scholarship fund. How much of that money has benefited Canadians this year when they need it?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the member certainly outlines how from day one in our first budget, even though we had a huge deficit, we have been investing in the future of Canadians. One of our first major investments was to increase the floor of the transfers for health care.

We realize that we cannot have a strong country unless we have the best trained and best educated young people. That is why we have made this huge investment in the future of our young Canadians.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, that was the long answer. The short answer is zero. Not one red cent of that \$2.5 billion taken from Canadians was reinvested in Canadians this year. Will the minister stop playing Mother Hubbard with Canadians' money? Will he reduce taxes for low income Canadians next week by fully reindexing tax brackets and by raising the basic personal exemption to \$10,000?

I ask the secretary of state not to say that he cannot comment on the budget because everybody knows that the minister has been leaking like a sieve.

Oral Questions

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I value my job too much to leak anything that would be in the budget.

From day one tax cuts have been important to us. We started out with targeted tax cuts to those who are most in need, to those who are disabled, to charities in the voluntary sector, to poor families. In the last budget we doubled the amount of the child tax benefit and provided \$1.7 billion to the poorest families in Canada. We took 400,000 of the—

The Speaker: The hon. member for Oak Ridges.

* * *

YEAR 2000

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, this is Y2K week, with 10 months to go before the year 2000. Can the Secretary of State for Western Economic Diversification tell us what the government is doing to assist small and medium size businesses to prepare?

• (1450)

Hon. Ronald J. Duhamel (Secretary of State (Science, Research and Development)(Western Economic Diversification), Lib.): Mr. Speaker, western economic diversification through 100 points of service in the whole of western Canada is focused on this problem. We have people working on it on a daily basis.

We are finding and identifying the most relevant information. We are sharing that information widely, both directly and through small and medium size businesses. We are also providing guidance to those who need assistance in making sure they are Y2K compliant.

There have been a number of seminars and conferences. Today in British Columbia there is a forum on this very issue, where there are very credible resource persons available to assist.

* * *

HEALTH

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, speaking about Y2K, when it comes to government preparedness for the Y2K problem Health Canada is dead last.

That is the information the chief information officer told the public accounts committee the other day. Not only are they dead last, but when it comes to individual hospitals the department does not have a clue where they are. It has not measured them in any way, shape or form.

My question is for the Minister of Health. If the government claims that health is the top priority that it says it is, why does he have no idea of what the level of hospital service will be on January 1, 2000?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the member is dead wrong.

Oral Questions

Health Canada has for some months been engaged in a systematic and methodical program to make sure that medical devices are ready for the year 2000. I can tell the House that in the highest risk devices category, 96% of manufacturers have responded to request for compliance information. None of the highest risk devices to date have been reported as non-compliant.

The names of those who have not responded have been published on the website. Attention has been drawn to that fact. We continue and we will redouble our efforts to make sure we are ready for the year 2000.

* * *

[Translation]

CANADA POST

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, this morning, we learned that there had been a suspicious parcel scare at the Canada Post sorting station in Ottawa during the night.

Having been notified by postal officials, RCMP officers searched the premises extensively without evacuating the premises.

My question is for the minister responsible for Canada Post. Does the minister feel it is right to risk the lives of employees for the sake of productivity?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I have no knowledge of the incident the hon. member just referred to. I will inquire and report back.

* * *

[English]

ABORIGINAL AFFAIRS

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

The Manitoba Dene have hunted caribou north of the 60th parallel for over 2,000 years. They have at least 25 burial sites north of 60.

Is it the Liberal government's position that the Manitoba Dene have treaty and aboriginal rights north of the 60th parallel, rights protected under section 35 of the Constitution Act, yes or no?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, it is clear in the Nunavut Act that there is nothing which will abrogate or derogate from the treaty rights that may exist for first nations in Manitoba.

I have had the opportunity to meet with Chief Bussidor of the Sahtu Dene to talk about her concerns. I have offered the services of a mediator to help her and her people negotiate with the Inuit on these issues.

POVERTY

Mr. Bill Matthews (Burin—St. George's, PC): Mr. Speaker, government policies are forcing more children in all regions of our country into poverty levels.

Poverty levels in every area of the country have increased significantly. Canadians in economically depressed areas of this country want to work.

I ask the Prime Minister, when is his government going to take action to stimulate employment and economic activity in depressed areas of the country and address this very serious problem of rising poverty levels throughout this great country of Canada?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I draw to the attention of the hon. member a few numbers concerning job creation.

Unemployment is now down to 7.8%. We saw the creation of 450,000 jobs last year. Another 87,000 jobs were created in January alone and half of those jobs were for young Canadians, who have a harder time integrating the labour market.

The Canada jobs fund has been renewed on a permanent basis. We are investing money, particularly in those regions where unemployment levels remain stubbornly high, to create job opportunities.

* * *

● (1455)

FINANCIAL INSTITUTIONS

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, today the government introduced legislation that will allow foreign banks to open commercially focused branches in Canada.

Can the Secretary of State for International Financial Institutions please tell the House what this means for the financial services sector in Canada, and particularly what it means for consumers?

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, we have introduced that legislation today. It will mean that foreign banks can come into Canada using the capital which they have on a global basis to support their lending activities here in Canada.

This legislation brings Canada into line with the accepted practice throughout the western world. It has been encouraged by all of our financial institutions, as well as the MacKay task force, the finance committee of the House of Commons and of the other place.

We look forward to the co-operation and support of all members.

*Oral Questions***NATIONAL REVENUE**

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, my question is for the Minister of National Revenue. Yesterday I revealed to the minister that wealthy American corporate and family trusts like Hewlett-Packard, Ted Turner and the Rockefeller Foundation are funnelling millions of dollars into Canadian environmental organizations with charitable tax status in a paid campaign to kill jobs and investment in Canada. These are not charities. These are economic terrorists.

I ask the minister again, when is he going to end this sham and revoke this charitable tax status to these economic terrorists?

Hon. Harbance Singh Dhaliwal (Minister of National Revenue, Lib.): Mr. Speaker, I would be happy to take any information the member has on any charity groups that are not abiding by charity law.

One thing is quite clear to the House. The Reform Party has no agenda on the environment. It has no interest in the environment, and environmental groups across Canada, including British Columbia, will take note that Reform does not care about the environment. No wonder it is dropping in the polls every single month.

* * *

*[Translation]***SOCIAL HOUSING**

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, all of Canada's major centres must deal with the serious problem of homelessness. In Quebec, nearly 29,000 people are affected.

Will the minister responsible for the Canada Mortgage and Housing Corporation make a commitment today to make available to the provinces the necessary funding to establish social housing programs for the homeless?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, it goes without saying that we are working in co-operation with the provinces.

Take for example the RRAP program in Quebec, where the member comes from and which takes full advantage of the program. More than 30% of the RRAP budget is spent in Quebec, and other provinces benefit as well.

We are working on convincing those provinces that do not participate in the program to change their minds, so that all Canadians can benefit from this federal program.

*[English]***PUBLIC SERVICE OF CANADA**

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, over 12,000 employees of the federal public service are being discriminated against by the policy of regional rates of pay.

I will give the President of the Treasury Board the opportunity to speak directly to the lowest paid PSAC members and explain to them why the Liberals betrayed the workers with broken promises. When will the government get back to the bargaining table?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we are trying to solve the problem of rotating strikes for the blue collar workers as quickly as possible.

We have been offering rates of increase in pay that are exactly the same as those which have already been accepted by 80% of the public service.

In terms of regional rates of pay, it is normal and correct that we would reflect not only local and provincial regulations, but also the state of local markets. In markets which have higher costs we would pay more, as stated, by the way, in provincial regulations.

* * *

UNEMPLOYMENT

Mr. Bill Matthews (Burin—St. George's, PC): Mr. Speaker, first in Atlantic Canada we had the government's inflexibility on the post-TAGS program. Last summer communities in British Columbia were devastated by an inadequate salmon fishing plan.

Recently we had the Devco closure announcement. All of these decisions are downgrading the communities and their viability in rural Canada.

I ask the Prime Minister, when will his government implement a comprehensive regional economic development program, a plan for Canadians in economically depressed areas to create employment?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, within the tax program, yes indeed there was enough flexibility following the major crisis which occurred in eastern Canada.

● (1500)

I can tell members that we have also worked very hard at human resources to help British Columbia fishermen with the appropriate tools to try to get to a better labour market and create economic diversification in the region in some of the communities where it is most difficult to do so. We have been looking after the situation in British Columbia as well as we have in Atlantic Canada.

*Tributes***BUSINESS OF THE HOUSE**

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I would like to ask the government House leader if he has some business for the rest of this week and what the nature of the business is for next week, including whether there will be some legislation introduced in the House on child pornography.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is always a pleasure to respond to the Thursday business question by the opposition leader.

[*Translation*]

The business that the government will put before the House between now and the end of next week is as follows: tomorrow, we will deal with second reading of Bill C-61, the veterans bill. It is not my intention to call other bills tomorrow.

On Monday, we shall complete second reading debate of Bill C-65, the federal-provincial fiscal arrangements legislation.

On Tuesday, we will debate the citizenship bill, C-63. If there is time, we will examine Bill C-49.

At 4.15 p.m., the Minister of Finance will deliver the budget statement. The budget debate will commence on Wednesday, February 17, with the first vote at 5.15 p.m. on Thursday, February 18.

I would also like to take this opportunity to announce that, on Friday, February 19, we will be debating Bill C-64, the bill respecting exhibitions.

[*English*]

With regard to the question as to when we will introduce any legislation in the House of Commons, all government legislation is introduced in the House of Commons following approval of cabinet. That is the normal way.

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, on a point of order, I have a question for the government House leader. The government has indicated an interest now in announcing a moratorium on bulk water exports. I wonder if he could tell us what day next week that will take place?

Hon. Don Boudria: Mr. Speaker, an announcement of a moratorium does not necessarily involve in itself legislation. That is a ministerial announcement together with the provinces. It is not the legislative agenda. I think the member knows that.

Mr. Gurmant Grewal: Mr. Speaker, I rise on a point of order. I would like to ask for the unanimous consent of the House to revert to tabling of documents under Routine Proceedings in order for me

to table the third report of the Special Joint Committee on the Scrutiny of Regulations.

The Speaker: Is that agreed?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

• (1505)

[*English*]

COMMITTEES OF THE HOUSE

SCRUTINY OF REGULATIONS

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, pursuant to Standing Order 123(1), I have the honour to present the third report of the Special Joint Committee on the Scrutiny of Regulations concerning section 68(1) of the Narcotic Control Regulations, C.R.T. 1978, chapter 1041.

The text of the relevant section of the regulations is contained in this report.

The Speaker: We will now proceed to tributes for one of our members of parliament who served here earlier, Mr. Ron Huntington of British Columbia, a member of the Progressive Conservative Party.

* * *

THE LATE HON. ARTHUR RONALD HUNTINGTON

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, it is with sadness and a sense of pride that I rise to pay tribute to the Hon. Ron Huntington who died in Vancouver on December 28, 1998.

Mr. Huntington served in this House from 1974 until his retirement in 1984. He was the minister of state for small business and industry during the administration of the Progressive Conservative government under the Right Hon. Joe Clark. My father was also a member of that administration and expressed that he was extremely proud to have served with a man such as Mr. Huntington.

Ron Huntington's parliamentary passion was to improve the public accountability of government to the House of Commons. He wanted members of this House to play a more effective role in holding to account ministers and public officials. He wanted better scrutiny of the expenditures of public funds and he worked diligently on the public accounts committee and on the Lefebvre committee to further those goals.

Ron Huntington came from a generation that believed that public service and duty to his country was of extreme importance. He

Tributes

served in the Royal Canadian Navy during the second world war and obtained the rank of lieutenant commander in a very distinguished military career.

He was also very active in community clubs and committed to improving his community. This followed his parliamentary career where he then headed to the Canada Ports Authority and made even further contributions to Canadian coastal communities.

Simply put, Mr. Huntington was a model of a man and will be greatly missed.

To his wife Miriam, to his children and to other members of his family we offer our sympathies on their loss and also our thanks for making it possible for him to serve the people of Canada in such a superior way.

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, on behalf of the government and as a fellow British Columbian member of parliament, I wish to pay tribute to a former member of this House, the late Ron Huntington, who passed away in December.

Mr. Huntington represented west Vancouver and British Columbians in this House for a decade. During that time, when in opposition, he served diligently on several committees of this House, making a substantial contribution.

Later when the Progressive Conservative Party under Mr. Clark took office he served as minister of state for small business.

As minister of oceans I should point out that Mr. Huntington was a man who knew the oceans well, serving, as was mentioned by my hon. friend, as a member of the Royal Canadian Navy during the second world war, rising to the rank of lieutenant commander. He also served as chairman of the Canada Ports Corporation from 1985 to 1991. In recreation he enjoyed the waters of the Pacific coast as commodore of the West Vancouver Yacht Club.

On behalf of the government and all my colleagues, I would like to extend to his wife Miriam and to his family our most sincere condolences on the loss of Ron Huntington.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Ref.): Mr. Speaker, I rise on behalf of the official opposition to pay tribute to the Hon. Ron Huntington.

A lot of honourable people have served this precinct. Ron Huntington is one parliamentarian who served this House with particular distinction and honour.

First elected in 1974 and re-elected in 1979 and 1980, Ron Huntington immediately became known to his colleagues on both sides of the House as a gentleman, respectful of the dignity and history of this esteemed institution.

• (1510)

Perhaps it was Ron's belief in hard work and what a diligence to task could bring to those who persevered. Perhaps it was Ron's

parents, Sam and Winifred, who instilled in Ron what service to community and country meant. Perhaps it was Ron's naval career and his service in the Royal Canadian Navy from 1941 to 1945 that ingrained in Ron a love of this nation and a desire to maintain its honour by serving as a member of parliament. Knowing Ron as a colleague, I believe it was all that and much more.

Ron Huntington was a focused man. He once told me he came to Ottawa with an objective, a goal and a vision. He wanted to make this country a better place and he worked hard each day as a member of parliament for the riding of Capilano to realize these goals.

Anyone who knew Ron Huntington knew of his no nonsense approach to getting the job done. At the same time, anyone who knew Ron Huntington knew of his sensitive and caring side.

Many an employee of Ron Huntington, some who are still working in these precincts, can attest to his nurturing side and his genuine concern for the future of those who worked for him.

Forever humble, it was particularly difficult for Ron to accept the mantle of honourable when he was appointed small business minister in 1979. No one more than Ron deserved this acknowledgement for his contribution to this House and this country.

His work in public accounts, transport, finance, estimates and procedure remains as examples of enlightened and progressive thinking, and his authorship of "Closing the Loop", a working document on how to make the spending of the taxpayer's money more realistic, is testimony to his deep passion for making things better.

When Ron decided not to run in the 1984 election, he was far from finished with the public service and served as chairman Ridley Terminals from 1985 to 1990.

Following that, Ron returned to Ottawa as chairman of Canada Ports Corporation from 1990 to 1995. Ron had something to offer and his contribution was welcomed by everyone.

Ron lost the woman he brought to Ottawa in 1974 to cancer. Those of us who had the pleasure of knowing Jean knew a woman of grace and dignity. She was Ron's pillar during the tumultuous and trying times and she never wavered.

In 1990 Ron married Mim and until ill health befell her, Ron and Mim resided in peace and serenity in White Rock, British Columbia.

Ron Huntington was a man of passion. His indomitable spirit for good and righteousness is unquestionable. If there was one spot he enjoyed even more than these precincts, it surely was at times aboard his yacht in Desolation Sound. It was his refuge and I will not tell any story or any tales about his times out there.

Supply

Ron Huntington left a mark on this institution. Let us work to ensure this mark is not erased and let us each day emulate this most complete and compelling gentleman.

On behalf of the official opposition, I extend to his family our sincerest condolences. We liked Ron and he will be missed.

[*Translation*]

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, I rise today to pay tribute to the Hon. Ronald Huntington, a former member of this House, who died December 28 at the age of 77.

Born in Vancouver, Mr. Huntington studied at the University of British Columbia. From 1941 to 1945, during World War II, he served in the Canadian navy, in the Mediterranean and the North Atlantic. He began his parliamentary career in 1974 as the Progressive Conservative member for Capilano—Howe Sound, a riding he would represent for 10 years.

During that period, Mr. Huntington served as minister of state for small business and industry from 1979 to 1980 in the Progressive Conservative cabinet and as president of the Progressive Conservative Party from 1982 to 1983.

On retiring from active political life, he was appointed president of Ports Canada in 1985, a post he held until 1991.

On behalf of my colleagues in the Bloc Québécois, I wish to extend my condolences to his family and friends.

[*English*]

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I want to add a few words about the late Ron Huntington. I concur with what was said by the member from the Reform Party who is his successor for the part of Vancouver he represented in the House of Commons.

I remember very well when he first came to the House in 1974. He was re-elected in 1979 and 1980. I remember him very well. He was one of those members of parliament who were very outspoken. He spoke very directly. He spoke in a very straight way to what he believed in passionately. He was also a very dogged, determined person in terms of pursuing the ideals that he thought were correct. Obviously he was also very partisan and we often disagreed with him in terms of our ideology, but I always admire someone who will stand up and say what they believe in.

• (1515)

At this time I want to say that we will miss him. I say to his wife, to his son Ron and to his daughter Vicky on behalf of the New Democratic Party of Canada that their father and their grandfather and husband was a great member of parliament who was well liked and respected by all parties in this House of Commons.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—POVERTY IN CANADA

The House resumed consideration of the motion and of the amendment.

The Deputy Speaker: The hon. member for Québec has seven minutes left.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I will continue to speak to the motion of the hon. member for Shefford, asking the government to “take steps to alleviate the burden of poverty in Canada by encouraging self-sufficiency and self-reliance”.

To that end, the government should “increase the basic Income Tax credit to \$10,000, index the tax brackets and index the Child Tax Benefit”.

We will not support that motion for two reasons. First, we think the motion is unrealistic from a financial point of view and could generate another deficit, after we just got rid of one. The second reason is the restrictive nature of the proposed measures. Indeed, the Bloc Québécois has more all encompassing suggestions to fight poverty.

The motion includes some elements found in the dissenting opinion expressed by the Progressive Conservatives in the December report of the Standing Committee on Finance. The Progressive Conservative Party proposes what are essentially good ideas. However, if all these proposals were implemented, it would surely create another federal deficit. We know that the Progressive Conservative Party has already largely contributed to the federal deficit.

The hon. member for Shefford proposes to reduce employment insurance contributions by \$6 billion. We too are strong supporters of that idea. We want to reduce employment insurance contributions, but we also want to improve the program. This means more people eligible for employment insurance. We know that 40% of people now have access to employment insurance benefits. Three young people out of four no longer qualify. A number of men and women cannot draw benefits. We cannot agree with the first measure of a \$6 billion cut, because this does not take improvement of the program into account.

Total indexation of the tax tables, at the cost of \$2 billion, on top of the \$6 billion for employment insurance contributions, brings us to \$8 billion for these proposals.

Supply

If we include raising the basic personal exemption from its present \$6,500 to \$10,000—we know that every \$100 increase costs the treasury \$250 million—the total cost would be \$9 billion.

She is also calling for a \$2 billion increase in the Canada social transfer. While in agreement with some of these measures, we believe her proposals total \$21 billion. If we had one criticism to make of the Progressive Conservative Party, it would be its failure to provide figures for the proposals made here today.

There was no provision made for the surplus, which, according to a very conservative estimate, will be in the vicinity of \$15 billion. More idealistically, it could be around \$19.13 billion.

• (1520)

Obviously, we are a few billions short of meeting the expectations of the hon. member for Shefford.

We know that the Conservative Party is in the habit of passing its deficits on to the next government when it is no longer in office, but there is still a need to remain realistic and think about the budget, which must be taken into account. The Bloc Québécois is proposing measures that are better suited to the real budgetary situation.

As I said earlier, there is some merit to what our colleague is proposing, but there is also a lack of vision due to the restrictive nature of the motion. Obviously, we are in favour of indexing tax brackets and tax benefits, but that is not enough. We feel this should be part of a comprehensive antipoverty strategy.

By refusing to index the child tax benefit, the tax brackets and the GST credits, the Liberal government is picking the pockets of low income earners to the tune of billions of dollars. By not indexing tax brackets, GST credits and the child tax benefit between 1993 and 1997, the federal government took \$5 billion out of the pockets of low income earners. By not indexing these things, the whole structure of transfers to individuals was left to change according to the cost of living. This in turn resulted in a complete distortion of the tax system, which affects the effectiveness of tax policies and makes the system unfair.

Let me give members an example of the type of distortion resulting from this decision not to index credits. A person earning between \$32,000 and \$33,000 paid \$821 more in income tax between 1994 and 1997. However, a person earning \$92,241 paid \$752 more in income tax during that period. We can see the unfairness in the system and its unfair effect, a tax bias.

Which of the government's measures actually caused the impoverishment? For the Bloc Québécois it is surely the reduction in provincial transfers, reductions of \$6 billion annually for a total of \$42 billion. That affects education, health care and social assistance.

People in vulnerable situations, living below the poverty line, need more support for help with children. They need more health care. They often need social assistance. It is sad to say, but it is the truth. When the federal government cuts transfers to the provinces, it impoverishes the public too.

Then there is the employment insurance reform. Six out of ten unemployed individuals are excluded; 32% of unemployed women received benefits in 1997; 15% of young people are eligible for benefits. These two government measures could have been effective in the fight against poverty. The Liberal government could have decided, with \$20 billion in the employment insurance fund, to help part of the population without employment and often without financial assistance.

These people are often not eligible for social assistance for other reasons: because a partner is working, earning a bit, they have to give up their possessions, their small savings. This is how poverty grows.

I do not, unfortunately, have time to continue. It is always a shame when a speech is split in two with one part delivered earlier and one later. It is never fair in terms of time.

I respect the Chair. Since I am told that my time is up, I will stop here. I hope I will have other opportunities to speak of all the measures the Liberal government could implement to stop poverty. I hope I will have the opportunity to do so in the weeks following the tabling of the budget and I hope you will give me more time to address this issue.

• (1525)

[*English*]

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I would like to mention at the outset that I will be splitting my time with the hon. member for St. Paul's.

I would also like to thank the House for this opportunity to speak on the motion as put forward by the Progressive Conservative Party. I will take the opportunity at this point to read the motion into the record:

That, in the opinion of this House, the government should take steps to alleviate the burden of poverty in Canada by encouraging self-sufficiency and self-reliance and, to that end, should increase the basic income tax credit to \$10,000, index the tax brackets and index the child tax benefit.

My first observation is that this is a bit of a jumble. We are dealing with tax credits, we are dealing with poverty, we are dealing with indexation, we are dealing with a variety of tax credits. Frankly I have even heard members speak about homelessness in this whole debate. About the only problem that is not here is that of original sin.

If we eliminate from the motion the concept of poverty, I think the motion starts to make a little more sense. Really the motion

Supply

does not deal with poverty. It deals with the person who cannot find enough money from month to month to make ends meet.

In order to make any sense of this motion, I believe it should simply deal with the efficacy of tax credits, the efficacy of the child tax benefit as a means by which fairness can be introduced into the tax system. If I may be permitted, I would like to restate the motion along those lines and address that issue.

The real question then becomes as to what this government has done in order to alleviate the working poor, the person who really cannot make it from month to month and is forever in danger of slipping into poverty.

At the outset it is not really rocket science. The first thing we should do is move up the threshold at which taxes get paid. When means were available this government at the first opportunity moved up that threshold. The last move on the threshold was \$500 which eliminated about 400,000 Canadians from the tax rolls. That is a great number of Canadians to remove from the tax rolls and alleviate them from paying any taxes at all.

The other measure that was introduced in the last budget which will alleviate poverty was with respect to another 13 million taxpayers who no longer have to pay the 3% surtax on incomes below \$50,000. Hopefully the 1999 budget will go the entire route and eliminate that surtax in its entirety. It was after all a surtax that was introduced for the purpose of deficit elimination. The deficit is now eliminated and has been eliminated for two years running now, and it is appropriate to eliminate that tax.

The 1998 budget also helped families with child care expenses by significantly increasing the limits of the child care expense deduction from \$5,000 to \$7,000 for children under seven, and from \$3,000 to \$4,000 for children seven to sixteen. These measures will add to tax relief for approximately 65,000 working families in Canada.

May I say as a point of general observation that I for one am not as thrilled about that particular child tax expense credit because it has two flaws as I see it. First, it has Revenue Canada preferring the arrangements that families might make with respect to children in one manner over another which I do not think is any business of Revenue Canada. Second, one has to have a very decent income in order to maximize out on this particular benefit.

While I support the government's initiative in this area, it seems to me in some respects a bit of a crude instrument in terms of achieving certain benefits to taxpaying families which might otherwise be done in another fashion.

The government introduced other initiatives to assist low and middle income families as well. Effective July 1, 1998, \$1.7 billion per year was introduced in the child tax benefit. It provides \$1,625 for the first child and \$1,425 for each child thereafter.

• (1530)

When those cheques started to go through the system in July of last year I received quite a number of telephone calls at my constituency office. The calls were to the effect: "Thank you for that cheque. It really helps. This month my family and I will not have to go to the food bank. This month we will catch up on some of our bills. This month we will be able to avoid the embarrassment of being so close to continually slipping into debt". I received quite a number of calls along that line.

About two weeks later I received an additional set of calls. This time it was calls from the people on social assistance. The people on social assistance in the province of Ontario were cut back by an equal amount of money.

We had the worst of all possible worlds. We had raised expectations. We had met expectations with money and by another branch of another government had taken those moneys away. Those expectations and that reality were dashed. I can still hear those conversations in my constituency office. People were literally crying on the phone that they had to go back to the food bank for another month and saw no hope.

The Liberal caucus put a lot of political capital into that initiative. As a Liberal member on this side of the House I am very proud to see that initiative adopted by this government. However I am very frustrated that initiative was in some respects defeated by a government that has no commitment to the reduction and alleviation of child poverty in the province of Ontario.

That is why I take some encouragement, though I must admit some skeptical encouragement, from the social union discussions. I am hopeful that kind of undercutting will not occur in the future once this government takes a particular initiative in an area to relieve child poverty or any other kind of poverty which is perceived to be in the national interest.

I do not think the government wants to micromanage a provincial economy or a provincial government's priorities. It does not want to be in the position of backfilling tax cuts, tax cuts which are ideologically driven, tax cuts which are a priority to all other priorities. It also does not want to be in a position of having its initiatives in the national interest being defeated simultaneously. I am skeptical but I am hopeful these social union talks will go in a direction so these kinds of initiatives are not defeated.

In summary, the motion does not deserve to be supported. It is poorly drafted. It looks like it was a bushel basket that everyone got around and threw a whole bunch of stuff into. It is not a coherent motion. It tries to connect tax credits and poverty. When one is in poverty and not filing tax returns and has no income, tax credits are the least of one's worries. One certainly is not terribly interested in indexation and all of the ratcheting up that might be going on simultaneously.

Moving up the threshold by \$500 was a smart move on the part of the government. It simply eliminated 400,000 taxpayers from the rolls. It gave additional relief to something in the order of 4.6 million Canadians just by moving up \$500.

Tax credits, be they for children or poverty or otherwise, are limited in their usefulness because one needs to have an income in order to use them. They are also limited in their usefulness because provincial governments ideologically driven in other directions can defeat them by their own policies. Partially eliminating the 3% tax on \$50,000 incomes is worth \$1.4 billion and is a relief to 90% of all tax filers. Hopefully the budget will see it completely eliminated.

These are not motions, not even poorly drafted motions. These are concrete measures which the government has achieved. That is why I am urging all members to speak to the motion and to defeat it.

• (1535)

The Deputy Speaker: I remind the hon. member that we are on one minute questions and one minute answers so we can get the maximum number of questions in.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I concur with that good plan, not that you need my concurrence.

I listened carefully to the member's statement. He talked about eliminating the surtax, which is a great idea. The fact of the matter is that the surtaxes apply mostly to higher income people.

The motion as amended deals with increasing the tax credit or the basic exemption which would primarily reduce to the greatest percentage the taxes paid by poorer people. In other words, a person with a family income of \$12,000, which is a pitiful amount by today's standard, would pay taxes. If we increased the limits and applied the same kind of exemption to spouses they would be eliminated from the tax roll. Surely he would be in favour of that.

Mr. John McKay: Mr. Speaker, I am not entirely sure that I understood the question, if in fact there was a question. I apologize to the hon. member. I was listening carefully.

We could do one of several things. We could move up the bottom. Once in the tax system we could put some credits on and eliminate the taxes in the system. Or, we could reduce from the top and presumably make more moneys available.

Our response has been to initially move up the bottom. When we can take 400,000 people off the tax rolls we are doing something right. That is and of itself one of the most effective means by which to eliminate poverty. It is a substantial cost to the treasury but I think it is worth paying.

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[Translation]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, how do we get to zero poverty? I will read a resolution passed by all members of this House. It was supported by all parties in 1989.

[That] this House . . . seek to achieve the goal of eliminating poverty among Canadian children by the year 2000.

This resolution was passed in 1989. Today, there are 1.5 million poor children, 500,000 more than in 1989. What has this government done since 1993 to put into effect what the members voted for in 1989?

[English]

Mr. John McKay: Mr. Speaker, it is a good question and I appreciate it. In my view that is a worthwhile motion and a worthwhile goal. It is something that the government has attempted to move toward. It is always put in the context of realism. The first realism is limitations on government revenues.

Another concrete reality is that the government role in society is a diminishing factor of GDP. As the government role in society reduces, its ability to address the concern the member has, that is eliminating child poverty, is reduced as well. We cannot be increasing government and increasing the ability to eliminate child poverty as well.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, what does the hon. member think should be done with the EI surplus? Should it go to balance the deficit and other programs? Or, should it go back to the workers so they can look after their families, especially those in remote communities?

Mr. John McKay: Mr. Speaker, if I had my way I would entirely separate out the EI account just like we handle it off books and deal with it that way instead of getting into this whole fictional exercise.

The hon. member opposite does not appreciate that if there is a surplus of \$13 billion, \$17 billion, \$20 billion or whatever the number is, it is ratcheted here and ratcheted there. That revenue will need to be replaced on the books somewhere. If the member can tell me how it will be replaced somewhere then we can deal with the other issue.

• (1540)

[Translation]

Mrs. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, poverty, in a country as rich as Canada, is very disturbing for this government and for all Canadians. Unquestionably, we should not tolerate even one Canadian living in poverty.

[English]

As members of the House well know, poverty is and continues to be a major preoccupation of our government. We are particularly

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aware of the importance of addressing child poverty, recognizing that giving children in Canada a good start in life is one of the most important investments Canada can make for its future.

I assure the hon. member for Shefford that we are working aggressively to achieve this goal. I remind the House that as of last July we began to invest \$850 million per year into the national child benefit. These new funds are over and above the \$5.1 billion we already invest in families with children. By July of the year 2000 that additional investment will reach \$1.7 billion per year into the national child benefit. That more than compensates for inflation.

We will clearly need to sustain and enhance the benefit over a number of years, something we have committed to do. We do not pretend that this first phase of the program will solve child poverty. Nor do we suggest that a single program can be expected to reduce poverty on its own.

As part of our comprehensive plan to fight poverty we have provided a range of supports to low income families such as the family income supplement for roughly 200,000 low income parents on unemployment insurance and increased deductions for child care. We have also strengthened the community action program for children as well as the Canadian prenatal nutrition program for children at risk.

No one on this side of the Chamber would disagree that there is still much more to be done. However, my hon. colleague must not overlook the government's track record in endowing the country's children with a legacy of greater opportunity.

Neither can the opposition ignore the fact that money is not the entire answer. The fact is the share of government transfer payments to Canadians such as child tax benefits, goods and services tax credits and old age pensions has doubled over the past quarter century. In 1995 these transfers contributed 14 cents of every dollar of income compared with 11 cents in 1990 and less than 7 cents in 1970.

While my hon. colleague's motion is undeniably well intended, it is highly doubtful that simply raising the tax threshold would make a meaningful difference in the war against poverty. Poverty is a deeply entrenched and complex challenge that defies easy solutions. It will take not only money but time and a lot of hard work on the part of all Canadians to turn this situation around. There is no magic formula, but we can work to provide more opportunities by creating the right conditions to fight poverty through a strong labour market.

The reality is that reducing poverty ultimately depends on putting underemployed and unemployed Canadians to work. That has more to do with the individual's age, skills, experience and personal motivation than it does with tax brackets.

Very obviously addressing these difficult issues extends beyond the purview of the finance department or any one level of government. Alleviating poverty requires the concerted efforts of federal and provincial governments along with the co-operation and support of the private and voluntary sectors as well as individual Canadians themselves.

I am pleased to see that the opposition motion acknowledges the need to foster self-sufficiency and self-reliance. Canadians have always striven to maintain a successful balance between taking responsibility for themselves and sharing responsibility for others.

We believe strongly in compassion and fairness as we value individual independence and achievement. This philosophy is reflected in many of the initiatives our government has brought forward aimed at addressing the root causes of poverty and empowering people to help themselves. We have focused much of our efforts on equipping Canadians with the skills and knowledge that they need to succeed in a changing working world because Canada's economic prospects and the eventual elimination of poverty increasingly depend on a highly trained and highly educated workforce.

Anyone doubting this fundamental fact of life in the new economy need only look at the employment numbers. Since 1981 jobs for Canadians with a high school education or less dropped by two million while jobs demanding higher qualifications grew by more than five million.

Clearly Canadians with more education have better job prospects, greater job security and higher earnings. Just as clearly this is key to narrowing the gap between the haves and the have nots. That is why the government introduced the youth employment strategy which helps young people make the transition from school to work, especially those youth at risk.

• (1545)

There are active employment measures under employment insurance which provide opportunities for skills upgrading, wage subsidies and job creation partnerships, financial assistance to those who want to go back to school and self-employment assistance.

Canada jobs funds create sustainable jobs in areas of high unemployment.

The employment assistance for persons with disabilities initiative, a federal-provincial partnership introduced last year, is helping increase the participation of Canadians with disabilities in the workforce.

The aboriginal action plan is to ensure the integration and the equality of aboriginal people in the economy and all sectors of society.

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The Canadian opportunities strategy helps Canadians upgrade their skills and knowledge whether they are still in school or already in the workforce to improve their prospects for employment.

The overriding objective of all these initiatives is to help ensure that Canadians, especially those at greatest risk of exclusion, have better and more opportunity to participate in the demanding new economy and to share in its benefits. The evidence to date indicates that this strategy is working. Unemployment is now at the lowest rate since 1990. Since we took office 1.6 million new jobs have been created, 449,000 last year alone. Of those 449,000 new jobs, 143,000 went to young Canadians and some 299,000 women found work in 1998, the majority in full time jobs.

Tinkering with tax brackets as the opposition proposes will not result in numbers like these. Ensuring more Canadians receive the supports they need to help themselves to better jobs and better futures will.

I believe the hon. member for Shefford is truly committed to bridging the divide between rich and poor. I encourage her to work with the government to help us as we prepare young children to get off to a good start in life and as we prepare Canadians for the challenges and opportunities of the 21st century economy. I am convinced that together we stand a much better chance of helping all Canadians shake off the shackles of poverty.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I would like to remind my colleague of what is in the Universal Declaration of Human Rights, the 50th anniversary of which was just celebrated. It includes the following statement "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services".

It seems that this is not the case here in Canada, a country said to be very rich. When children do not get enough to eat, when they are not dressed properly because their parents are waiting for the last week cheque, I wonder just how motivated the government is to help them.

[*English*]

Ms. Carolyn Bennett: Mr. Speaker, I am delighted with this question in that it is the reason when we are held accountable to international standards that we need the kinds of national standards that have come part and parcel of our new social union negotiation. It is only when we have strong national standards that we will be able to ensure that the provinces are not able to let down Canadians in the way I think Ontarians feel has happened in the government of Michael Harris.

I am delighted that the hon. member understands that when we sit on the international stage with the Canadian flag before us that

we as a federal government need a way to ensure that all Canadians are able to achieve their visions and values of this country.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I have a question for the member from the Liberal Party for whom I have great respect.

When she talks about national standards and caring Canadians why did her government abandon social housing in my province of Nova Scotia?

Ms. Carolyn Bennett: Mr. Speaker, in this complicated federation it is extremely important that when the provinces have requested certain programs it is a collaborative effort. Now when we realize what happens with social housing, what is happening in terms of affordable housing and when we realize that there is going to be no way of ensuring food security when some people are paying more than 50% of their income on rent, we have to look at how we establish national standards. So it is not a matter of who delivers the program. It is a matter that all Canadians feel there is a security that those programs will be delivered.

• (1550)

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I would have greatly appreciated having the hon. member for St. Paul's provide us with some examples and solutions for eradicating the situation we have in Canada at the present time of 1.6 million children living in poverty. We are not talking of figures here, we are talking about children. They are our future. We should stop talking about this and that. We are told what Mr. Chrétien—

The Deputy Speaker: I must interrupt the hon. member. She is well aware that other hon. members must be referred to by title or riding name, and not by name.

Ms. Jocelyne Girard-Bujold: The Minister of Human Resources Development has been going on and on about this for weeks.

I would like my colleague to come up with some concrete facts and examples that will lead to elimination of poverty by around the year 2000 in Canada.

[*English*]

Ms. Carolyn Bennett: Mr. Speaker, as of July 1, by merely increasing the personal tax exemption, we took 400,000 Canadians off the tax rolls. I think it is extraordinarily important that we look at the future in terms of the 3% surtax, which came off last year, and understand that those are the simple things that the federal government can do in just taxation.

The sentinel event I think last week where the provinces agreed to the way they will co-operate to make sure that the vision and

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values of this country come to be I think is something we should not underestimate.

[Translation]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Jonquière, The Environment.

[English]

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I will be sharing my time with the hon. member for Regina—Qu'Appelle.

First of all I thank the hon. member for Shefford and her party for introducing the motion today. I think it is an extremely timely debate with the crisis of this country, although it is not a crisis that just happened yesterday, this is an ongoing crisis which has been going on for many years. I am glad that today is a good day to discuss this.

Next week my hon. colleague from Acadie—Bathurst will be bringing out his long awaited EI report. After his travel across the country from coast to coast to coast he will be relating the report and putting a human face to exactly what this government and the previous governments have done to people who are collecting EI and exactly what has happened to these people. He will be relating their personal stories for the House of Commons for all parliamentarians to have.

If I may digress to a personal experience, my mother and father and I were born in Holland. In 1956 when Holland was discussing the closure of the coal mines, and my father was a miner then, my mom and dad and six brothers and sisters plus thousands of other people in Europe at that time had no other opportunities but to abandon not only their homes but their countries and migrate to a great country like Canada and other countries.

I am very proud to say that my mother and father and all my brothers and sisters have done very well in Canada in terms of the social fabric of this country. The only unfortunate part is I now speak to my mother and father on a regular basis and what they see around them is the degenerating of the social fabric of this country.

For over 20 years my mother and father ran a group home for various children from across this country who were abandoned or abused, neglected or just basically forgotten about. They had well over a few hundred children go through their home. It was their way of thanking Canada for opening up Canada's doors when we needed a place to come and live and survive.

• (1555)

Unfortunately after living in this country for over 43 years they feel now that Canada is reverting to dog eat dog, forget about them society, a user pay, merger monopoly society aided and abetted by the provincial and federal governments.

A tax program like the GST is not implemented without having some detrimental effect on the lowest paid citizen. To give a tax break to citizens start lowering the GST. That is probably the most balanced and fair tax break that every single Canadian in the country can be given, especially for those who are the lowest paid.

Ravage cuts to EI cannot be introduced without a negative effect. I would like to give a quote of a very famous Canadian from February 17, 1993: "By reducing benefits and by imposing even higher penalties on those who leave their jobs voluntarily, it is clear that the government has little concern for victims of the economic crisis. Instead of addressing the underlying cause of the problem it attacks the unemployed".

Believe it or not that was a quote by the Prime Minister. If that is not a metamorphosis in the Liberal Party I do not know what does.

The Liberals have abandoned all the principles of the great leader Lester Pearson. They have abandoned all the principles and the moral fabric of Mr. Warren Allmand. They have abandoned all it was to be a Liberal in the 60s and 70s. Their agenda is tax breaks for the wealthy and their friends high on the economic scale while completely abandoning poverty, those who are homeless and those who are disenfranchised in society.

I work on the Standing Committee on Fisheries and Oceans. When we had the previous member from Gander—Grand Falls as the chair of the committee, we were on extensive tours across the country, especially in small isolated coastal communities. It did not take a rocket scientist to understand the problem these people were going through.

What the government with those in the corporate sector has done is take a common property resource, the fish, and given most of it through the ITQ, IQ and EA programs to their friends in the corporate sector.

Someone like John Rifley of Clearwater can go from 15 years of selling lobsters individually and on a small scale to a grand scale. People will say that is really great but what has happened is that Clearwater and also Highliner Foods have managed to grab most of the licensing in the scallop sectors for example. Literally thousands of people on the east coast and the west coast have now been taken out of an economic opportunity in terms of their livelihood which is fishing.

The same thing is happening to our farmers, especially in the prairies. Back in 1977 there were 110,000 registered farmers in the province of Saskatchewan. These were family farms. They were independent and proud people who did not want to rely on the handouts of government to put food on their tables. These were people who put food on our tables.

Unfortunately now in 1999 we are probably down to about 58,000 registered farmers in Saskatchewan and with the recent crisis in the country, by next year we will probably have fewer and

fewer farmers. That indicates that instead of being individually run and family owned by people who are proud to call themselves Canadian who support us and put food on our table, now we are going to the corporate sector of farming. We are literally giving these farms away because of the policies of the government. It is the same as in the fishing industry.

I find it absolutely abominable that the government can talk about its pride when it comes to the financial record of the country when in essence over \$20 billion has been taken out of the unemployed of the country. It is proud of that record. It is absolutely scandalous when only 35% of people who pay EI can actually qualify for it now.

Last week the government again got its hand caught in the cookie jar with a memo that was leaked from HRDC that indicated that if HRDC personnel in Prince Edward Island did not cut enough people off EI and maintain a certain quota they themselves would be on the unemployment line.

• (1600)

Knowing the way this government works, it probably would not have been able to collect EI. This government is absolutely hollow when it comes to the concerns of the unemployed, the homeless and those who have to rely on shelters and the generosity of food banks in order to get by in their daily living.

For Canada to have an increase in food banks should send alarms right across the Liberal caucus telling them very urgently that we have a crisis and a problem in this country. But no, the Liberals talk about the 1.3 million jobs they have created. They never ever talk about the thousands and thousands of jobs that have been lost in most cases by people with limited education but with great vocational skills. They are proud working people. Now they are in their forties and they no longer can look after their families.

Recently I was in Sointula, British Columbia. There was a gentleman in his forties with his wife and his three children. The man was extremely proud to be living in that community but he stood in front of the committee, a group of total strangers, and he started weeping. He no longer knows how to survive. He no longer knows how to look after his family. And all this government does is say it will probably give him a tax break or try to look at some sort of program. All the man ever wanted was a job.

Years ago a Cape Breton woman wrote to Prime Minister Mulroney saying "Go ahead, threaten me with a full time job". I encourage every single one of the Liberals and my fellow opposition members to go ahead and threaten the unemployed with a full time job that pays them a decent salary, that gives them proper labour standards, that gives them the opportunity to look after their families and live in their communities without being forced to abandon their homes like they do in Catalina or Burgeo or up in

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Canso, Nova Scotia. They literally board up their homes and then leave.

The track record of this government is very poor and abysmal. I thank the hon. member for Shefford for this opportunity. I know the work she does very well with the homeless and impoverished.

It is time that the government understood the crisis of what it has done. Not only is it important to pay attention to the fiscal problems, but it is also important to talk about the social deficit that has been caused by the previous Tory government and this current Liberal government.

Mr. Tom Wappel (Scarborough Southwest, Lib.): Mr. Speaker, I listened carefully to the speech of the hon. member from the NDP.

I would ask the hon. member to correct me if I am wrong but my information is that in 1997 the NDP's document "A Framework for Canada's Future" called for the elimination of federal surtaxes on low income earners. It is my information that during the 1997 federal election campaign the NDP leader asked for tax relief for low income Canadians. If those things are true, would the hon. member agree with me that this Liberal government delivered on both of those requests in our respective budgets?

We have begun by helping low income Canadians with tax relief first. That is why our last budget reduced taxes for 13 million Canadians and completely eliminated taxes for 400,000 of the poorest taxpayers in the country and also eliminated surtaxes. Would the member not agree that we have delivered on many of the things that the NDP wants?

Mr. Peter Stoffer: Mr. Speaker, I am glad to see that the hon. member of the Liberal Party recognizes the pressure and the good work the New Democratic Party can put on the Liberals.

The problem is that if a tax break is given to the lowest income earners and then they are charged user fees on products that they obtained before, it does not work. The private services that have been downloaded from the federal government on the health care issues would be an example.

What used to be taken care of by the government for these low income workers, they now have to pay for. The government gave them back 10 cents but now they are charged \$1 for the services that they had before.

The government did not go all the way with it. It credited them in one hand and debited them in the other, which was most unfortunate.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, I certainly agree with the member that cost recovery for instance is simply just another tax. It is affecting many sectors but primarily it is affecting agriculture.

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• (1605)

The member mentioned agriculture in his speech. Because of the poverty we have on farms I was wondering what solutions the member could recommend the Liberal government take to alleviate poverty in the agriculture sector. Does the member have an answer for that?

Mr. Peter Stoffer: Mr. Speaker, there is one thing the government can definitely do. The government could work closely with the farmers to find out about the Crow rate. We cannot take \$200 million off the Crow rate and expect the farmers to be able to pick that up. We cannot abandon grain elevators in a lot of the communities and expect the farmers to drive an additional 100 miles with their product and still keep it at the same price.

The member for Selkirk—Interlake knows very well that farmers are the breadbasket of our country. If we cannot look after them and their families so that they in turn can look after us, we have a very serious problem. I think this government has completely abandoned farmers in terms of the agriculture crisis that is happening with the pork farmers and the wheat farmers. We negotiate trade deals that do absolutely no good for the farmers.

It is time we sat down and talked to the farmers to find out exactly what their concerns are instead of telling them from Ottawa what they should be doing.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, Jean-Paul Sartre said that hunger is far more than being hungry. I would say that poverty is far more than being poor. The battle against poverty, in my opinion, involves job creation. I would ask my colleague: does he believe that job sharing could be part of the solution?

[*English*]

Mr. Peter Stoffer: Mr. Speaker, I thank the hon. member for his question.

I do know that social democratic countries in Europe are now looking at that very seriously. In fact the country of Holland, which most people call the Dutch miracle, is implementing that program as we speak. It probably would be a very good time to debate that in this House of Commons for the new economy for the new millennium.

[*Translation*]

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I wish to congratulate the hon. member for Shefford for asking that there be a debate on poverty in the House.

[*English*]

The whole issue of poverty is becoming more and more prevalent as we look around this country. Just yesterday on Parliament

Hill there were hundreds of homeless people who had come here from the Ottawa area, the Montreal area, the Toronto area and other parts of this country to demonstrate the need for some real help.

I was thinking about this speech this morning and I came across a very interesting statistic. In the last while the gap between the rich and the poor has been widening in this country and in much of the world.

When I was first elected in 1968 I was very proud of the progress being made in our country with the implementation of medicare and social programs toward the narrowing of the gap between the rich and the poor.

I remember you, Mr. Speaker, when you were member for Kingston and the Islands, an ordinary member of the House, making a statement in the House that we had virtually eliminated poverty among senior citizens in this country because of the Canada pension plan, the old age pension and the supplement.

Then somewhere around 10 years ago we started going in the other direction and the gap between the rich and the poor began to widen. If we look around the world, we are now in the midst of creating through this technological revolution and the Bill Gates and so on, a class of the super wealthy and also a class of people who are getting poorer and poorer all the time.

I came across an interesting statistic this morning which said that the 358 wealthiest people in the world—and I suppose that includes none of us in this chamber—have more wealth than the income of the 45% poorest people in the world, or 2.3 billion people put together. This is a startling statistic. Two billion, three hundred million people have less income than the wealth of the 358 wealthiest people in the world. I am sure you are not one of those people, Mr. Speaker, but they are people like Bill Gates and probably people like Conrad Black.

I can see the hon. member of the Reform Party shaking his head over there. I know a while back they called for a tax break for Conrad Black and some of these wealthy people and it strikes me as very puzzling that they would do that.

• (1610)

That gap is widening in this country.

I also remember when Ed Broadbent was retiring as the leader of the New Democratic Party of Canada. In December 1989 he moved a motion in the House of Commons that was supported unanimously by all members of the House and all political parties including the then Prime Minister Brian Mulroney. The motion said that we are going to set as a goal the elimination of child poverty in this country by the year 2000, that in 11 years we are going to eliminate child poverty in this country.

What has happened? Child poverty has not been eliminated. In fact, there is more child poverty now than there was 11 years ago.

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More kids are going hungry. There are about three times as many food banks now as there were 11 years ago. There are more kids out there with fewer opportunities. There are more homeless people with fewer opportunities. There is more sadness and dispossession out there now than there was 11 years ago. We have to ask why. There are three or four reasons.

First, we have poor kids because we have poor parents. We have poor parents because for all too long this country has had a very high unemployment rate. It has gone down recently, but it is still very high at 7.8%. For many years and many, many months we had an unemployment rate of over 10%, month after month after month. Because of that we have driven more and more people into poverty.

Second, even with the creation of more jobs, the average income in real terms for most Canadians now is lower than it was in 1989 when that laudable objective of eliminating child poverty was set by the House of Commons. It is lower because there are more and more part time jobs, more and more low wage jobs and more and more jobs with fewer and fewer benefits for Canadians. Because of the belt tightening in this country, for all but the very rich, incomes have actually gone backward instead of ahead.

[*Translation*]

That is why there is more poverty now than 11 years ago.

[*English*]

It is an issue we are going to have to tackle.

Yesterday I talked with a former prime minister. I do not want to use his name, but he told me that he was surprised at the anger that he saw among people demonstrating yesterday compared to five or ten years ago. That is true. More and more people are getting the short end of the stick in terms of economic fairness and justice in this country. It is because of years of high unemployment. It is because even though there are more jobs now, they are low wage jobs, part time jobs, fewer benefits and fewer opportunities. Those are two reasons.

Another reason, and I think members of the Liberal Party have to hang their heads in shame on this one, is the cutback of some \$6 billion in transfers to the provinces, primarily for health care but also for education and social programs. Turn on the newscasts. What is happening in every province? What is happening in Montreal, Toronto, Vancouver, Regina, Halifax, wherever we go? There are waiting lists in emergency rooms and hospitals are being closed. People are waiting in every province primarily because the federal government has cut back by \$6 billion in the funding of social programs in Canada.

We can go back to the sixties and people of that day like Lester Pearson, Tommy Douglas, Stanley Knowles, Bob Stanfield, when this country had the foundation of national medical care. At that

time the federal government funded 50% of medical care. What is it today in some provinces? It is 12% or 13%. Put up a dollar and only 12 or 13 cents is paid by the federal government. It used to be 50%. We have gone backward.

The reason for poverty is that the federal Minister of Finance in February 1995 cut back by \$6 billion and it is no wonder members in the Liberal Party hang their heads in shame over this massive cutback, a bigger cutback than any Conservative government ever made in terms of social programs. Yet some Liberals like to think that they are really progressing.

I know that you agree with me, Mr. Speaker, because you are a very progressive Liberal from the Kingston and the Islands constituency. I do not know why I always commend you so much but you are a very progressive man. Perhaps that is why you occupy the chair.

• (1615)

Finally we have the issue of taxes. The Reform Party might think it has a monopoly on talking about taxes in this country. The important thing when it comes to taxes is that we need tax fairness and a cut in taxes for the poorest people of this country. They need the money, they will spend the money and they will stimulate the economy in doing so.

In 1986 this parliament passed a bill to end the indexation of income taxes. That has put more and more people in the tax brackets. It has meant that the poorer people are paying more and more taxes all the time. We have also had the partial deindexation of the child tax credit and the GST tax credit for poorer people.

If it wants to do something about poverty, in the budget next Tuesday the government should end bracket creep for low income people and it should index the taxation system for low income people. There should be a fully indexed taxation system for the GST tax credit and for the child tax credit. I agree with my friend from Nova Scotia that we should have a 1% cut in the GST right across the board.

Those are some of the things we could do. I would like to see Liberal members opposite stand in the House of Commons and speak out on the issue of poverty. There is a minister of the crown about to take his place in the front row, the minister of fisheries. I am sure that he too was scandalized by the Minister of Finance in February 1995 when he cut social programs by \$6 billion, throwing more and more people in this country into poverty.

The time has come for Liberal backbenchers to speak their piece and say how they feel about restoring funding to social programs. We should have a fair taxation system in this country. We should make sure that we fight for full time, meaningful and well paying jobs. That is the way to end poverty. We have gone backwards. The gap between the rich and the poor is widening, which is why this debate today is extremely important.

*Supply**[Translation]*

Once again, I thank the Conservative member for Shefford for her motion.

[English]

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, it seems that by suggesting this government has done things wrong the member is suggesting that an NDP government would do things better and correctly.

He tried to blame difficulties in the health care system on federal cuts to health care spending. However, there is an NDP government that he knows very well. Hospitals were being closed in Saskatchewan by an NDP premier long before the federal government, under the Liberals, started taking responsibility for the deficit and getting it under control. One of the areas in which we did that was in reducing transfers to the provinces for health care, which we have since started to augment.

Did Premier Romanow of Saskatchewan, as an NDP premier, not close hospitals long before there was any decrease in federal funding?

Hon. Lorne Nystrom: Mr. Speaker, if the member was listening, I said that we have had problems in every single province, including the province of Saskatchewan. I made that very clear. I also said that the biggest single cutback in the country was the \$6 billion cutback made by the federal government.

The member should also know that Saskatchewan was the only province, if not one of only two or three provinces, which backfilled the cutback dollar for dollar. There was no cutback in the province of Saskatchewan in terms of health care funding. Every single dollar was backfilled by the provincial government.

The premier of her province did not do that. She defends her premier as a great and wonderful man, but that did not happen in the province of Ontario. Premier Romanow did that and that is one of the reasons he is one of the most popular premiers in this country. Can she say that about her premier? I doubt if she can.

• (1620)

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, first of all, I wish to thank the hon. member for Shefford for putting this motion before the House, in spite of the fact that my party is somewhat uneasy with its possible financial implications. Still, her concern is a very healthy one.

I would like to ask my hon. colleague from the NDP if he agrees that, looking back on the last 60 years, it would be difficult to find a government as heartless, unfair, incompetent and stupid in the management of antipoverty efforts as the one opposite.

This is a rather unique case of a government that is not only facing particular conditions but also making people poorer through its fiscal policies. Does my colleague agree that the best thing that could happen to the poor in this country would be for this government to be defeated?

Hon. Lorne Nystrom: Mr. Speaker, I agree with most of what my friend, the hon. member for Hochelaga—Maisonneuve, said.

I would not go as far as to say that the government is stupid, but I do agree that it is not fair. Never in the history of Canada have I heard of a government making a \$6 billion cut to social programs. That is not fair. It has been very hard on thousands of Canadians. This government is more conservative than the Conservatives are.

It is not fair to cut \$6 billion. It is the doing of the current Minister of Finance. That is not fair at all, something which many progressive Liberals have a problem with and which hopefully will change after the minister brings down his budget Tuesday evening.

[English]

Mr. Gar Knutson (Elgin—Middlesex—London, Lib.): Mr. Speaker, the member was quoted in the *Ottawa Citizen* on February 11, 1999 saying “The party, and the left in general now has realized that we have to have a sound financial base”. He went on to say “You can’t do anything for people unless you have your financial house in order”. He then went on to say that it was only after that that the NDP left its roots with Tommy Douglas and that “the federal party didn’t take the deficit as seriously as it should”.

I would like the hon. member to comment on that.

Hon. Lorne Nystrom: Mr. Speaker, I have not read the *Ottawa Citizen* today, but the very first government in this country that balanced its budget in recent times was the Government of Saskatchewan under Roy Romanow.

The legacy of the Saskatchewan CCF and NDP has been that of governments which have always had balanced budgets, contrary to my Conservative friend and those who sit in the Reform Party. In our province they are now Reformers. They used to be Conservatives. They ran up the biggest deficit in the history of this country under Grant Devine. That is what the Reform Party would do if it was in power.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I am pleased to address this motion today, put clearly by a party in search of an identity, in search of policies, in search of anything. It has been searching for a leader and I think it is still looking for him. I saw him coming through the gallery earlier today, or maybe it was a look-alike.

It would appear that having gone through the metamorphosis of being in government under Brian Mulroney, having led this country

into record deficits, massive debts and doing nothing whatsoever for poor people in the country, it is now on a policy hunt, so it put forward a motion which I would have thought would have come from the NDP.

It is interesting to hear the New Democrats, particularly the previous speaker, defend the government of Mr. Romanow. We should give credit where credit is due. Mr. Romanow balanced the provincial budget. It is too bad that Mr. Rae in Ontario did not go to the same school as Mr. Romanow. That was a New Democratic government, leading by its adopted principles, which intentionally ran up deficits of \$10 billion every year. It kept piling up the debt and left the once strong and healthy province of Ontario, arguably one of the engines of economic growth in this country, over \$100 billion in debt.

• (1625)

To hear the New Democrats in debate on a Conservative motion on poverty cite an example of great economic leadership by a New Democratic government is really rather ironic. To try to pretend that they have the answers on how to run the ship of state financially is really quite laughable.

I want to focus on the Conservative motion which is before us. The solution, the solution du jour we might call it, the solution of the moment, seems to be that the way to help poor people in this country is to cut taxes. It really is an interesting notion.

At least members of the Reform Party are upfront. They would cut taxes and have a flat rate right across the land. They think that in some miraculous way that will trickle down and solve poverty. The rich will get richer and somehow, according to the Reform Party's mentality, that will help the poor. We know that is not the case.

In the case of the Conservative Party, it is suggesting in the motion that we increase the basic income tax credit, index the tax brackets and index the child tax benefit. Most of the people who are truly poor in this country do not pay taxes in the first place. Even Homer Simpson would understand that.

I am at a loss to understand how this party in this motion could try to perpetrate the fraud upon the people in this place and the people of Canada that the solution is simply to reduce taxes and that will make poverty disappear.

That party could have made some constructive suggestions. It could have recognized, as we all do, that we have a void in the provision of social housing. We have a responsibility, and I am hopeful that our government will work with provincial governments and municipal governments to put in place some serious housing programs, which I know will be opposed by Reform. That is a given. Anything that is in any way constructive, that in any way would deal with social policy, will be opposed. We know we will have that battle.

Supply

If the Conservatives really want to find a new identity and do something to help solve poverty in this country they should recognize what their leader recognized yesterday. I dare say, he was assaulted, insulted and might have been attacked if it were not for the RCMP intervening. The new leader of the Conservative Party found out yesterday that popping in for a photo op might not be the smartest thing to do when one has an angry mob on one's hands.

What did they say? I will not use the words. I heard them on CPAC. They are not for family hour viewing, so I will not repeat them. In any event, expletives were hurled in the face of former Prime Minister Clark. There was also a Reform member who tried to get a photo op with all of these folks, thinking that by snuggling in and cuddling up and being warm and friendly these folks would realize that Reformers are really not the big, bad right wingers from the west. The Conservative leader might have realized that this was an opportunity to forge some kind of coalition or position or relationship with these folks. They got a very blunt message.

• (1630)

Mr. Murray Calder: Whoops.

Mr. Steve Mahoney: Whoops would be putting it kindly. The leader of the Conservative Party was just about kicked and had to be protected and taken away. The message was that the leader of the Conservative Party created this mess in the first place.

Was he not a former prime minister? Was he not a member of the Brian Mulroney government? What did they do for us then? They would stand here and say: "That was then and this is now. We have changed".

They will not be uniting the right in a couple of weeks although I appreciate we hear rumblings that might occur. Why not put forward some positive resolutions to deal with housing? They must have the ability to contact the premier of Ontario. He might return their phone calls. I am not sure he would return mine. They could contact him and say "Why have you gutted the housing programs and passed everything on to the municipalities? Why do we not work together to try to come up with a national housing strategy?"

If they put that forward in this place they might find that there is not quite the criticism or the cynicism that exists when we see this motherhood and apple pie in their trying to wrap themselves in the issue to prove that they are a kinder and gentler party than when they ruled the roost under the infamous Prime Minister Mulroney. We do not see that kind of positive suggestion.

The budget is coming down in the next few days, next Tuesday. The Prime Minister, the health minister and the finance minister have said that it will be a health care budget. There will be a substantial investment in health care, in medicare, in taking care of sick Canadians. Recently an accord was signed, interestingly enough, by all 10 premiers including the Premier of Quebec.

Supply

Lest I be accused of neglecting the Bloc, let me refer to a comment made by one of its members who said that the best thing that could happen to the country would be for the government to be defeated. The best thing that could happen to the country would be for a strong, united country working together to solve poverty. The only way that could happen would be if we were able to witness the historical demise of the Bloc.

Would that not be a lovely day for Canada? Then we could have motions and debates that could rebuild this great country, build on Confederation, deal with health care, deal with balancing budgets, paying down our debt, reducing taxes and building housing for the poor. These are things the government cares about.

We do not talk in rhetoric. We talk in action. They will see more of it on Tuesday when the new budget comes down. They will continue to see the kind of leadership Canadians have come to expect from the government over the balance of the mandate of this term.

[Translation]

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, I want to tell the hon. member opposite that I thought he would express more compassion toward the poor. Poverty is an issue that concerns everyone.

Earlier, criticisms were leveled at all the parties that try to find solutions. As regards Mr. Clark, he at least had the courage to meet those who were outside yesterday, unlike the member's leader, who was nowhere to be seen. Mr. Clark showed courage and we went with him. Some people were pleased to see us and others were not, but one must face the music.

In his speech, the hon. member even gave the impression that he finds poverty funny. I guess he is not concerned by this issue. Perhaps there is no poverty in his riding. I would like to hear his suggestions, because this debate is about finding concrete solutions. Let us stop talking and start finding solutions to help the poor.

[English]

Mr. Steve Mahoney: Mr. Speaker, the member for Shefford is perhaps a minor exception to some of my criticism. In fact, in September 1997 the member moved a motion that was debated on November 19 which read:

That, in the opinion of this House, the government should review the level at which the child benefit is indexed.

• (1635)

She has at least shown some sympathy prior to this debate for the issue of child poverty. I give her recognition and credit for that as perhaps being a small beacon of light in a party that searches for an identity. Perhaps it should have made her the leader instead of Mr. Clark.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, in February 1995 the federal government cut back spending on social programs and transfers to the provinces by \$6 billion, most of it for health care.

Is the member, who at least had a very progressive past, ashamed his government did that? Did he stand in caucus and fight against that measure?

Mr. Steve Mahoney: Mr. Speaker, I am not sure I got the date. Was it 1995 he was referring to?

Hon. Lorne Nystrom: Yes.

Mr. Steve Mahoney: I was not in caucus to be able to stand and do anything. In 1995 I was recovering from a rather sudden career change, leaving politics for a couple of years due to health and fatigue reasons. The voters were sick and tired of me, I am sorry to say. I was out for a couple of years, only to recover and come back and have the great honour of serving in this government.

Let me say in direct response to the member that there are tough decisions which need to be made in government. To inherit a government as this government did in 1993 with a \$42 billion deficit, it has to look at what is in the cupboard and what it can afford.

The courageous actions of the Canadian people, supported by the policies of the government, have led us to the time today where our economy has never been stronger.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, it is a shame the hon. member across the way has such a gift of presentation. He is a powerful orator but he lacks so much in substance.

I follow on the comments of another hon. member. This member was telling us in the Reform Party that when it comes to social programs we are not there. Yet I remind him again about the \$6 billion cut in social transfers. I was in the House when his party voted against compensating some of the hepatitis C victims. If we are talking about social conscience I would like to see him demonstrate it in a number of those areas.

In addition, I will point out some of the expenditures that party is concerned about that I would rather see go to those truly in need. For example, there was a \$1.3 million study for the development of better bananas in Honduras.

Is that what he sees as a priority for the government? That is where it is spending dollars that could go to people who have legitimate needs in this country. I ask him to add a lot more substance to his comments to match his ability at presentation.

Mr. Steve Mahoney: Mr. Speaker, I will take that as a compliment, I think. I will give some substance.

Supply

The Reform Party has been against the child tax benefit. It voted against the government when it increased funding for the community action program for children. It voted against the government when it increased funding for prenatal nutrition programs. It fundamentally opposed any expenditure increase initiative to assist with child care.

I can provide substance all day long about the position of the Reform Party. The Canadian people know they could never trust the Reform Party to care about children. They could never trust the Reform Party to care about the poor. They could simply never trust the Reform Party.

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, there is a benefit to having sat through a Conservative government as an opposition member and watching what the Conservatives did and then watching them bring forward a motion like this one. For the five years I listened to Tory budgets in which they increased the deficit, increased interest payments and reduced the capacity of the Government of Canada to invest in Canadians, to invest in dealing with issues such as poverty.

Let me tell the House what they did on the issues brought forward in the motion. The motion says the government should increase the basic income tax credit to \$10,000. It was a Conservative government that deindexed the tax brackets and therefore allowed more and more Canadians to become taxable at very low income levels. They suggest we should index the tax brackets. It was a Conservative government that deindexed the tax brackets and therefore created a heavier burden on Canadians as time went on.

• (1640)

I find it a little ironic to be debating with a Conservative member a motion to undo those measures which the government of the party she represents put in place. That is what she is asking us to do. I guess that is the luxury of moving from government to opposition and being able to forget the actions of one's government when it was in a position to take some positive measures instead of the negative measures which the member now wants us to undo.

By contrast, let me tell members of some of the things of which I am proud that our government has done. Last year's budget was the first time we have had the opportunity and the luxury of looking at reinvesting. We chose to use some of the benefit of our first surplus to deal with very low income Canadians. I applaud that. I think that should be our priority.

We chose to increase the basic exemption from any income tax. That was a modest increase, but it took 400,000 very low income Canadians totally off the tax rolls. It reduced taxes for millions of more Canadians. We also took off the 3% surtax but not for

everybody. We took it off for very modest income Canadians and left it on for higher income Canadians.

I think those are the right priorities. We should leave the most money we can in the hands of those in the country who have the least. It also makes economic good sense because those people who have the least spend what they do have on essential goods and services. If they have a bit of additional money it gets spent on essential goods and services produced by other Canadians and it helps substantially in our efforts to further reduce unemployment.

Despite the constraints of the last few years we also initiated the first new national social program in a long time, the child tax benefit, with an expenditure of close to \$2 billion. We know that has to increase. We know it has to go up and it will as fiscal resources are available. It was a very important initiative that will help every child across the country.

What does the Conservative member want us to do? She wants us to increase the basic income tax credit to \$10,000. That would help a lot more low income Canadians. I hope we are able to do more in that direction in the budget that is coming out next week. It also reduces taxable income for somebody making \$100,000, \$150,000 and \$300,000. Guess who benefits most from that reduction? It is not the lowest income Canadian who pays tax at a low rate but the highest income Canadians.

We are not prepared to do that. If the Minister of Finance is listening, I would certainly hope that giving greater tax relief to high income Canadians than to low income Canadians is not something that will be in his budget.

I really do not want to talk partisan politics but I think we are heading in the right direction. The whole issue of poverty is too important to leave superficially with the issues brought forward in the motion. Health care needs more money. We have to look at that in the budget. There is no secret about that. It needs different approaches as well. This is an extremely important issue for low income Canadians.

• (1645)

Poverty and health are inextricably linked. We know that poor children are much more likely to become seriously ill. So it is important that we do the kinds of things in health care such as the community action program for children's health, the prenatal nutrition program and other investments in our young children to ensure they will get a healthy start in life and remain healthy.

It is important for us to support the health and service centres which link social problems with health problems and which deal with the whole family and the whole health of the community so our children do have a better chance to grow up strong and healthy.

Money is important. A good friend said a long time ago "when the problem is poverty I cannot think of anything better to throw at

Supply

it than money". However, there are other things we have to do. Our investments in health care and education are extremely important.

One of the things I am currently concerned about is young children growing up in poverty who are entering school without any access to the technology that their better-off peers will have as soon as they get into kindergarten. Our government has done a number of things to make sure that every child has access to those skills of learning, which are now basic skills of learning in our schools, so that one barrier between well off and poorer children is eliminated or at least alleviated.

There are so many other issues involved in poverty. While this motion would have us give tax breaks to poorer people, and I hope we will do that, it also gives tax breaks to very wealthy people. It ignores completely the need to also invest in other areas of our society and our economy to alleviate the problems of poverty.

I represent a lot of poor families and a lot of them would not be helped one bit by this motion. The motion is aimed at working Canadians not women who are living on extremely low incomes of social assistance. The attitude and emotion about people becoming self-reliant and self-sufficient ignores totally the fact that those women with two or three children are also working parents. The only difference is they do not get paid for it.

I find the motion narrow. It would deliver more tax relief to well off Canadians than to those who most need it. I also find it ignores the need to balance tax relief against the other areas that we need to invest in. If we truly want to help those who have been hurt most by hard economic times and by, I will admit, decisions of governments, we need a supportive society and a budget and programs that help them to deal with their situation and create for all of us a healthier society.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I have a very quick question for my hon. colleague from Ottawa.

Would she not say that one of those reinvestment programs that she is suggesting for the future should have been and always should have been a national housing program from coast to coast to coast and not leave it to the provinces to look after, as one of her previous members has stated?

The abandonment of a national housing policy by the federal government is one of the major causes as to why we have such homelessness in this country. The government says it was for fiscal restraint. However, in my province of Nova Scotia that has caused tremendous hardship for an awful lot of people.

Would the member not agree that would be a great reinvestment to start on Tuesday with the budget?

Ms. Marlene Catterall: Mr. Speaker, I would not presume to second guess what might or might not be in the budget on Tuesday

afternoon. I will be here waiting with bated breath as will my colleagues opposite.

• (1650)

As the former chair of the executive committee of a municipal non-profit housing corporation, I very much appreciate the value of social housing across this country. I am very well aware of the billions of dollars that the federal government continues to invest in social housing.

I am also very well aware that we reinvested significantly in the RRAP which allows people on very low incomes to improve their housing situation. There is no question right now we are all extremely concerned about this. I am counting on the federal government to take a major role in alleviating that.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, some of the comments my hon. colleague made during her speech I found to be somewhat inflammatory and almost offensive.

What this member was trying to convey was that since we are the government, we have the luxury of being there right now, that everything is good in our economy and that everything that has gone wrong in the past is the Tories' fault.

One of the reasons we have the growth in the last number of years is that we have an export driven economy compliments of free trade in the 1988 election. I think she might remember that election because those members actually opposed free trade.

Second, the government likes to take a lot of credit for all the jobs it created. Two-thirds of the jobs created in this country were created in Ontario by the government of Mike Harris.

Ms. Marlene Catterall: Mr. Speaker, if the member opposite knows anything at all about trade, he knows that the major benefits we have in trade right now are due to a dollar that slipped from 87 cents to 67 cents on the dollar and are not due to any trade agreement.

We have to be careful. Let me also point out to the member that if he wants to give credit to Mike Harris for improving employment in the province of Ontario, I would really like him to point out to me how that was done.

I know what the Liberal federal government has done. It has had results in every province right across the country. I find it very hard to credit the Conservative government in Ontario for benefits of federal programs that are being felt right across this country fairly evenly. Mr. Harris really cannot take credit for that.

I am not interested, nor have I ever been, in politics in casting blame on one place or the other. I think we have the situation we find when we get elected to government and it is our responsibility to address it in the best way we can.

Supply

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, over the past 100 years there have been a number of programs and efforts to address poverty and homelessness. That has not worked out. We would not see it today if it was gone.

The member opposite has a small problem in Canada with 600,000 people, a very clear responsibility of the government to 600,000 people. How come government policies of both the Liberals and Conservatives over the last 100 years have not at least been able to provide housing for our aboriginal people, a lot of whom are poor. Where is the plan for that?

Ms. Marlene Catterall: Mr. Speaker, I do not want to speak specifically on this. There are other members in this House who are far more familiar than I am with that but the member is very well aware of initiatives in that area by this government.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, I am pleased to have the opportunity to speak to today's motion. I am very pleased that our caucus has actually taken the initiative to select this very important subject that affects all Canadians.

Throughout the day we heard a number of different statistics with respect to the number of individuals who actually live in poverty. One in five children lives in some form of poverty. December 10 represented the 50th anniversary of the declaration of human rights which was written by a former constituent in my riding of Fundy—Royal, John Peters Humphrey, who comes from the town next to mine. I consider Canada to be one of the most gifted and affluent countries in the world. Having citizens in any form of poverty in a country with the resources and wealth we have I consider a national shame. Given the resources and the capabilities we have we need to do more for people who live in the margins of our society, give them that hand up so they can live with the dignity they clearly deserve.

• (1655)

Poverty is much more than just a lack of money. It affects children's health, education, welfare and general well-being.

I remember during the election campaign of 1997 there was one day toward the end of the campaign when I campaigned just outside of Havelock, New Brunswick. I might from time to time think of myself as an idealistic person. I am someone who considers himself to be a fiscal conservative who believes in certain ideals and certain doctrines.

I remember campaigning at one door which will leave a memory with me for many years. I think it will help to shape some of my politics. I was there talking about some of the things I thought we could do in order to grow our economy. After the conversation at that door the constituent said to me "I like what you have to say, but the thing which actually affects me most today is whether I

have bread in my cupboard or milk in my fridge". In this forum that is a very difficult situation for us to imagine. Poverty exists in every riding in this country. It affects way too many people in a society of this nature.

In my riding there are some initiatives which I would like to take this opportunity to point out. It is what has been done on a community basis in order to address the physical needs of some of the poor, individuals living in poverty. I would like to salute the Sussex Sharing Club, the Lakewood HeadStart Association, the Sussex Valley Food Basket, Chipman Community Care, Minto Community Resource Centre and the Hampton Food Basket.

I also know there are a number of initiatives that are done from a church level and a community level as well. I can look at a church in my nearby region, the United Church in Hampton and Reverend Stephen Mills, in terms of some of the initiatives that we have done for our local community.

This issue touches us on a more macro basis as well. Given the non-partisan nature of the subject of poverty and the desire of the Progressive Conservative Party, in fact all parties in the House, to address poverty, I ask for the unanimous consent of the House to continue this debate until midnight.

The Acting Speaker (Ms. Thibeault): Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. John Herron: Madam Speaker, the reason I asked that is in the few hours we have had here today I think all parliamentarians would like to have some constructive time to continue to discuss this issue.

The deputy whip made the comment that lowering taxes would be a bad thing for the poor. I am not exactly sure what she was trying to say. It makes no sense to tax low income Canadians, people who actually make very little money.

• (1700)

One of the initiatives we are speaking about today is raising the personal exemption from around \$7,000 to \$10,000. That one initiative alone would take two million Canadians off the tax rolls overnight. Those are two million Canadians who simply should not have been there in the first place.

When I think of public policy and taxation rates I look at them from this standpoint. Many people believe, depending on where they live in the country, that the poverty line is around \$21,000. If that were true we would be saying as a society that it is okay to tax individuals who make \$14,000 less than the poverty line. I just do not think that is acceptable in any way, shape or form.

Routine Proceedings

We are also focusing on another sector within society, the working poor. Those individuals get up every day, work hard and are very proud, but every day they keep working they find themselves falling further and further behind. One reason for that is that it has been far too long since our income tax brackets have been indexed for inflation. Some individuals may be making a bit more money from time to time but are actually taking home less money. Those are the persons who really need tax relief.

In order to grow our economy the Progressive Conservative Party is advocating providing Canadians with broad based tax relief but primarily concentrating on lower and middle income Canadians.

We are looking at indexing the child tax benefit. In the fall of 1997 the member for Shefford was successful in having a motion passed in the House with respect to that issue. That shows her commitment to children and to citizens who actually live in poverty.

The issue of poverty affects a vast number of Canadians. Canadians are becoming more and more sensitized to the issue. They are now seeing that we have turned the corner with respect to our fiscal house as a nation and at the provincial level in some cases, for example with the record growth we are now seeing in Ontario. We are at a state where we have a balanced budget which is a good thing for all Canadians regardless of on what side of the House members sit.

What I mean by saying that Canadians are becoming more sensitized is that they want us to address these issues. In a country as wealthy and innovative as ours we need to ensure that all Canadians live with a decent level of income so they can have decent shelter and food and their children who go to school can have a healthier diet and function in school.

Mr. Eric Lowther (Calgary Centre, Ref.): Madam Speaker, those were interesting comments from the member. I concur with much of what he said. One key issue of concern to me and to many members of my party is the efficient use of tax dollars. Nowhere today have we actually touched on that too much. We have talked a lot about poverty and compassion for the less fortunate which are good things for sure. I am concerned about whether we are efficiently using tax dollars to meet the needs of those who are less fortunate.

I am looking at some of the current expenditures of the Liberal government. What is the member's position on some of these expenditures? Could some of this money be better redirected to those with legitimate needs? For example, the current Liberal government has spent money on some studies. On a study of feasting and the origin of inequality \$75,000 was spent. On a study of women's dress in the 19th century in Istanbul \$28,000 was spent. Also there was one for \$1.2 million to General Electric Canada which is a large corporation.

• (1705)

Why are we spending tax dollars on these kinds of things if we are here today talking about the legitimate needs of the less fortunate? What is the hon. member's opinion on that?

Mr. John Herron: Madam Speaker, the hon. member highlighted a couple of examples in his question. Clearly there are some places within government spending where some better choices with the public purse can actually be made. I do not think some of the initiatives he just mentioned would be very high up on my priority list, to say the least.

I would not want to make a comment that we are spending enough money on the poor and probably do not need to do too much. We have to be able to challenge ourselves to ensure that we are getting the best bang for our buck with respect to our social programs.

I still think there needs to be a governmental role, whether that be provincial or federal, to address those needs.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

CORRECTIONS AND CONDITIONAL RELEASE

Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I rise on a point of order. There have been some discussions among the leaders of the various parties and I think you would find unanimous consent for the following motion:

That the subcommittee on the Corrections and Conditional Release Act be authorized to travel to Abbotsford, Vancouver and Edmonton during the week of March 1, 1999 and to Halifax and Moncton during the week of March 15, 1999 and that the necessary staff accompanying it.

The Acting Speaker (Ms. Thibeault): Does the hon. parliamentary secretary have unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Ms. Thibeault): 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)

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I think you would also find, based on

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discussions between the leaders of the various parties, unanimous consent for the following motion:

That Jill Wherrett, research officer for the Standing Committee on Aboriginal Affairs and Northern Development, be authorized to travel to Toronto from February 17 to 20, 1999 in order to attend the forum on aboriginal economic development.

[*Translation*]

The Acting Speaker (Ms. Thibeault): Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

[*English*]

The Acting Speaker (Ms. Thibeault): 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)

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—POVERTY IN CANADA

The House resumed consideration of the motion and of the amendment.

Mr. Scott Brison (Kings—Hants, PC): Madam Speaker, it is with pleasure today that I rise to speak to this very important opposition day motion.

The issue of poverty is one that touches each and every one of us as members of parliament, as parliamentarians and as Canadians. One of the things we value and on which we pride ourselves in Canada is equality of opportunity, not necessarily quality of outcome which cannot be guaranteed by government. There is no area of government that is more important if we are serious about dealing with equality of opportunity than to ensure that children in Canada are not living in poverty.

One in five children is living in poverty. The government likes to say the fundamentals are strong. That is one of the fundamentals, that one in five children are living in poverty. That is absolutely atrocious. It is unacceptable in a country like Canada.

The personal debt rates in Canada are an unprecedented high. Personal bankruptcy last year set record highs. We have never had as many people declare bankruptcy as have declared bankruptcy last year. Personal disposable income has dropped 7% over the past six years.

• (1710)

John Kenneth Galbraith, an ex-patriate Canadian economist, once said beware of governments who say their fundamentals are strong. That is extremely appropriate for the government. Despite its assertions, its fundamentals are not strong for the average Canadian and most egregiously for the poorest of Canadians who are not doing well under the government.

One of the most regressive and pernicious taxes on the poor in Canada is EI premiums. The EI premiums are the most regressive form of taxation that we now have in Canada. Someone making \$39,000 per year is paying the same amount of EI premiums as someone who is making \$300,000 per year. Yet when a lower income Canadian needs employment insurance less than 35% are now qualifying. This is scandalous. The government is effectively doing the reverse Robin Hood theory. It is taking from the poor and redistributing to everybody else. This is absolutely, fundamentally unfair.

Our party believes that equity for all Canadians, starting with the poorest of Canadians, is more important than padding the books of the federal government. We believe that a Canadian making less than \$10,000 should not be paying income tax. We believe very strongly in those principles.

The issue of equity and the issue of doing the right thing are only possible when governments have economic growth to make it happen. I do not have to remind anybody in the House, particularly not the Liberals who at one time opposed these initiatives, that the fundamental structural changes made by the previous PC government, including free trade, the elimination of the counterproductive manufacturers sales tax, the deregulation of the financial services industries, the transportation sector and energy, were the cornerstones that provided any opportunity for economic growth to eliminate the deficit over the past several years. It was those basic changes that provided the strength for the Canadian economy to grow today.

A Conservative government, having recognized the need for those changes then, implemented them. The Conservative government had a vision for Canada that would provide economic growth and opportunity to all Canadians. We did not anticipate that there would be a government in Canada which would take advantage of the changes it previously opposed when it was politically convenient. It took that money and failed to deliver the equity to Canadians that we value as a cornerstone of Canadian social policy.

Members opposite have argued today that increasing the basic personal exemption would not be a good idea. Then I heard a member make the ludicrous argument that increasing it by \$500 was a good idea because it would take 400,000 Canadians off the tax rolls, but increasing it to \$10,000 which would eliminate two million people from the tax rolls was a bad idea. I would have thought the logical corollary of his argument would have been that if we further increased the basic personal exemption to \$10,000 it

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would be even better. Somehow this is Liberal economic logic or lack thereof.

I am very concerned about the trends of the government in terms of accountability relative to spending programs. There is the issue of the millennium scholarship fund. There is not a member of the House today who would not agree that investment in higher education is an important activity and an important initiative that needs to continue if we are to ensure that Canadians can compete in the 21st century. The structure the government chooses to engage in these types of programs is absolutely ludicrous.

In the last federal budget the government took \$2.5 billion out of the federal treasury and away from Canadians for a millennium scholarship fund that will not help any Canadian until after the year 2000. Even then it will only benefit 4% of students seeking higher education. It is the Mother Hubbard theory on spending. Stock the government's cupboard for the time being. It is fancy book work. It is the type of accounting principle that offends the auditor general. It is the type of social policy that offends right headed Canadians because they know that if the money is stocked away in some type of self-gratifying government program for the future, it cannot benefit Canadians when they need it. Canadians need help today and the poorest of Canadians need help today.

• (1715)

We believe very strongly that at this time we should be increasing the basic personal exemption significantly to reduce the disincentives for Canadians at lower income brackets to participate in the workforce and to provide more money in their pockets. We also believe very strongly that at this point it is not just appropriate but right to eliminate bracket creep and to reindex the tax brackets.

There are members opposite who say the previous Conservative government was the party that implemented deindexation back in 1984. At that time that initiative, as were other tax initiatives, was implemented to eliminate the deficit. Given that some of those initiatives have obviously worked and we have eliminated the deficit, now is the time to recognize the role Canadians have played in eliminating that deficit and giving them some money back in their own pockets.

One million, four-hundred thousand low income Canadians have been dragged kicking and screaming on to the tax rolls since 1993 by bracket creep. This has to stop. It is fundamentally unfair and we are calling for the government to fully index tax brackets.

Next week will be the week of the federal budget. We have our alternative program and I just want to share with members and Canadians that a single earner making \$20,000 per year will save \$694 with our tax relief versus a Canadian making \$20,000 with the current Liberal plan.

Last year the Liberals said they were giving tax breaks to low income earners. The fact is someone making \$10,000 per year, according to the government's own figures, would only receive a benefit of \$80 per year. That is a pittance. It is an insult. That is one cup of coffee per week at Tim Horton's, one per month at Starbucks. That is clearly unacceptable.

This government does not get it. It is out of touch with reality. It is out of touch with Canadians and very soon after the next election it will be out of touch with power.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I want to ask my colleague whether he agrees with me that, if we looked through the past fifty years of history, we would be hard pressed to find such eloquent examples of governments deliberately contributing to people's impoverishment. My colleague will recall, because I know he is interested in history and is a reasonable and educated man, that, in 1968, for example, the Liberals talked about a just society. He will recall, despite his young age—I think he must be several years my junior—that the Liberals were going to create a just society and eliminate poverty in Canadian society.

Would my colleague agree with the three measures I propose for fighting poverty? The first, as the member for Shefford said, is that social condition must be included in the Canadian Human Rights Act. This would make it possible to invalidate provisions in the Employment Insurance Act and in the Banks Act. The second is to convince the banks to intervene in disadvantaged communities. The United States has had a law since 1977 called the Community Reinvestment Act. Can I count on my colleague to promote these measures?

• (1720)

[*English*]

Mr. Scott Brison: Madam Speaker, I thank the hon. member for his question. The hon. member always has erudite interventions in the House and has been consistent with his intervention today.

He points out something very interesting, that the Liberal government has betrayed the basic principles that the Liberal Party of Canada based itself on for so long, social justice, equality, recognizing that all Canadians deserve to succeed in this great country of ours.

I was at a conference a couple of weeks ago, the international democratic council meeting. It was centre-right parties around the world and we were talking about different policies. They asked to describe the difference between a political leader and a politician. What we came up with after some discussion is that a politician is someone who does what is necessary to get re-elected. A political

leader is someone who does something that is right for the people they represent.

On the other side of the House we have a lot of politicians but we do not have any political leaders.

Mr. Tom Wappel (Scarborough Southwest, Lib.): Madam Speaker, I listened carefully to the speech of the hon. member. He mentioned Robin Hood, Mother Hubbard and the definition of politicians and political leaders.

My question to the hon. member concerns financial information. This motion includes something that is not particularly new. I believe it was in "Let the Future Begin" which was to increase the basic income tax credit from \$6,459 to \$10,000. This is simply a rehash of the 1997 election platform on this issue.

Will the hon. member tell Canadians exactly how much it would cost the treasury to increase the tax credit tomorrow from \$6,500 to \$10,000 and where would the money come from?

Mr. Scott Brison: Madam Speaker, I thank the hon. member for his softball question. I feel like we are on the other side of the House now and he is a backbencher asking a question to try to make us look good.

The member is right to point out the consistency in our position since before the last federal election. What a stark contrast to his party's position. They change positions more often than in the *Kama Sutra*. This year raising it would cost \$1.8 billion. Next year raising it to \$8,500 will be another \$2.5 billion. The following year would be \$3.75 billion to raise it to the full \$10,000. I was happy to be given the opportunity to answer his question unequivocally. The money would come from the economic growth that is available to Canadians. It would also come from the fact that we do have a projected surplus this year that will be quite significant. It will not come from more boondoggle spending programs, the Mother Hubbard ones he has referred to, that will benefit no Canadians today and few Canadians tomorrow.

Ms. Bonnie Brown (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I do not question the goodwill of the mover of the motion and I do not question the compassion that has been very well expressed by pretty well all the speakers on the opposition side today.

I admit that some of the social ills that have been described by the members of the opposition do exist. But I reject the basic premise of their arguments that suggests all the social problems are based on the actions of the government. Nowhere in any of their remarks did I hear mention of the changes that have been happening all around the globe. The whole world is in the middle of something called the technological revolution. Some people view this as a period of transition and turmoil between the industrial age and the information age. Historically such revolutionary periods

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are periods of social dislocation. Some people who live during those periods adjust quickly to these changes and they prosper, but others find these periods of change difficult and they experience economic insecurity.

To govern during such a period of economic revolution is both a privilege and a challenge.

• (1725)

Unlike the opposition, this government is not looking nostalgically backward to a safer time and wanting to revive and apply the solutions of the past. We do not want to go back to a time, for example, when unemployment insurance was mainly a passive income support system, a system which encouraged people, generation after generation, to languish in semi-poverty with little hope of a better future.

We want to motivate and actively support Canadians to enter the labour market of the 1990s. For example, our youth employment strategy and our Canada jobs fund are helping young people across the country and workers in areas of high unemployment to get on board the train that is rushing us forward toward the 21st century.

We are proud of our post-TAGS program for fishers and our package for Devco miners because these packages prove that we are not abandoning some people who are in trouble; our family supplement for families on EI; our national children's benefit; our removal of 400,000 low income Canadians from the tax rolls, our recognition on our part that some Canadians are struggling and that we want to help them.

At the same time, though, it must be recognized that this government has created the right climate of no deficit, low interest rates, low inflation and lowering taxes, the climate most conducive to job creation and, I might say, a climate the previous government tried to achieve and failed.

We are also proud of our ever decreasing unemployment rate, another phenomenon the previous government failed to achieve.

There is no purpose in being outraged at poverty. It is far more intelligent to be looking at its causes to understand where we are in the historical evolution of the country and to apply measures to alleviate that poverty as we are doing. We want to bounce people back into the labour force because a job is the best economic security we can provide and we are doing those things.

However, we are not denying that there are social problems out there, poverty and homelessness. We are approaching them one by one because they are tasks of work to be done. This government has its shoulder to the wheel. It has its intentions in the right place. As we have sufficient money to tackle these problems, one at a time we will tick them off the list that the opposition has provided us with today.

Private Members' Business

[Translation]

Ms. Diane St-Jacques: Mr. Speaker, after the comments I heard today from the government and all the opposition parties, I have concluded that we must ensure parliament is a co-operative place for the development of real solutions to the glaring problem of poverty.

This is why I seek the unanimous consent of the House to strike a joint parliamentary committee to study the serious problem of poverty in Canada.

The Deputy Speaker: Is there unanimous consent for the hon. member's proposal?

Some hon. members: Yes.

Some hon. members: No.

[English]

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, the hon. member from the Liberal Party mentioned one at a time. Here is one person, Darrell Daniels from Port Alberni, B.C. I would like her to say what she can do for him. He writes: "I am 23 and I have lost hope. I went to Manitoba and Alberta looking for work but all I found were part time jobs".

[Translation]

Mr. Réal Ménard: Mr. Speaker, I rise on a point of order. I think that you may have misunderstood. I am sure that, if you were to seek it again, you would find unanimous consent.

The Deputy Speaker: I shall put the question again.

Is there unanimous consent of the House?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: I heard no. That settles it.

[English]

Mr. Peter Stoffer: Mr. Speaker. Darrell Daniels of Port Alberni, British Columbia writes: "I am 23 and I have lost hope. I went to Manitoba and Alberta looking for work but all I could find were part time jobs".

• (1730)

He could not get enough hours for EI. He was turned down for job training because he has never collected EI and therefore was not eligible. For a young person like him, 910 hours of work is far too much. He will now have to apply for welfare. What can the hon. member and her government do for this one person?

Ms. Bonnie Brown: Mr. Speaker, I would resist the temptation to draw the same conclusion as the questioner. He said that all the person could do was apply for welfare.

It seems to me that if a young person who is 23 years old can only find part time jobs and part time work that will not add up to a sufficient number of hours to qualify for employment insurance, then there is one answer. This young person should be being trained or be back in school and we have measures to assist such a person to do that.

Certainly the idea of qualifying for EI is not a sufficient goal for a young Canadian today.

The Deputy Speaker: Order, please. It being 5.30 o'clock it is my duty to inform the House that proceedings on the motion have expired.

[Translation]

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

CRIMINAL CODE

The House proceeded to consideration of Bill C-247, an act to amend the Criminal Code (genetic manipulation), as reported (with amendments) from the committee.

SPEAKER'S RULING

The Deputy Speaker: There are two motions in amendment on the Notice Paper for report stage of Bill C-247, an act to amend the Criminal Code (genetic manipulation).

Motion No. 1 will be debated and voted on separately.

[English]

Motion No. 2 will be debated and voted on separately.

I shall now propose Motion No. 1 to the House.

[Translation]

MOTIONS IN AMENDMENT

Mrs. Pauline Picard (Drummond, BQ) moved:

Motion No. 1

That Bill C-247, in Clause 1, be amended by replacing lines 2 to 4 on page 2 with the following:

"human sperm, zygote or embryo for the purpose of cloning a human being."

She said: Mr. Speaker, I would like to clarify my reasons for moving this amendment to Bill C-247.

During the committee's review of Bill C-247 prior to approval, some scientists from Health Canada were there to answer our questions and clarify a number of sections. On one provision in particular, namely clause 1(b), concerns were expressed regarding the actual impact of the clause at it stands.

Indeed, according to Ms. Colvin, from Health Canada, the scope of this wording goes beyond human cloning and includes any genetic manipulation, regardless of its purpose.

The issue is not whether or not we must prohibit this type of manipulation. Bill C-247 merely seeks to prohibit human cloning. Two clauses of Bill C-247 seemed to be saying two different things, but the real and fundamental object of this legislation is simply to prohibit human cloning. Any other form of genetic manipulation should be discussed at another time.

The original intent of Bill C-247 concerned only human reproductive cloning, and that has not changed. This bill is obviously not the answer to all the issues.

However, things must be done clearly and accurately when we are legislating in the area of medically assisted reproductive technologies. There must not be any grey areas or vague provisions preventing us from knowing what is authorized and what is not. This is why I am moving an amendment which clarifies the object of this bill by amending clause 1(b) to read as follows:

No person shall knowingly

(b) alter the genetic structure of an ovum, human sperm, zygote or embryo for the purpose of cloning a human being.

On February 27, 1997, the scientific magazine *Nature* published a research paper that people will talk about for a long time. The creators of Dolly describe how the team of researchers succeeded for the first time in history in producing a healthy lamb from breast tissue taken from an adult sheep.

• (1735)

Not long after the announcement that Dolly had been cloned, it was learned that two monkeys had been cloned in Oregon from embryonic cells. This was a first for primates.

We have all heard of Dr. Richard Seed, the American scientist who has publicly announced his intention to clone humans for sterile couples. Today, a technique using cells from aborted fetuses could change the face of modern medicine.

Science is evolving at a dizzying pace, often to the advantage of society. There are also cases, however, where society itself needs to set limits for the progress of science, and the cloning of humans is one such case.

Private Members' Business

Even if Bill C-247 is adopted, it will not put an end to the debate on medically assisted reproductive techniques, far from it. This initiative must be seen as a starting point. We certainly have to start somewhere. This can lay the first brick of a wall delineating where we, in conjunction with the individuals, organizations and governments concerned, want the line drawn between what we want as a society and what we will not accept.

The key issue involved in cloning, once the possibility of cloning merely for the purposes of reproduction has been eliminated, involves mostly therapeutic considerations.

Let us imagine someone with Parkinson's disease. If human cloning were possible, an embryo could be produced from an adult cell from a patient and someone's egg. A few months later, the embryo, which would be implanted in a woman's uterus, would develop into a foetus genetically identical to the patient. The foetus is aborted, the brain cells are extracted and grafted onto the patient's brain, which will not reject them because they are identical to its own cells.

Yes, indeed, the advances in genetics mean benefits for society. But the fact that the research provides benefits must not prevent us from imposing limits on its development, according to values dear to the human race. Otherwise, certain unfortunate science fiction scenarios could become real.

Scientists wonder why not have access to various human cloning techniques in order to create full, living, but brain absent clones.

Impossible, you say. Science, however, is at the point of making this sad scenario possible. In England, they have managed to alter certain genes to transform the physiological development of animals. With this manipulation, it is now possible to prevent the development of the head, the trunk or the tail in some animals.

The same method could be applied to human embryos as well. Instead of creating and keeping a human embryo as such, it could be genetically reprogrammed so as to prevent the growth of unwanted body parts.

Can we imagine the conception of an embryo that could ultimately become a baby solely for therapeutic purposes, noble though they may be? It is not just a matter of having something be possible for it to be acceptable. The problem is controlling the new powers developed by science and technology.

In conclusion, increasingly, scientific discoveries keep pushing back the frontier of the possible. The more humanity learns about genetics and reproduction, the more it is tempted to apply these discoveries to itself.

All the possibilities that have recently come to light have tested the limits of what is morally and socially acceptable. In his book *The Imperative of Responsibility*, the philosopher Hans Jonas wrote that modern technology has brought with it actions on such a

Private Members' Business

staggering new scale, with objects and consequences so unheard of, that the old school of ethics is no longer able to keep up.

With genetic discoveries evolving so rapidly, and human cells less and less of a mystery, it is obvious that cloning for reproductive purposes is no longer in the realm of science fiction. It is upon us.

Is this what we really want? I think not, and Bill C-247 is a response.

• (1740)

Having said that, it is of the utmost urgency that we take the time to consider the other technologies and possibilities that genetic engineering has to offer, those that do not produce quite the same reactions as human cloning but that will nonetheless have an impact on the very composition of the human race, such as gene therapy.

Before events overtake us, society itself must agree on a new ethical framework. We must decide how far we are prepared to venture into what was, only yesterday, beyond our reach: defining humankind.

[English]

Ms. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I rise today in support of this motion to amend Bill C-247. I feel that this change will clarify the intent of the bill and represents an improvement over the original wording.

As you know, Mr. Speaker, I also support Bill C-247 itself, although with some regret. I have no hesitation in supporting the intent and content of the member's bill. My regret stems from the fact that we are here today dealing with a private member's bill instead of comprehensive government legislation. I also regret that we are only addressing one lone aspect of the many critical issues developing around reproductive technology.

It was 10 years ago that new reproductive technology was critical enough for the government of the day to appoint a royal commission to investigate. The Royal Commission on New Reproductive Technologies spent four years gathering information and formulating 293 resolutions. Among these was a recommendation to prohibit seven specific activities under the Criminal Code. Cloning was one.

By the time it issued its report in November 1993, the royal commission had travelled to 17 centres across the country. Two thousand Canadians participated in these hearings. Six thousand more phoned in their views on toll free lines that had been set up and 15,000 more responded to commission surveys. The commission spent \$28.3 million during this massive consultation. What do we have to show for all this?

When the commission's report was released, the New Democratic Party called on the government for quick action to implement its

recommendations. We challenged this government to convene a meeting of federal, provincial and territorial health ministers to establish a common framework for moving forward but that came to naught.

Instead in 1995 this government asked researchers and health practitioners to observe a voluntary moratorium on cloning and a number of other practices. Needless to say this misguided substitute for comprehensive legislation went nowhere. Only in 1996 did the Liberal government finally introduce legislation, Bill C-47, that would have among other things banned human cloning. Bill C-47 died on the Order Paper the next year and was never reintroduced.

The Liberal government has been silent on cloning and indeed all reproductive technology ever since. To let these issues that impact so seriously on the lives of Canadians, especially women, go this long without action is intolerable. There were problems with Bill C-47, there is no doubt about it. But that does not mean the minister just withdraws in fear never to be heard of again.

How can the government say one day that cloning and 12 other practices are so serious they should be criminalized and the next day through its inaction say it is not important any more. It is important. It is important to many Canadians. The response to the royal commission showed that.

Not only do Canadians want action, they want the government to stop dithering around and act now. They realize that it is going to be a lot more difficult to regulate reproductive technologies after the fact.

Cloning is no longer just science fiction. Everyone remembers Dolly the cloned sheep. Rats, cows, monkeys have all recently joined that circus. Now others, both professionals and amateurs, have declared that they are working on human cloning.

American Dr. Richard Seed, who has attracted a great deal of media attention with his cloning enthusiasm has announced he will open a clinic in Japan specifically for the purpose of human cloning. He has \$15 million in backing.

Last fall a group of Korean scientists proudly announced that they had successfully taken human cloning one generation of cells closer to reality.

• (1745)

There is a claim by a Massachusetts laboratory that a nucleus from a human cell was inserted into a cow's egg which then progressed to the 32 cell stage before it was destroyed.

These are just the experiments that have been publicized.

Organizations have sprung up, like Clonaid, with money and hundreds of volunteer couples who, for a variety of reasons, are more than willing to risk experimentation.

Private Members' Business

What is this government waiting for?

The health minister has a wealth of information to draw upon from the royal commission and the debate around Bill C-247. There is nothing standing in his way. He could quite quickly consolidate his position on reproductive technology, consult stakeholders, including women's organizations, about his proposals and bring in new legislation.

We must send a clear message to the scientific community that its efforts on human cloning are not welcome in Canada. Canadians have unequivocally told the government that human cloning is not acceptable. They have also, in good faith, come out to hearings, filled out questionnaires and written letters indicating their views on other reproductive technology issues. The government has once again shown an appalling lack of leadership.

In an effort to fill that leadership void I am here today in support of private member's Bill C-247. With the passage of this bill one of the many reproductive technology issues will have been dealt with in parliament. We can only hope that the government will then finally see fit to do the responsible thing and introduce comprehensive legislation to address the rest.

Mr. Maurice Vellacott (Wanuskewin, Ref.): Mr. Speaker, there are some categories of genetic manipulation which Bill C-247 responds to and some which it does not. However, the broad concept of genetic manipulation can be broken down into several categories and sub-categories.

The unamended Bill C-247 dealt with cloning and germ-line manipulation. The unamended bill prohibited two kinds genetic manipulation, cloning on the one hand and germ line genetic changes on the other.

We were supportive of the bill in its original form, prior to the amendments. We have some reservations with respect to some very important parts of the bill which were removed.

Most of us understand what cloning is about because of news reports on Dolly, the very first cloned animal. With respect to the second practice, we believe that subclause 1(b) of the unamended bill should be retained. It reads:

No person shall knowingly

(b) alter the genetic structure of an ovum, human sperm, zygote or embryo if the altered structure is capable of transmission to a subsequent generation.

Whenever genetic manipulation results in changes that can be passed on to the next generation—and not all genetic manipulation has that result—it is referred to as germ-line or genetic alteration. This bill prohibits that kind of alteration. It does not address non-germ-line genetic alteration that has no consequences for subsequent generations.

I want to speak to the purpose of the prohibition of germ line changes, which is found in the second part of the unamended bill. The intention of subclause 1(b) in the unamended bill was to prevent scientists, and rich parents as their clients, from altering human beings who would then pass on their new gene structures to subsequent generations, since that would result in the engineering of the human race. Put differently, its purpose was to prevent all artificial tinkering with the human gene pool.

The purpose of the second prohibition of the unamended bill was to prevent eugenics. We all know about that. That has been described and talked about before. We believe that there are some real flaws and major moral and ethical problems with moving in that direction.

There are implications in Bill C-247 for research on gene therapies. The member from the Bloc acknowledged the concerns expressed at committee stage by the Liberal member from East York who argued that the bill might prevent researchers from finding cures for genetic disorders. Briefly, the unamended version allows individuals to be treated for genetic disorders as long as the treatment does not result in the possibility of their offspring carrying the genetic alteration. That provision was in the unamended bill.

• (1750)

In other words, the gene therapy must not involve changes at the germ line. It is very important to make clear that the unamended bill does not affect current gene therapy or current research on gene therapy. Present day gene therapy, called somatic cell gene therapy, involves manipulating cells in the body, except the reproductive cells. It involves the insertion of a gene into the patient. As we have said, the germ line is not affected.

The germ line genetic alteration prohibited in the unamended bill would involve replacing affected genes in reproductive cells—the sperm, the egg, a zygote or an embryo—with unaffected genes. It is not feasible in human beings at present. It is really still the stuff of science fiction. Some believe that technological advances may one day make germ line changes feasible.

That is why we need the unamended Bill C-247, the prohibition of germ line genetic alteration. The germ line changes would involve unacceptable health risks for the individual. The risks associated with germ line alteration are much greater than those surrounding what is called somatic cell gene therapy since any mistakes would affect all of the embryo cells. An inserted gene could interfere with other vital gene functions or conceivably activate genes associated with cancer development or other disorders. It would be kind of like making one move on a chessboard. If we make a move on a chessboard it affects the values or the functions of the other pieces. It changes the rest of the scenario.

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These risks have caused some to propose a solution, one that I find ethically unacceptable. Some suggest that germ line genetic alteration is not necessary since it is only needed when an embryo is found that is abnormal. It is pointed out that it is an easy thing to simply discard such embryos and implant only healthy embryos. Therefore we would be using aborted fetuses, discarding those embryos that we did not want and implanting only healthy embryos. Therein lies some of the beginning of the problems with not having this as a prohibition on germ line genetic alteration.

We need the unamended bill to be retained because germ line changes would involve an unacceptable health risk for the larger society. Altering the genetic make-up of the human genome does more than risk the future of the individual involved and the germ line. The fact that humankind possesses a certain amount of genetic mutation is what is believed to provide the reservoir of the species to adapt to changes in environmental circumstances.

The human genome has incurred constant but subtle changes to its structure in response to environmental demands. That has resulted in certain recessive disorders which actually enhance a person's ability to exist under certain conditions.

An example of this is the gene for sickle cell anemia that provides resistance to malaria. It is impossible to determine the possible benefits or risks of seemingly aberrant genes as the scope of their interaction with other genes and gene products remains unknown.

We need to retain Bill C-247 in its unamended form because germ line changes, if possible, someday would lead to eugenics. Contrary to what many suppose, the line separating therapeutic and non-therapeutic genetic alteration is very fuzzy. Any introduction of germ line changes to address the most debilitating of childhood diseases, like cystic fibrosis, would prepare society for changes intended to address genetic mutations whose impacts would be delayed until adulthood, until much later along. A predisposition to diabetes, heart disease, asthma and various forms of cancer fall into that category.

At a later point germ line changes would be used to inoculate people against various infectious agents such as HIV. Then germ line changes to address problems such as mental diseases and anti-social behaviour would be attempted, and the list goes on and on from there. Some commentators believe that ultimately genetic enhancements of all sorts that have nothing to do with health would then be attempted.

The unamended Bill C-247 is right. It is an appropriate bill to ban germ line genetic changes. It is foolhardy to hold out germ line changes as the means to eradicate genetic disorders. The potential risks involved range from the creation of even worse disorders or

the inadvertent loss of important traits we currently possess to the collapse of social structure and ideals, following a disregard for the overall, most important, all-embracing concept of the sanctity of life.

• (1755)

I would very much support, as I believe our party does, the retention of all of Bill C-247 in its unamended form.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am very pleased as well to rise in the House and have the opportunity to speak to Bill C-247, an act to amend the Criminal Code as it relates to genetic manipulation or what is more commonly known as human cloning.

I look forward to taking part in this debate. This is a very laudable initiative that has been taken by my colleague from the Bloc Québécois. The amendment is one that has been clarified by her remarks and by the amendment put forward, and the bill is certainly a very positive one that we in the Progressive Conservative Party embrace.

I commend the member for Drummond for her efforts in sponsoring the bill. The issues surrounding human cloning and development to the use of reproductive technologies touch upon many moral and ethical concerns, but we in parliament cannot shy away from challenges that are presented by the leaps and bounds presently occurring in scientific research.

As mentioned by other speakers, Bill C-247 would amend the Criminal Code by adding after section 286 a prohibition for genetic manipulation that leads to human cloning. This in and of itself is an important and necessary step.

It is no easy task to bring forward a private member's bill, particularly to this stage in the legislative process. Bill C-247 is a very timely motion in light of recent technological developments that have resulted in, among other things, the first successful cloning of sheep. I am not talking here about the new Liberal re-election strategy.

As was once thought impossible becomes reality, we as lawmakers must be prepared to act in advance of other new reproductive and genetic technologies, which are NRGs for short.

While not making too partisan a point I wish to point to the former Progressive Conservative government's positive contribution to this issue. When our party formed the government we had the foresight to lay the groundwork on the development of policy options which reflect on this matter.

In 1989 the P.C. government of the day established a royal commission on new reproductive technologies chaired by Patricia Baird. The Baird commission's mandate was to examine the social, medical, legal, ethical, economic and research implications for new

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reproductive and genetic technologies with particular regard to their implications for women, reproductive health and well-being.

Following extensive consultation with Canadians the Baird commission report tabled its findings and the new Liberal government in November 1993 had that in hand. That was five years ago. Now the commission has highlighted the need for the federal government to adopt a comprehensive public policy on new reproductive and genetic technologies.

In response to the Baird commission the Liberal government announced a voluntary moratorium on NRGTs in 1995 and that continues to stand today. As other members have pointed out, the effectiveness of this moratorium has been seriously undermined due to its voluntary nature.

In 1996, for the record, the Liberals recognized the weakness of the moratorium and introduced Bill C-47, the Human Reproductive and Genetic Technologies Act. This law prohibited 13 specific practices: the cloning of human embryos; the buying and selling of eggs, sperm and embryos including their exchange for goods and services for other benefits; germ line genetic alterations; the transfer of embryos between humans and other species; the creation of human animal hybrids; and the use of human sperm eggs or embryos for assisted human reproductive procedures or for medical research without the informed consent of the donor or donors.

Those were among the initiatives. This comprehensive list was certainly a welcome attempt to restrict the misuse of new reproductive technologies. However sadly the bill died on the order paper.

The Liberal government committed to developing in consultation with the provinces, territories and stakeholders additional legislative means. However that did not occur. The Liberals did not consider Bill C-47 to be a priority and since it died on the order paper, we have not seen any reintroduction. I again commend the hon. member from the Bloc Quebecois for taking such initiative.

• (1800)

Furthermore, as with so many other pieces of important legislation that died on the order paper from the previous government, the Liberals have yet to introduce anything even remotely similar to Bill C-47. We have remained in a vacuum with nothing but a flimsy, practical, unenforceable moratorium.

Thankfully the member for Drummond has taken this initiative and has attempted to fill the void left by the government's inaction. Thankfully it appears that the government is prepared to put partisanship aside and support this worthwhile measure.

On behalf of the Progressive Conservative Party I am pleased to reiterate our support for Bill C-247. This legislation draws a very clear line in the Criminal Code against human cloning. There is a

very eerie and perhaps unnatural black hole that we must be cautious about leaping into without knowledge of where we are going.

It is important to note that although Bill C-247 is an important first step to fill the void left by the Liberals, there are plenty of other legislative initiatives that have to be taken by the government.

Indeed out of the 13 specific procedures that would have been prohibited by the government's legislation in the last parliament, only two are proposed for prohibition under Bill C-247. Furthermore, this bill does not include a national regulatory regime with a mandate to enforce controls on improper genetic testing.

The Liberal government, therefore, has an obligation to introduce a comprehensive piece of legislation similar in content to what was introduced in the previous parliament. This would build on the great merits that are presently before the House in the means of Bill C-247.

Along with completing the work that has been commenced by the member for Drummond, any legislation from the government should also reflect the emerging consensus for a national regulatory regime to manage the field of reproductive and genetic technologies. This regime must also be managed in a way that will protect the health and safety for those most affected and those most affected, as was previously referred to by the member from the New Democratic Party, are for the most part women. Women are the ones who will be most affected by this area of scientific change.

We are approaching the third anniversary of this government's tabling of the Human Reproductive and Genetics Technologies Act. In light of this dubious anniversary, I hope the government will soon stop dragging its heels on this important issue and follow the example set by the member for Drummond and introduce wide ranging legislation to control new reproductive and genetic technologies.

The health minister was very active, although perhaps misdirected, in his previous portfolio as minister. I encourage him to start moving in the direction set by the member for Drummond.

I commend the member for this action. I give her the support of the Progressive Conservative Party and we hope this bill will receive the unanimous support of all members in this House.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I would like to say a few words about this bill and the amendment. I have to candidly admit that this is not a mathematical subject and so I cannot stand here as a good expert on this matter. But I can read. I have read the bill and I have some concerns specifically about the amendment.

Private Members' Business

Members will find it unusual that we actually stand up in report stage and speak specifically to an amendment that is proposed at report stage. We will hold off the debate on the whole bill until the whole bill comes back to the House.

I want to talk about the amendment that is before us right now. It seems to me that it is, if not redundant, slightly different from the clause before it. Perhaps just to give some clarity for those people who do not have the bill before them, in Bill C-247, section 286 of the Criminal Code is to be amended:

No person shall knowingly

(a) manipulate an ovum, zygote or embryo for the purpose of producing a zygote or embryo that contains the same genetic information as a living or deceased human being or a zygote, embryo or foetus, or implant in a woman a zygote or embryo so produced.

• (1805)

When I look at that, unless I do not understand, I see the definition of cloning. They are taking genetic information from a living or a dead person and putting the genetics together to produce a new person.

This clause suggests that shall not be done. Also it specifically says it cannot be implanted. That implies that it cannot be done in a Petrie dish or in a human being.

The amendment that we have before us changes the very next clause. I will read the original:

No person shall knowingly alter the genetic structure of an ovum, human sperm, zygote or embryo if the altered structure is capable of transmission to a subsequent generation.

My colleague has given a very good explanation of the implications of that. We favour that restriction as well. In other words, we are not about to get into genetic manipulation to produce a new form of human being, a new species or subspecies of our race.

It is good to be against that lest somebody takes it upon themselves to create everybody from here on in with a Reform genetic structure. That would perhaps make too much of a good thing.

The amendment actually calls for the striking out of those words. The motion as amended would be that "no person shall knowingly alter the genetic structure of an ovum, human sperm, zygote or embryo for the purpose of cloning a human being".

Unless I missed something, this is a redundant second way of stating what the first said. It is pretty well the same thing. The only difference is that the first one said manipulate and this one says alter.

We should be careful here because in making this change we do two things. If we adopt this amendment, the one thing we change is that we no longer restrict the manipulation or the altering of the

genetic structure of one of these basic building blocks of life. We no longer restrict it from being done and carried on from generation to generation.

The other thing we do is merely introduce what appears to be a redundancy. I am afraid that if we have two clauses in a bill that becomes law with slightly different wording, all this does is give big business to the legal beagles around the country. It adds to uncertainty.

My view on the actual amendment of striking these words and replacing them is that it ought not to be done. Therefore I recommend strongly that members in the House of Commons reject this amendment.

Ms. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, as all members in the House have acknowledged, the federal government has been concerned with the issues of cloning and germline genetic manipulation for some time.

In 1993 the report of the royal commission on new productive and genetic technologies recommended banning these practices and bringing forward a regulatory environment. The government followed up immediately with a call for a moratorium on these and other practices in 1995. That moratorium is in place and exists today.

As a result of Bill C-47, the government understands the concerns that Canadians have about the variety of egregious technology, those things that we are worried about, not just cloning and germline genetic manipulation.

We acknowledge the widespread desire for a comprehensive regime to govern the unacceptable and regulate the acceptable technologies.

The committee discussed Bill C-247.

• (1810)

There is general agreement in principle that human cloning should be banned. That was originally in the government Bill C-47 and recommended by the commission that was established. There are many days in this place where I think all members would like to have a clone of themselves so we could be in two places at the same time. That is a joke. We know that the idea of having a complete replica of any human being, not just in this place but anywhere, is not only scary but it is the kind of serious ethical dilemma that we are all very clear on.

I want to be very clear that we do not support the ability to clone humans. We support a ban on human cloning. At the same time, in speaking to this amendment before us today, we recognize that this is a very complex issue. What is proposed in this bill is a Criminal Code prohibition. What we believe is required and what this amendment points out is that we need not only prohibitions but a regulatory regime.

Private Members' Business

What concerns me is the amendment that has been placed today by the member for Drummond because it points out that we have concerns, as I believe she has, with the original wording of the bill. We do not want to, for example, stop research on those technologies that I referred to as acceptable, the kind of technologies that would lead to a perfect match for bone marrow to cure leukaemia or a perfect match of a valve to fix a heart or the perfect match of an organ.

I therefore say to the member and to all members that the fact that this amendment has been placed at this time in the House is of great concern to me. We have to think very carefully before we try to frame complex legislation by amendment in this House of Commons.

I have received communications from experts in this field following the discussion at committee. Dr. Arthur Leader, professor of obstetrics, gynecology and medicine, the chief of the division of reproductive medicine at the University of Ottawa, and president of the Canadian Fertility and Andrology Society, would like to appear before the committee to express his concerns and reservations.

In speaking to this amendment I believe we cannot support this amendment at this time without having further discussion and debate of the implications that it would have on this very important topic.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, I appreciate the opportunity to speak to this bill.

As has been stated by a number of members, I think of how critical these kinds of issues are. It is good for us to reflect for a moment on the impacts on some of the new technologies and new developments that are almost exploding out there.

On these technologies, be it in the biotechnology area, on the Internet or in other things, this House often wrestles with key issues of what is in the public interest and how do we as custodians of the public trust serve the people who put us here effectively.

My primary and underlying concern on this bill is the requirement for us to ensure that public safety, as these new technologies come forward, has been properly addressed. I think of some of the developments in pharmaceuticals and even in food additives in the past that we were told were safe, that supposedly were tested. People took the experts at their word and either took the medication or consumed the product with very grievous results.

Sometimes we are so concerned and compassionate to quickly bring a product to market that may help those who are suffering or who are facing a very traumatic physical illness or life threatening illness. It is incumbent upon all of us to be very cautious. In our compassion to meet the short term need we may in fact cause a very serious disaster.

• (1815)

It is within that context that I support the bill and I support the unamended bill.

As these things come forward in the future, as they will for us to deal with, the overriding concern we must all have is what is in the public interest. Let us make sure that the controls are in place to allow the experts and those who develop these things to do all the appropriate testing, the long term testing so that we do not in our zeal to meet the needs of those who are facing life-threatening diseases actually cause more trouble than good.

We know that sometimes even those involved in research and the medical field are not always Snow White. There can be instances of abuse or exaggeration and exaggeration upon exaggeration. This is why we as custodians of the public trust must tread very carefully and slowly in this area.

I would suggest this is not just with respect to the area of human genetics and cloning but also in all kinds of biotechnology. Today some of the most grievous weapons in the world are biological weapons. When we start to manipulate the gene structures of plants and animals and other types of things, we have to be careful that the appropriate controls are in place, that if an accident or a mistake happens there are ways to shut it down quickly. We have seen what various viruses can do and what a tragedy it would be if it was a man-made problem that caused the deaths of millions.

At the same time, I am not saying that we should not explore this, but do it carefully. There may be developments that would solve the bone marrow transplant issue and many of the other tragic life-threatening things we see today. We do need to move into this arena I would say, but very cautiously and very carefully so that we can maximize the long term benefits to the people we are here to serve. We must make sure that we are not putting any of them at risk.

I commend the member for the bill. I commend all the members of the House who have spoken on this so eloquently. I think my comments have encapsulated what many of the members have said, that we do need to step carefully into this arena and make sure that we are taking every precaution. As we do in pharmaceuticals, certainly we need to do the same thing in this arena.

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

Some hon. members: Question.

[Translation]

The Deputy Speaker: The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Private Members' Business

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 nays have it.

And more than five members having risen:

The Deputy Speaker: The recorded division on the motion stands deferred.

I will now lay Motion No. 2 before the House.

Mrs. Elinor Caplan (Parliamentary Secretary to Minister of Health, Lib.) moved:

Motion No. 2

That Bill C-247 be amended by adding after line 9 on page 3 the following new clause:

"2. This Act comes into force on a day to be fixed by order of the Governor in Council."

• (1820)

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am obviously extremely frustrated with this amendment, which reads as follows:

2. This act comes into force on a day to be fixed by order of the governor in council.

For clarity, for the benefit of the public, this means that, if passed, the bill will not be allowed to follow the normal course and the government will be able to set the date when it should come into force, that is probably never as the government is likely to introduce its own bill to take all the credit—because we all know how much this government craves visibility—for prohibiting human cloning.

The purpose of this amendment is basically to make the coming into force of the ban on human cloning subject to a government order. On the surface, this amendment may seem totally innocuous, while in fact it has a great deal of importance, because we cannot afford to wait much longer. Immediate action is required. We know how slow and superficial the government has been on this issue. This kind of amendment is tantamount to blocking the coming into force of the prohibition on human cloning.

Ten years ago, already, the Baird commission was established. The commission clearly indicated that it was urgent that we act and legislate on reproductive technologies, one of which is human cloning. Four years of studies, 40,000 witnesses and \$28 million later, the Baird Commission tabled its report in November 1993. We are now in 1999. Ten years after the Baird commission was set up, no clear rules have yet been established to regulate medically assisted reproductive technologies.

Then, we had a voluntary moratorium which was ridiculed by all the opposition parties and by all the relevant organizations. This is unthinkable: a voluntary moratorium. We are supposed to have a monitoring committee, but it never released any report, and we have a voluntary moratorium. Who is checking in the labs to see what scientists are doing in terms of genetic and cell manipulation to perhaps clone human beings? Such research is already being conducted in some labs, but does that mean it is not going on in Canada? We cannot assume that. Therefore, this voluntary moratorium is meaningless. As I said, people were totally indifferent to it.

Then we had the advisory group set up by the government to monitor the implementation of the moratorium and the developments in NRTs, and to advise the Minister of Health in this area. As I said earlier, we never heard from that monitoring agency.

On June 14, 1996, the then Minister of Health introduced Bill C-47. During the hearings of the Standing Committee on Health, witnesses told us they had a number of reservations about the bill, because it was inappropriate and did not deal with what should have been regulated. These people told us certain things, including the fact that human cloning and genetic manipulation are two completely different issues and that they should be dealt with separately.

The bill died on the Order Paper. It was fine with the government to have it die on the Order Paper, because it did not know what to do with it. So, we were promised that the government would come back, at some point in time, with a bill that would be more acceptable to the scientific community and to the population as a whole.

We have been trying to ask questions at times, but the answers are always vague. We are told to wait, as the minister said today when we put the question to him. We are told that appropriate legislation will soon be introduced.

• (1825)

We have been waiting for 10 years. We have been hearing about this issue for 20 years. We have had 10 years of promises but nothing has been done yet.

The Bloc Québécois has introduced Bill C-247, which, at least, would be a first step. We are very conscious of the fact that it does not solve the whole issue of assisted reproductive technologies, but it would at least prohibit human cloning, which is just around the corner.

I recommend that the parliamentary secretary to the Minister of Health read what is being written on this subject and she will see that human cloning is just around the corner. It is not a matter of waiting to hear what the scientists have to say. It is here; the studies have been done. So why does the government not prohibit human cloning under the Criminal Code? Incredibly enough, it refuses to

do so. It continues to wait, but for what? For another scandal like the tainted blood scandal?

Nothing has been done in Canada to fill the legal and moral void surrounding medically assisted reproduction even though the international community has been working for several years to set acceptable limits in this field. Again, Canada is not keeping pace.

Members of the international community seem unanimous in their opposition to any form of human cloning. Concerns about possible cloning attempts are legitimate. No one has yet been able to show that this can be done without creating serious ethical problems.

The scientific community, even the researchers who succeeded in cloning Dolly, have stated that they have no intention of trying to clone a human being in future. It is obvious that, regardless of how stringent the legislation is that governs such research activities, the issue of human cloning involves the international community.

In this connection, the President of France, Jacques Chirac, recently stated that the main problem with cloning was an international one, in that this practice must be banned world-wide, right now, not two or three years down the road.

First, UNESCO adopted a universal declaration on the human genome and human rights which bans the cloning of humans in article 11. The World Health Organization also asked member states to take steps at the legislative and legal levels to ban human cloning.

In March 1997, while I was present, it passed a resolution stating that the use of cloning for human reproduction is not ethical, because doing so violates certain fundamental principles of medically assisted procreation, including respect for human dignity and protecting the security of human genetic material. I could also tell you about the European countries.

In the United States—Canada often looks to the United States for guidance—President Clinton spoke out against cloning and announced that the government would not fund any project involving its use.

Where is our Prime Minister's statement on human cloning? We hear it will be coming soon. Soon.

A number of countries in Europe and Asia have adopted measures to ban human cloning or are in the process of doing so. We must do our part to close the door on these practices, and Bill C-247 must be passed so it can be applied immediately.

The Deputy Speaker: The time 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.

Adjournment Debate

ADJOURNMENT PROCEEDINGS

• (1830)

[*Translation*]

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

THE ENVIRONMENT

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, on December 4, I asked a question in this House but did not get an answer—

Mrs. Pauline Picard: On a point of order, Mr. Speaker.

The Deputy Speaker: I must inform the hon. member that points of order are out of order during adjournment proceedings. This is where we are. These proceedings have started. The hon. member is welcome to raise the matter tomorrow.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, my question was as follows:

For the second time since 1996, the auditor general concludes in a report that the federal government still does not have a complete picture of the various environmental hazards posed by the 5,000 contaminated federal sites.

It is a very important issue. The environmental liabilities related to contaminated sites exceed \$2 billion, excluding radioactive waste management costs. The government must take action now.

These pollutants come from government laboratories, military bases, harbours and ports, airports, training facilities and reserve lands. The diversity and number of contaminated federal sites—more than 5,000—show the scope and severity of the problem.

These sites contain PCBs, hydrocarbons, mine tailings, heavy metals, other waste materials and chemicals. The presence of numerous toxic substances reminds us of the urgent need to take action. We must avoid spreading contaminants that could be harmful to our health and our environment, which would mean additional costs.

In his 1996, 1997 and December 1998 reports, the auditor general reiterates that it is an important problem to which the government seems totally oblivious.

In this context, I would like to know what the Minister of the Environment has to say on this issue. When will she be able to convince her cabinet colleagues that this is a priority and that the government must act as soon as possible, provide us with a complete list of environmental hazards, adopt an environmental policy and announce that it is providing the responsible departments with the necessary resources to address the problem of contaminated sites?

Adjournment Debate

[English]

Ms. Paddy Torsney (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, let me say I agree with the hon. member that federal contaminated sites is an issue which must be taken seriously.

Like my colleague in the House, I concur with the auditor general's environmental representative, the Commissioner of the Environment and Sustainable Development, that there is a need for central leadership and a consistent framework to enable the federal government to address its contaminated sites.

To this end Environment Canada officials in co-operation with Treasury Board are currently working toward future options and will be advising the environment minister in the future. In addition I point out that we also agree with the auditor general's assessment that although a management framework is conspicuously absent progress has been made in dealing with the legacy of contaminated sites.

For example, we introduced a pollution prevention approach to environmental management right across the board to prevent further contamination. Over 4,000 federal sites have undergone some form of environmental assessment and 300 more are currently being assessed. To date over \$130 million have been spent on the assessment and remediation of federal sites.

We have worked closely with other governments testing new technologies and developing management tools such as the Canadian Council of Ministers of the Environment national classification system. We have encouraged and supported the work of the interdepartmental committee dealing with federal contaminated sites and progress has been made by Environment Canada in addressing sites in its portfolio.

In addition to carrying out a comprehensive site inventory Environment Canada has completed phase 1 and phase 2 environmental site assessments at Environment Canada sites across the country. Clean up at two high priority sites has been concluded and remediation is under way at another four. Such work is integrated with Environment Canada's environment management system which underpins the department's sustainable development strategy.

I thank the member for her interest and encourage her to maintain a watchful eye on our progress. Improvements of this magnitude will not occur overnight. We are committed to developing a long term solution to what has been a long term problem. The minister will be happy to report back further.

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

(The House adjourned at 6.35 p.m.)

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