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OFFICIAL REPORT
(HANSARD)

Thursday, May 6, 1999

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, May 6, 1999

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the ninth report of the Canadian NATO Parliamentary Association which represented Canada at the meeting of the standing committee and the Secretaries of the National Delegations of the NATO Parliamentary Assembly held in Dresden, Germany, March 26 to 28, 1999.

* * *

COMMITTEES OF THE HOUSE

FINANCE

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 17th report of the Standing Committee on Finance.

In accordance with its order of reference of Tuesday, April 20, 1999, your committee has considered Bill C-72, an act to amend the Income Tax Act to implement measures that are consequential on changes to the Canada-U.S. Tax Convention, 1980, and to amend the Income Tax Conventions Interpretation Act, the Old Age Security Act, the War Veterans Allowance Act and certain acts related to the Income Tax Act, and agreed on Wednesday, May 5, 1999 to report it with amendments.

• (1005)

FAMILY FARM COST OF PRODUCTION PROTECTION ACT

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP) moved for leave to introduce Bill C-510, an act to provide cost of production protection for the family farm.

He said: Mr. Speaker, by means of a very short introduction, this is a bill to provide to the agricultural producers of our country income that is reflected in their cost of production. It is to be calculated on a three year basis. It covers most commodities in the country. It is something that farmers have been calling for, for a long time. It ties the cost production formula into what income they get when they sell their commodities, be it grain in the fall or livestock at certain times of the year.

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

* * *

PETITIONS

MULTILATERAL AGREEMENT ON INVESTMENT

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I rise today to table two petitions.

The first petition is from people of my riding of Okanagan—Shuswap asking for a moratorium on negotiations of a multilateral agreement on investment, or MAI, until the Canadian public has been fully informed and consulted.

MARRIAGE

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, the second petition confirms the importance of heterosexual marriage as a foundation of the family, which in turn is the foundation of Canadian society.

[*Translation*]

CHEMICAL PESTICIDES

Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.): Mr. Speaker, I am tabling today, in both official languages, a petition signed by my constituents and calling upon the government to pass an immediate moratorium on the cosmetic use of chemical pesticides.

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[English]

THE SENATE

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I have the honour today to table a petition signed by 104 Canadian residents, mainly from the city of Moose Jaw, but also from the city of Regina.

What these people are calling for is that the Senate of Canada be abolished. The reason they are asking for that is because the Senate costs the Canadian taxpayers some \$50 million a year. They say that it is undemocratic and unaccountable. They also say that it is not elected and it is therefore not proper to have a Senate as part of our modern democracy.

On behalf of these 104 citizens, reflecting 104 senators, I table a petition to abolish the Senate.

[Translation]

HOUSING IN NUNAVIK

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib): Mr. Speaker, pursuant to Standing Order 36, I am tabling a petition from the Inuit community of Umiujaq, in Nunavik.

The petitioners state that, at the present time, there are 16 to 20 people in three bedroom dwellings. The Inuit find the housing conditions in Nunavik extremely distressing. They consider the situation totally intolerable. It contributes to the high incidence of tuberculosis, infectious diseases and social problems.

The federal government must assume its obligations under the James Bay and Northern Quebec agreement as far as housing in Nunavik is concerned.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Gar Knutson (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUDGET IMPLEMENTATION ACT, 1999

Hon. Stéphane Dion (for the Minister of Finance, Lib.) moved that Bill C-71, an act to implement certain provisions of the

budget tabled in parliament on February 16, 1999, be read the third time and passed.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I certainly appreciate the opportunity to speak at third reading of Bill C-71.

Along with strengthening health care, increasing the Canada child tax benefit and assisting below and modest income Canadians, Bill C-71 also covers a range of other measures such as debt management, income tax administration, first nations taxation and public service pensions, among other things.

● (1010)

While wide ranging, I would say, and I am sure hon. members would agree, that all these measures are connected. They fall within the sphere of the government's ongoing commitment to an effective, efficient and fiscally responsible government.

I would like to briefly summarize some of the bill's highlights. Bill C-71 provides for the transfer announced in the 1999 budget of an additional \$11.5 billion in health care funding to the provinces under the Canada health and social transfer.

It is also important to note that this increase will be distributed equally for every Canadian in every province. By eliminating the per capita disparities in the distribution of the CHST, all provinces by 2001-02 will receive identical per capita entitlements, thereby providing equal support for health and other social services to all Canadians.

The provinces will receive \$8 billion of the \$11.5 billion through the CHST over four years beginning April 1, 2000. The additional \$3.5 billion will be paid in the form of an immediate one time supplement to the CHST from funds available this fiscal year. The provinces can decide for themselves how much they will draw down each and every year over the next three years.

The purpose of the immediate one time supplement of \$3.5 billion is to respond directly to the concerns that Canadians had from coast to coast to coast about the lack of emergency services that they were able to access, as well as the long waiting lists. The \$3.5 billion will be in the hands of the provinces to immediately draw down as they see fit in order to meet the needs of their particular constituents.

When the funding increase reaches \$2.5 billion in 2001-02, direct federal cash support under the CHST will be \$15 billion a year. The health component then of the CHST will be as high as it was before the expenditure restraint in the mid-1990s.

The next measure in Bill C-71 deals with two components of the Canada child tax benefit: the base benefit and the national child benefit supplement. Both are changed in the 1999 budget. Bill C-71 sets out the design of the 1998 budget commitment to provide an additional \$850 million increase in the national child benefit

supplement payments to low income families. The maximum national child benefit supplement benefit level is being increased by \$350 in two stages: \$180 in July 1999 and \$170 in July 2000. The net income level at which the national child benefit supplement is fully phased out is also being increased to \$27,750 in July 1999 and \$29,590 in July 2000.

These changes mean that a family with two children earning \$20,000 will receive an increased benefit of \$700 for a total of \$3,750 per year. As well, a \$300 million enrichment of the base benefit in July 2000 will increase benefits for modest and middle income families by \$184 per family. It will also be accomplished by means of an increase to the \$29,590 in the net income threshold of these benefits.

The bill also addresses assistance for children in another area by ensuring that the full amount of the single supplement of the GST credit will go to single parents earning under \$25,921. Unfortunately some very low income families with children may not have been receiving the full GST credit supplement. This bill addresses this problem by increasing the GST credit benefits for low income single parents to complement the national child benefit by providing these parents with the full \$105 amount of the single supplement.

The bill also addresses first nations taxation issues. The 1999 budget confirmed the government's willingness to continue discussions about taxation matters with first nations and to implement arrangements with first nations members.

- (1015)

Bill C-71 gives the B.C. Sliammon first nation authority to add a value added tax on all tobacco products and fuels sold on reserves. B.C.'s Westbank first nation, which already taxes tobacco products and alcoholic beverages, will now be able to charge a 7% GST style tax on its on reserve sales of fuel. In addition, the Yukon First Nation Self-Government Act will be amended to give effect to the GST rebate provisions which were added to their self-government agreements last year.

There are also measures involving the administration of taxation. A service agreement signed last October between Revenue Canada and Nova Scotia allows for a limited release of taxpayer information to Nova Scotia Workers Compensation Board. The bill also allows for co-operation in audits. Certainly this exchange of information helps ensure amounts owed are indeed paid.

Members will be pleased to note that before exchanging any information the federal government will ensure that the workers compensation board fully adheres to the current confidentiality safeguards that apply to the sharing of information with agencies outside Revenue Canada.

Another part of Bill C-71 deals with good financial management. Hon. members are aware that the government is committed to managing its debt cost as effectively as possible. This bill amends the Financial Administration Act to enhance the effectiveness of debt and risk management.

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The amendments, many of which are technical, confirm some existing practices. They clarify the authority governing the government's borrowing and distribution of its debt and modernize the government's fiscal and risk management powers. The bill also spells out the government's standing authority under the FAA to ensure that maturing debt can only be refinanced within a given fiscal year, a practice the government has followed for years.

New borrowing authority to finance a deficit would be obtained as in the past through a borrowing authority bill. It is important to ensure that all members understand that the amendments to the FAA are in no way compromising the authority that is required to finance a deficit. In fact, that authority would be obtained as in the past through a borrowing authority bill.

Other measures guarantee that parliament will receive information annually on the government's debt management programs and plans which speaks to the transparency and openness of the management of our debt.

As I mentioned at the beginning of my speech, some of the other measures of Bill C-71 have to do with amending the basic pension formula in the public service, Canadian forces and RCMP superannuation acts which calculate benefits on a five year rather than the current six year average salary. That is an improvement to the existing plan.

Also included in the bill are provisions for amending the Patent Act to clarify the Minister of Health's authority to pay the provinces moneys collected by the Patented Medicine Prices Review Board from excessive pricing of products by patented manufacturers.

Also included in the bill is a measure clarifying the scope of federal loan guarantees under the Agricultural Marketing Programs Act to financial institutions that fund advance payments to our agricultural producers.

Finally, the bill also includes a measure that will provide the Minister of Finance with the authority to undertake financial operations necessary to meet Canada's commitments under the European Bank for Reconstruction and Development Act.

The 1999 budget omnibus bill establishes important foundation blocks for the future in terms of new funding for our public health care system. It benefits children and families in need and implements measures that improve the operations of government, all while sustaining our commitment to financial discipline.

Generally and overall it is important to note the 1999 budget extends the government's plan to build a strong economy and a secure society. It is an approach that we as a government have consistently followed, an approach which is designed to advance living standards of Canadians. It is a strategy that we have applied through each of the government's six budgets to date. We essentially take action on three fronts: maintaining sound economic

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and financial management; investing in key economic and social priorities; and providing tax relief and improving tax fairness.

• (1020)

First, certainly strong economic growth and reduced debt burden better enable the government to provide tax relief and make key investments. The 1999 budget again confirms that the era of deficit financing is over. We will continue to deliver balanced budgets or better.

Second, our investments in health care and research and innovation and other key areas improve Canadians' ability to work and their quality of life.

The third pillar of our strategy tax relief is very clear. In essence the 1999 budget delivers tax reductions of \$16.5 billion with the 1998 budget collectively. When we include the reduction in unemployment insurance that number escalates to \$17.3 billion.

It is important to note that our approach will be one of balance and it will remain balanced. We have demonstrated a three front strategy over the last number of budgets. We will continue with that approach. The government has eliminated the deficit faster than anyone expected. We have seen the results of our financial management in low inflation, low interest rates, the increase in job creation and the ongoing economic activity.

It is important to note as well that the work of the government in this area is still not complete. We still must continue to provide improvements to the quality of life and the standard of living of Canadians. We need to continue to provide tax relief. We need to continue to provide opportunities for Canadians to work and enjoy the quality of life they are accustomed to in this great country.

It is clear that many benefits will result from Bill C-71. I urge my hon. colleagues to pass this legislation without delay.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to rise and debate Bill C-71.

This bill is part of what the government introduced in the budget in February. It gives us a good indication of where the government's head is at when it comes to some of the big issues that confront the country today in terms of the economy and those sorts of things.

I want to talk a bit about one of the big current debates in the country. In fact it is a debate that the government helped initiate, mainly the industry minister. It has to do with the issue of productivity. Most people who follow this issue closely would acknowledge that improving the productivity of the nation is critical if we are going to give Canadians an improved standard of living, something that we have enjoyed almost every generation since Confederation.

The question I pose to the government is does this budget really improve the nation's productivity? Does it take a step in the right direction in terms of making the country more productive? Does it at least help us reach our potential when it comes to being more productive?

On close analysis this bill does not come anywhere near doing that. I do not think it makes Canada more productive. I do not think it helps us improve our standard of living. I do not think it helps us improve our health care anywhere near the degree that Canadians are expecting.

At the finance committee discussions are being held on the issue of productivity. Yesterday we had several people before the committee, some economists, some from banks, insurance companies and the conference board. There were people representing particular interests such as the education sector, the biotech sector, the high tech sector, and so on.

All have acknowledged that we have to improve our productivity if we want to improve our standard of living. We are far behind our major trading partner, the United States, in terms of our productivity. There is some debate as to whether or not that gap is getting worse, but everyone acknowledges that for the last 10 years we have been substantially behind the United States. The consensus yesterday was that the gap would be about 20% behind. When we have a gap that big, it means that our standard of living is also that much further behind that of the United States.

• (1025)

Some people ask why compare ourselves to the United States, the Americans are bad and that kind of thing. It is important to look back and remember that Canada used to have a standard of living that was actually superior to that of the United States. We had a standard of living where we were their economic betters.

It is wrong for us to settle to be the poor cousins of the United States. We deserve to have a standard of living that is as good or better than theirs. It is something that my parents grew up with and people became accustomed to over a long period of time. Sadly we seem to have fallen behind the Americans now and I think it is time to reclaim our rightful place as their economic equals at the very least, if not their betters.

The question is how do we improve our productivity? How do we get to become a more productive nation? This is something we put to the experts who were assembled around the table. While there was not necessarily a consensus on what we should do, there was some agreement on what the key factors are for improving productivity.

Among them is a good education system. In Canada people would have to acknowledge that we do have a good education system but certainly it could be improved. It is also a fact that we

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spend more on education than almost any other country in the world. We do put a lot of money into it. I do not think it necessarily needs more money but it probably could be improved in various ways, shapes and forms. It is important to point out that most of that responsibility falls on the provinces because education belongs to them according to the Constitution.

There was some agreement that we have to put money into infrastructure in Canada. That makes sense to me. Of course most of that responsibility does fall on the provincial governments, even though it is interesting to note that the federal government does take about \$3.8 billion a year from consumers through gas taxes and fuel taxes of various kinds. Most people would say it would make sense to put that back into highways and that kind of thing, but the federal government only puts a few hundred million dollars of that \$3.8 billion back into highways. The government is probably not doing the job it could be doing to improve infrastructure in Canada.

It is interesting that over the last generation or so the size of government grew dramatically and money did not go into one of the most important things for improving our overall productivity which is infrastructure. It went into all kinds of soft programs, such as social programs, which are well and fine but they do not necessarily improve our productivity as a nation, something the government claims to be very concerned about.

One of the things that improves productivity, and I know there is a consensus on this, is a country that does not burden the people who create the wealth with all kinds of rules and regulations. There has been some progress made in that way over the last many years.

We have entered into free trade agreements which have helped improve the flow of goods and services between Canada and the United States and Canada and other countries, as we now trade freely with several countries, more or less. There are always trade disputes but basically that was one of the other factors which improves our ability to trade.

Sadly we still have all kinds of internal trade barriers in Canada between provinces. Although the federal government promised it would deal with this, and this was something the industry minister said he would address a long time ago, frankly the federal government has done very little to improve the state of trade within Canada. We still have many internal trade barriers.

We also have a tremendous amount of regulation in Canada. I remember one day phoning the Library of Parliament. When I asked them to tell me how many federal regulations are on the books in Canada today, they basically laughed at me. Every year we produce hundreds of regulations. It makes it extraordinarily difficult for business people to do what they do best which is produce wealth, prosperity and jobs for people when they have to sit down and fill out forms and obey regulations that someone produced 50 years ago that in many cases probably are not

applicable any more. Sadly we still have to contend with that. This government has not done a good job of eliminating burdensome regulation.

• (1030)

There are probably other factors as well that I have not mentioned.

Finally we come to an issue that the Reform Party has pushed for as well as other people who are very concerned with the state of the Canadian economy, which is simply that we have an extraordinarily high tax burden in Canada today, and that does hurt our productivity. It hurts it in a number of ways. This was an issue that was debated a bit yesterday as well.

First, when we have taxes that are as high as they are in Canada it causes many people, who in many cases are very skilled and have great talents, to go elsewhere to pursue their careers. We see this all the time.

People on the government side are saying there really is not a brain drain, that it is not a problem because we are bringing in as many people as we are losing and they are highly educated people. I do not buy that for a second. Yesterday we had all kinds of people appear before us. They told us they were in the high tech field and that they know what is happening. They said they are losing people from their companies who go to the United States because there are more jobs, they pay better, they tax them more lightly and they can purchase more with the money they earn because their dollar is more valuable.

We hear that over and over again. We hear it from companies like Nortel. I would argue that Nortel is the leading company in Canada. It employs 76,000 people, many of whom are in Canada. It is a real world leader in all kinds of high tech areas. It is involved in things like telephone switching, and now the Internet. It is doing wonderful things. It employs tens of thousands of people who are given a chance to have wonderful careers with wonderful salaries. Officials of Nortel are now saying to the government that it must start to cut taxes because if it does not they ultimately may have to follow all those employees they have lost to the United States.

It is not often that a leader of business will stand in front of the government and say that its policies are wrong. It takes policies that are so wrong-headed that they are having a real material affect on the bottom line of those companies. For obvious reasons these companies do not want to alienate government.

It speaks volumes when a company like Nortel speaks up. However, it is not just Nortel. My goodness, we had Mr. Desmarais speaking out. He has very close connections with the Prime Minister. We had Mr. Pattison speaking out. These are captains of

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industry in Canada who are saying "If you continue to tax us this heavily we are going to have to seek opportunities elsewhere in the world and we will no longer be able to continue with the same level of investment in Canada that we have in the past".

This is not me speaking. In many cases it is people who have close ties with the government who are speaking out, saying "This must come to an end because we are driving some of our best and brightest out of Canada". That is the first point I want to make.

We also heard yesterday from someone who is involved in the biotech field. That gentleman told us that it is not just a question of salaries, but because there is so much more economic activity going on in the United States and its economy is booming, it is able to offer this gentleman, a brilliant scientist, a geneticist, an extraordinarily interesting job. That is what motivates a lot of these people. It is not just the money, it is the jobs as well. He had been offered an opportunity to head up a \$15 million research project in the United States. He did not tell us whether he was seriously considering it, but the very fact that companies are coming to Canada and making these offers to some of our people should concern us.

• (1035)

There is another reason that has to do with high taxes which is causing people to go to the United States. When there are lower taxes, as there are in the United States, there is more economic activity because there is more money in people's pockets. There is more wealth being created. They are able to provide more money for all of these wonderful research projects.

I recall recently an article in the *Globe and Mail* that talked about a biotech firm in Quebec that was simply unable to attract senior researchers to the company because they were going instead to the United States.

We recently had people from the universities appear before the committee who said that their problem was not that they could not find people, it was that they had lost their senior people to the United States. It is usually the United States, but not exclusively. They were having to fill those positions with very junior people. Then the cycle continues. Once those people get some experience, many of them head off to the United States.

This is an extraordinarily serious problem and it obviously impacts our productivity. When we lose all of these highly skilled people it means they are not producing wealth and jobs for Canadians. That ultimately means, of course, that our standard of living falls. As I pointed out earlier, in Canada we are accustomed to seeing our standard of living actually double every generation, but that is not happening now. Our standard of living is much lower than it used to be relative to our major trading partner, the United States. We have fallen far behind. There is a consensus on that.

In fact, I must point out that even the Minister of Industry has made an issue of this. He has suggested that our standard of living has fallen below that of Mississippi, Alabama and Georgia. He gave a speech on this in February.

An hon. member: Oh, oh.

Mr. Monte Solberg: My hon. friend across the way is piping up. I am sure he is a little embarrassed about that. It was his industry minister who did it. If he wants to take someone to task he should take his own industry minister to task. I am simply pointing this out. Obviously, whether or not those are accurate facts, there is a serious problem today. If they were not accurate, I just do not know why the industry minister would be telling Canadians that is the case.

Now that we have established that there is a problem and that high taxes are a big part of the problem, what do we do about it? What did the government do in Bill C-71? It talked about lowering taxes. What did it do in the budget overall? It talked about lowering taxes. The government talks about \$16 billion in tax relief over three years. What it does not talk about is that while it is reducing taxes marginally on the one hand, it has already set in motion tax increases on the other hand.

The Canadian Federation of Independent Business appeared before the committee the other day, saying that what the government does not say is that because of bracket creep, which is the inflation tax the previous government basically set in motion, every year we see the impact of those tax cuts the government was bragging about eroded to the point where after three years there is no tax relief at all according to the Canadian Federation of Independent Business.

What the government also did not say was that a couple of years ago when it set in motion the huge increases to Canada pension plan premiums it did not calculate them as tax increases. It said it was a rise in premiums. However, Canadians have to pay those premiums. They do not have a choice. That is a payroll tax. By the way, they are not getting any more pension for those huge increases in payroll taxes. In fact, they are getting a slightly smaller pension as a result of the changes the government made.

Overall, the point is that the tax burden continues to grow. If hon. members opposite doubt what I am saying, I would refer them to something in the 1996 budget documents, which is that the real way to measure whether the tax burden of a country is going up is to look at the tax level to GDP. Back then it was about 14%. Now it is up to 17%. That is at the federal level and this is the government's own measurement that we are talking about. Taxes are ramping up. That is the objective fact. It is not our data; it is the government's data.

• (1040)

We can forget about what the government tells us about taxes going down. The true fact is that taxes are going up and the government should be straight with Canadians.

Tax relief is extraordinarily important for getting our economy moving again at a rate where it will produce the types of jobs we once took for granted. Some people doubt that tax relief actually helps productivity, but there are a couple of ways it does that. I mentioned brain drain a minute ago. If it will stem brain drain it will help our productivity.

The second point I want to make came up again at the finance committee yesterday. Another way that lowering taxes will help productivity over the long run is that it will help capital formation. There are a couple of ways it does that. If we lower income taxes overall there will be more money in people's pockets. If we lower capital gains taxes we suddenly free up all that locked in capital which people are afraid to cash in. They know there will be a huge tax bill if they do that because of the high capital gains taxes we have in Canada.

Between cutting personal income taxes and lowering capital gains we free up a lot of capital that is currently locked into investments that otherwise would not be locked in. There would be a better return on investment. Ultimately a pool of capital would be formed which would allow individual workers to produce more. That is the rough definition of what improving productivity means. When we improve productivity the standard of living for Canadians goes up. We need to start lowering taxes for that reason as well. Those pools of capital will be formed and then all of a sudden they will be used to start new businesses of various kinds.

The evidence is very clear. In the United States when capital gains taxes and income taxes were cut we saw a boost in revenues. The reason for that is just what I pointed out a minute ago; all of that potential was unlocked and all of that money all of a sudden came forward. Some of it was taxed, but people were happy to have it taxed because it was taxed at a lower rate and they were able to use the bulk of it to create jobs by starting new businesses and that kind of thing. Ultimately everybody was better off. The government even brought in more revenue. How can that be a bad thing? It is a very good thing.

As the chairman of the finance committee pointed out yesterday: Does everyone agree that we have to produce more wealth before we can redistribute the wealth? That is a good point. I am glad my Liberal colleague from Toronto made that point. Certainly members on this side agree with it.

This brings me to the end of the first half of what I want to say. In essence, I do not believe that Bill C-71 brings about the productivity benefits that many of us believe we have to have in Canada. It simply does not lower taxes enough. It does not deal with things

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like regulation. It does not lighten the burden for Canadians. It does not unlock all that wealth that we could be using to produce jobs and give people the personal financial security that so many people crave today.

Many families are absolutely stressed out because both parents have to work, and not because they want to. They have to because Canadians are taxed so heavily today. This government really does punish people for the great crime of trying to make a living. That is absolutely wrong. We need to see some major tax relief in Canada, not when it suits the government but today. If we do not deliver it today we lose all kinds of opportunities every day. We lose all kinds of opportunities for investment, more jobs and wealth that will benefit everybody. We need to have that. That is one big reason that I oppose Bill C-71.

I want to talk about the other major aspect of Bill C-71, the part of the bill that addresses the issue of health care.

• (1045)

Bill C-71 is part of the budget that came down in February when the government put back some of the money that it originally took out of health care starting in 1995. Basically for every \$2 it took out it put about \$1 back in.

By anyone's definition that is a shell game. It is not a question of improving health care. It devastated health care on the one hand. Then it put a band-aid on it with the other hand and wants to be patted on the back for it. As somebody once put it, it has gone out and started a huge fire. Then it tries to put it out and wants credit for saving everyone because it put out the fire. That is a ridiculous approach.

We need to acknowledge that some money has to go back into health care. We also have to point out that this is only a stopgap. We have to find other ways to make health care more effective in Canada.

My colleagues across the way like to talk about how much more superior Canada's health care system is to that in the United States. It is superior in many ways. I agree with that. However, we need to assure Canadians that just because we do not necessarily support the health care system as it is today the American system is not the only other option. I do not want the American system. There are many things about the American system that are horrible. I do not like a lot of what the American system is about. That does not mean that we cannot improve the Canadian system. There are many things wrong with the Canadian system.

I heard my colleagues across the way talk for five years about how wonderful it is that we all have equal access to the health care system in Canada. More or less that is true, but we do not have

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equal access to health care. We might have equal access to the system. We have equal access to a waiting line. In Canada today over 200,000 people are on waiting lists to get surgery. That is ridiculous.

I know from personal experience, as I am sure colleagues on both sides of the House know, that family members are sometimes stricken with a serious illness and end up in the hospital. It could be because of an accident or for some other reason. Very often they cannot get the treatment when they need it. I personally have had family members who had to wait seven or eight weeks with extraordinarily serious illnesses. That is wrong. When the health care system denies people health care when they need it, it is time to take off the blinders and say that we have to make some fundamental changes to health care. It is not serving the public well.

Right now we are in a situation where relative to what the future holds the problem is fairly easy to solve. Down the road as the baby boom generation ages and is afflicted with more and more sickness and ill health that come with old age, we will be in a situation where the health care system, as presently constituted, will be under unbelievable pressure. We will see the great bulk of the population needing to get health care treatment and the little remnant that is left, the people still in the workforce, having to pay for it. The government has not done anything to prepare for the coming crunch in health care.

It is time to quit cranking up the rhetoric about American style health care and deal seriously with the issues. There are ways to do it. The first thing we have to do is find ways to accommodate some flexibility for the provinces in dealing with this issue. They fund the great majority of health care in Canada.

By the way, while I am talking about this point, I should point out that friends across the way will often say that American health care is a private system and in Canada it is a public system. That is baloney. First, the United States funds publicly about 47% of its health care. In Canada our public funding is 69%. We both have substantial public investments but we also have big private components to our health care.

• (1050)

I think we should lay that on the table and make sure people are clear about it. Let us not have a phony debate about not having any private health care in Canada at all because we do, and let us not pretend that they do not have in the United States because it does.

Going back to the provinces, we know for instance in Alberta that in the past the provincial government has tried to find some ways to take the pressure off the waiting lists for health care. It did that by allowing a public-private system for eye surgery, for instance. In doing so many people were able to go to the Gimble eye clinic and get eye surgery. They did not have to wait for weeks and weeks or months for a service that they wanted and in some

cases really needed. At the same time it opened up a spot on the public system so that someone else could move up and get surgery faster.

When the federal government got wind of that it said it could not have it; it just made too much sense. It punished the Government of Alberta by cutting back the transfers to Alberta. That was a huge mistake. It sent a message to all the provinces that the federal government would not allow them to be creative and find ways to help their citizens, or would not deal with the upcoming health care crunch by giving them some flexibility.

The federal government plays the phony game of Canada having public health care and that is all it has. As I pointed out, about a third of our system is already privately funded and has not meant the disintegration of health care. To the contrary, it has meant that we have had some money go back into the system so that we can give people health care when they need it.

The only thing I can think of that is worse than having to pay for health care out of our own pockets is not having health care when we need it. Unfortunately we just do not get it in the health care system in Canada today.

Mr. Lynn Myers: What about Brazil? Maybe we want to go to the Brazil system next.

Mr. Monte Solberg: My friend across the way is yelling at me. If he believes so strongly in the public health care system, why did the Liberals take \$21 billion out of it in 1995? That is what I ask him. If they believe it is so wonderful, why did they take that \$21 billion out?

Although my friend across the way can criticize me for what I am saying, I think he should look at his own actions and question whether they made sense, if he really believes in public funding of health care.

I conclude by saying that Bill C-71 has failed Canadians in a couple of important ways. I do not think it deals with the issue of improving our standard of living by giving us the tools to be more productive. We on this side would do that by cutting taxes. We have laid out a plan for tax relief which amounts to \$2,000 for the average family of four. That is just a beginning. We would also dramatically reduce our debt and at the same time ensure that we improve our health care in Canada.

The second point I want to make is that the government has not addressed the health care issue. It has thrown some money at health care but basically has said to the provinces that it will not let them be creative and reform the system in a way that helps their people in their provinces. The provinces are answerable to the public according to the Constitution for health care. The federal government is saying it does not care how many people are on waiting lists for surgery. It will do it its way and relegate people to waiting in the hallways of hospitals. I think that is despicable.

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I urge my friends across the way to adopt a new approach, an approach that is a bit more open minded to some of the things that have worked not only in the past in Canada but also in other countries around the world. If the Liberals did that, not only would they win the support of this party but they would also overwhelmingly win the support of hard pressed Canadians.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to rise to speak at third reading of Bill C-71.

I would like to begin by focusing on one particularly unpleasant aspect of this bill, the one that changes the rules of the game.

• (1055)

The Minister of Finance is changing the rules of the game in the way funds are allocated to the provinces to fund social assistance, higher education and health.

In this budget, without warning—and this particular provision is in Bill C-71—the Minister of Finance decided that, in contrast to past procedures, the most important criterion for the allocation of funds for social assistance, higher education and health would no longer be the provinces' needs but their population, over a two year period.

That changes the picture; that changes things. When it comes to the funds allocated to social assistance to help the most disadvantaged, the most important criterion should not just be the provinces' population, but their needs as well.

If in one region of Canada, in one province that has urgent needs because there is a higher incidence of poverty, the logic of social policy is to give to those in need.

The Minister of Finance decided unilaterally, without talking to anyone, especially not to the government of Quebec, that henceforth all the money would be allocated according to population. As a result, Canada's most populous province, Ontario, will get about 64% of the funds. As early as this year, Ontario will be the big winner regarding the Canada social transfer since, all of a sudden, population becomes the sole criterion for the allocation of funds, even in the case of social assistance, and that province has the largest population.

This means that, over the next five years, under this new formula, Ontario will get about \$5 billion out of the \$11.5 billion in new money from the federal government. By comparison, Quebec will get \$900 million.

Under these unilateral arrangements made by the Minister of Finance, Quebec will suffer an annual shortfall of at least \$350 million over the next five years.

During the debate that we had at report stage in this House, some Liberal members said "There is no pleasing you. You are not happy because we are treating all Canadians across the country equally. They are all on an equal footing". That is not the issue. It is important to stress this again, because the members opposite have a very hard time grasping it. Perhaps this is due to a lack of interest in the most disadvantaged across Canada, a lack of sensitivity or a lack of compassion.

It is important to understand that the funds provided for a social policy must be allocated to those who need them. With this new criterion solely based of population, we can no longer talk about a social policy but, rather, about a policy of equal redistribution of funds across Canada, on the sole basis of population.

The government cannot claim to have a Canadian social transfer, a social policy, when this policy no longer targets low-income households.

Some might say that, if there are more Quebecers who are unemployed or on welfare, Quebec's policies should be a little more proactive and contribute to economic growth and job creation. I agree. Clearly, Quebec has to do more. It must innovate, take up the challenge of the new economy and grab the bull by the horns, as it were, in order to reduce our level of unemployment and steadily eliminate pockets of poverty.

• (1100)

But the federal government must do its part as well. Quebecers are paying approximately \$31 billion in taxes every year to the federal government. It would perhaps be a good idea for the Liberal MPs from Quebec to one day do their job properly. I will explain what I mean.

Quebec is still not receiving its fair share. We sound like a broken record. A journalist once told me we were playing the same old tape. Quebec is not receiving its fair share. If Quebec were to receive its share of federal government spending, we would not need to point this out. The situation has not changed in 30 years. The federal government is systematically discriminating against Quebec.

If it did, perhaps Quebec would not have 30% of all the welfare recipients in Canada. Perhaps Quebec would not have, year in and year out, a two or three percentage point difference in its unemployment rate compared to the Canadian average, never mind its position compared to Ontario. Perhaps the Canada social transfer would never have been necessary, since Quebec would have had fewer people unemployed or on welfare, but that is not how it is.

I will give some illustrations, because this is so important. We do seem to be repeating ourselves, but I will do so ad nauseam, until the federal government shows some justice toward Quebec.

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Taking the example of goods and services expenditures, Quebec has 25% of the Canadian population but, for the past 25 years, federal goods and services expenditures in Quebec have been far lower than its demographic weight.

For goods and services alone, the government's day to day spending, last year the federal government spent 20% in Quebec. That is 4 percentage points short. We have 24% of the population, and the federal government purchases goods and services from Quebec companies which account for only 20% of its total expenditures in this field. That difference means jobs, and poverty as well. There would be less poverty if that figure were raised from 20% to 24%.

Looking at federal government capital investments, again Quebec is not being treated fairly. Quebec receives 19% of the federal government's capital and general investments, while its population is 24% of the total. Once again, that difference means jobs, construction jobs. It would also mean less poverty, if we increased the percentage of federal capital investments from 19% to 24%.

Federal subsidies to businesses shrink every year as well. Only 18% of federal funding to Canadian business goes to businesses in Quebec. It is easy to say that Quebec businesses have a low productivity record. The fact of the matter is that the federal government siphons off \$31 billion worth of our taxes annually in Quebec. It does not give us our fair share, which is about a quarter of the money.

The federal laboratories in Quebec receive only 16% of all capital spending on federal labs. Unless things have changed in the past few minutes, we still have 24% of the population and get only 16% of federal funds for federal government labs.

For research and development, the figure is generally 14% compared to 24%, although R and D is everything and will make our businesses competitive in the future. R and D is what makes the difference between countries or regions of countries ranking among the best in the world or being left by the wayside. We get 14% of the money for research and development.

• (1105)

No one can tell me that this does not have an impact. It has a definite impact on the relative competitiveness of Quebec and Ontario. Ontario gets help from the federal government, while Quebec gets neglect.

In science and technology, Quebec gets 13% of the federal jobs. The number one province in that respect is Ontario. For all the expenditure items I mentioned earlier, the winner is Ontario with 45% to 50% of all the federal funds allocated for goods and services, investments and general capital expenditures.

For several years now we have been doing an annual tally of what readjusting federal spending could mean in terms of job creation, if it were based on Quebec's demographic weight. Do members know how many jobs this means per year?

If, tomorrow morning, the federal government decided to do justice to Quebec—it would be even better if Quebecers decided to achieve independence and keep all of the \$31 billion they send every year to the federal government—and invested in Quebec a fair share of research and development, goods and services and so on, there would be between 30,000 and 42,000 more jobs on the Quebec labour market. This is a lot of jobs.

An hon. member: Oh, oh.

Mr. Yvan Loubier: I hear a member from Ontario. I would rather not reply. When you have it all and you start criticizing those who are not so lucky, it is not very nice.

With 30,000 to 42,000 more jobs, do members know by how much we could lower the unemployment rate in Quebec? It would drop by 1.2 points. This means that instead of an annual difference of two to three percentage points for the past 25 years, there would have been a difference of one to two points between the unemployment rates in Quebec and Ontario, or the average unemployment rate in Canada.

Reducing the unemployment rate by more than one percentage point takes energy, originality, economic policies and relatively good conditions for a fair length of time. Simply restoring the criterion of demographic weight, i.e. 24% in goods and services procurement, research and development spending, federal laboratories, and their staff as well, and all the salaries this research and development staff would receive within Quebec, would reduce the unemployment rate by one percentage point.

Based on the latest unemployment figures, this would mean the rate would be 7.8% instead of the current 8.8%. That is still high, but simply by treating Quebec fairly and adjusting payments and procurement of goods and services, the federal government could reduce unemployment by one percentage point, create the 30,000 to 42,000 jobs Quebecers are waiting for and are entitled to but are being denied. They are being denied a share of the taxes they pay.

The \$31 billion in taxes they pay the federal government adds up over time. And it is time the federal government assumed its responsibilities and started treating Quebec fairly. We are not asking for more than our share. We are asking for 24% of spending, our demographic weight in terms of the total population of Canada. There are 30,000 to 42,000 jobs riding on the good will of the federal government and fair treatment for Quebec.

Not surprisingly, people say they are tired of hearing Quebecers' same old refrain about federal transfer payments ad nauseam. This is not something dreamt up by sovereignists or the Bloc Québécois. The Bloc Québécois was formed in June 1991. This situation has been going on for 25 years. Federalists in Quebec City, such as Mr. Bourassa, have denounced this situation, based on federal government figures.

• (1110)

We did not make up these figures. They do not come from the Bloc Québécois, the Parti Québécois or the Quebec Liberal Party. They are federal figures from Statistics Canada. If hon. members look in the Statistics Canada catalogues under federal government expenditures on goods and services, by province, and under capital expenditures, they will find them. They are not made up.

I have a bone to pick with the members of the Liberal Party from Quebec, across the way. It seems to me that the first thing to do, as Quebecers, would have been to demand justice of the Minister of Finance or the President of Treasury Board, as far as federal transfers and general expenditures are concerned. They have not done so. They prefer to laugh in our faces.

Every time the question of inequality of federal government expenditures and investments in Quebec is raised here in the House, I see Liberals from Quebec over there laughing, finding it funny. They find it funny that we are, year after year, shortchanged to the tune of 30,000 to 42,000 jobs. They find that funny.

When they receive people in their riding offices who have lost their jobs, mothers or fathers in their forties, or in their fifties—which is becoming increasingly frequent—they feign compassion, saying “Oh, if only we could help you, but you know the state of the federal public finances makes it impossible. We will work very hard at it, though”.

They do nothing of the kind. They are a bunch of do-nothings. The best proof of this is that, in the last budget brought down by the Minister of Finance, Quebec got nothing. Ontario got all the structural investment.

The Ontario ministers got something from the Minister of Finance's budget, but Quebec got nothing. Some Quebec MPs travelled the length and breadth of Quebec to say—

Mr. Gérard Asselin: Mr. Speaker, I rise on a point of order. You will agree that the member for Saint-Hyacinthe—Bagot is giving a fine speech on the important subject and bill relating to finances.

I would ask you to note that there is no quorum. You will see that there are seven times more Bloc Québécois members than Liberal members in the House.

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[English]

The Acting Speaker (Mr. McClelland): The hon. member for Charlevoix has called for quorum. We do not have quorum.

Call in the members.

[Translation]

And the bells having rung:

The Acting Speaker (Mr. McClelland): We now have quorum.

• (1115)

Mr. Yvan Loubier: Mr. Speaker, as I was saying before this interruption, there are even members from Quebec in the Liberal Party of Canada who, following the budget of the Minister of Finance, travelled around Quebec to explain that Quebecers got the largest part of the budget, that they should be happy because equalization payments, over three years, would give us \$1 billion. They were supposed to be happy as well because all the jobs were going to Ontario and because the formula for calculating the funds allocated under the Canada social transfer had been changed.

It takes people who have sold out and who are intellectually dishonest to go around Quebec saying that it had won it all in the budget, when there were three winners in this budget: Ontario, Alberta and British Columbia. These three provinces were the strongest supporters of the social union framework agreement. The Minister of Finance in a way bought Mike Harris and company with the fine gift they got in the allocation of the Canada social transfer.

This is not the first time the minister has bought the silence and co-operation of the provincial premiers at a cost of hundreds of millions of dollars. Members may remember when there was the harmonization of the GST with the provincial sales taxes in the maritimes. The federal government paid the maritimes almost \$900 million to keep quiet and let it have its way. That is how the Minister of Finance and this government operate.

Quebec should be concerned. Each year it pays taxes to the federal government and the members opposite are not even fair-minded enough to see that Quebec gets a demographic share of the taxes it pays.

Quebec should also be concerned when it hears that 30,000 to 42,000 jobs will not be created in Quebec as a result. It should be concerned when it knows that, if the federal government were to return to a more equitable allocation of federal funding for goods and services procurement, for research and development, and Quebecers employed by the federal government in federal laboratories, Quebec's unemployment rate would drop by more than a percentage point. Better yet, these investments would have all sorts of direct and indirect effects.

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Since the Minister of Human Resources Development, who is completely lacking in compassion for the less fortunate, shamelessly tightened up the EI rules a few years ago, Quebec's welfare rolls have jumped by almost 200,000 and the Government of Quebec has picked up most of the tab. If federal transfer payments were to return to former levels, the number of people living on welfare would probably drop as well. This should also concern Quebecers.

This should be a major issue, particularly for the Quebec members of the Liberal Party of Canada, who always laugh at or make fun of figures that, believe it or not, are provided by Statistics Canada and the federal government, and that clearly show—the data is not from us, we simply refer to it—the injustice done to Quebec.

There are also things that are not included in this bill. Ever since the Liberal government was first elected, in 1993, we have been asking for a comprehensive reform of the federal tax system, which has not undergone any substantial review since the late sixties, with the Carter commission.

We pointed out, among other things, some blatant injustices in the personal income tax system. Along with the Reform Party, we recently condemned a few of these injustices regarding double or single income families. But there are others.

• (1120)

There is one, for instance, that has existed since 1986. I am referring to the fact that the tax structure, including tax credits, exemptions, tax brackets and income categories, is not fully indexed.

This is extremely costly to taxpayers and will continue to be until full indexation, which was eliminated in 1986, is not restored. Under the current system, any inflation rate lower than 3% is not taken into account by the federal government. The tax tables remain unchanged if inflation is lower than 3%. And since inflation has been around 1% for the past three years, and was between 2% and 3% for seven or eight years before that, there has hardly been any indexation since 1986.

It is profitable for the federal government, a kind of hidden tax. Without the government having to lift a finger, every year the lack of indexation means we pay more taxes to the federal government.

Right back in its first year of application, in 1986, this measure brought \$500 million into the coffers of the federal government. If we factor in economic growth, we probably get up to \$600 or \$700 million per year that do not remain in the taxpayers' pockets. And then we are surprised to see that the taxpayers are getting poorer in recent years, compared to previous generations.

Every year, their assets go down. So does their disposable income. Measures like these are what is impoverishing people. But they do not show. This is why the Minister of Finance does not

want to do away with this provision. All he needs do is saunter about with his hands in his pockets, and \$500 million, at the very least, drop automatically into his coffers, without his having to impose any unpopular measures.

This is not small change. Looking at the cumulative losses of disposable income for Quebec and Canadian taxpayers, since 1986 the average taxpayer would have lost \$7,000, in today's dollars. Had that amount been invested every year, there would now be more than \$7,000. I imagine the taxpayers would have liked to have had that much in their pockets.

We are not equipped to keep the taxation level that high. And this is only one example, because there is a whole lot of bias in taxation, which means that middle income taxpayers, that is, about 70% of Quebec and Canadian taxpayers are paying more than they ought to, had the Minister of Finance done his job correctly.

He took advantage of the state of the economy. He did not do much. I have often called him lazy, and I think he is. Had he wanted to, he could have changed the tax system.

Now he is developing a bit of an interest in taxes. How long has this been going on? Since all the opposition parties rose in the House and said "Enough. Taxpayers have had it. The tax system must be changed".

So the government struck a sub-committee to tour Canada. It will take a number of months if not a number of years before the tax system is reformed, but there is no need to reinvent the wheel.

I have an example about the lack of fully indexed tax tables. The federal government could have indexed them long ago. It could have also established a parliamentary task force to review the tax system.

When the Bloc Québécois published two analyses, one of personal taxes and the other on corporate taxes, our stand-up comic, the Minister of Finance, rose and said "Well done, you have done a good job. It contains some interesting proposals". He said that in the House.

We were flattered. We figured we had not wasted our time. The minister seemed serious when he said that these were interesting proposals and that he would examine them. He congratulated the Bloc Québécois for its two reports on taxation. Since then, what has the minister done? Nothing, except to set up a task force, which worked behind closed doors for several months and postponed by several months the release of its report.

Upon reading that report, one can see why the task force delayed its release. It focussed on corporate taxes, not personal taxes. Why was the release of the report postponed? Because there was not much in it. Moreover, it even contained measures that were detrimental to the growth of businesses. It was making the burden heavier rather than lighter in the area of corporate tax.

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One can understand why the tabling of the Mintz report was delayed. There is no trace of that report now. My guess is that the Minister of Finance ditched it.

• (1125)

This is how serious this government and its Minister of Finance, who wants to become the leader of the Liberal Party of Canada, are. It sure sounds promising.

This attitude is unfortunate, because a lot needs to be done in the area of taxation. With our small team, we were able to carry out an in-depth review of the tax system, particularly tax expenditures. We came to the conclusion that some of these expenditures have become obsolete and should be discontinued. There are also tax measures that are totally disconnected from reality, particularly as regards the labour market.

With a hundred or so specialists at its disposal, the federal government could have done the same thing, and it certainly could have implemented these recommendations for fairer taxation for everyone.

Already we can here the Minister of Finance and his faithful members telling us that the government is barely out of the woods, that it does not have the money, that it must be careful. Yes indeed, it must be careful. In fact, this is a very important issue for the Bloc Québécois. We do not want the Liberals slipping back into their old ways of annual deficits. No more deficits.

In fact, that was the title of a paper we used last year as part of a province-wide consultation in Quebec of real people, asking them what should be done with taxpayers' money, what should be done with the huge surpluses the Minister of Finance is racking up at the expense of everyone but himself.

No more deficits: in fact, we were the only party to table a bill recommending that the deficit be reduced to zero and kept there, in other words, that the budget be balanced. We were the only party to table such a bill.

It is not true that the government has no money. The government has money coming out its ears. It keeps this very quiet, and certainly does not put it in writing. There were still zeros all through the Minister of Finance's last budget, and no sign of a surplus.

In the fiscal year that has just ended on March 31, 1999, the 1998-99 fiscal year, the Minister of Finance had a surplus of \$15 billion. As well, he took \$7 billion from the employment insurance fund. That is highway robbery, I repeat highway robbery, and it is unacceptable. It is unacceptable to do the same with the pension funds. There is talk of the President of the Treasury Board getting his hands on a \$30 billion surplus, but that is another story. The figure for the last fiscal year was \$15 billion.

In the present fiscal year, which runs until March 31, 2000, by our predictions the surplus will be \$20 billion. The reaction may

well be "Oh those predictions, oh those economists". Certainly, economists do have their shortcomings, but they also have positive qualities.

One of the good qualities of economists, sometimes, ourselves included, is to be cautious. Since 1994, every year the Bloc Québécois and its little team have predicted the deficit, as well as the surplus generated by the Minister of Finance, we have been no more than 2% or 3% off.

If a company specializing in predictions in Quebec and in Canada had such a result, it would be in great demand. The average margin of error in predictions is between 5% and 10%; ours was between 2% and 3%.

Every time we put our finger on the true deficit, which the Minister of Finance was hiding from us, we were dead on. Every time we started talking surplus, and came up with a ballpark figure for that surplus, we were dead on. So much so that the credibility of the Minister of Finance, where figures are concerned, is virtually zero, if not below zero, for most of the analyses. This is not something I am inventing.

The day after the budget is presented, you open the *Globe and Mail*, the *Toronto Star*, *La Presse*, any one in fact, you listen to the analysts on television; when the subject of the Minister of Finance's forecasts comes up, it is one big joke. People laugh. They double over, they twist themselves in knots, they roll around on the carpet.

And yet it is not all that funny. We have become accustomed to the Minister of Finance giving us a false picture of Canada's tax situation. Given such a totally false picture, Canadians were not aware of the real state of public finances and of the options the Minister of Finance and the Liberal government had to do things, move, help the most disadvantaged, lower income taxes.

• (1130)

It is a sad thing when the government knowingly presents false information, when six months later its figures are proven wrong. I remember once, two years ago I think, we had predicted there would be a certain level of surplus in February. The Minister of Finance criticized us violently, accusing us of throwing figures up in the air. He made fun of us. Six months later, our exact predictions had come true.

It is a sad thing to play with people like that, play with information, not tell people the truth and lie to their faces. It is beneath a minister of finance and a member of parliament. This is however what this Minister of Finance has done, half baked, since assuming his position. He literally and systematically hides the truth of the figures.

So, if the government had a \$15 billion surplus in the last fiscal year and now has a \$20 billion surplus, it should leave the current surplus of \$7 billion in the employment insurance fund to workers

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and the unemployed. The government would still have \$13 billion left to do things with.

The Minister of Finance could have done many things. As I said earlier, he could have done justice to Quebec and restored fairness in how the government spends money on goods and services, investments and staff in federal laboratories.

He could have done all that. He could have said "From now on, I will no longer use the surplus in the employment insurance fund, except to help the unemployed or to lower contributions". The minister could have done all that. But in order to do these things, one must be honest, tell the truth and take action based on the truth. If one's actions are based on lies, one cannot do these things.

The last budget of the Minister of Finance is nothing but a wad of lies. All the expenditure and revenue items were cooked, and even the auditor general was surprised, since he has repeatedly asked the Minister of Finance to stop cooking the books like that. There are no longer any reliable figures in the minister's budget. There are zeros everywhere, instead of real surpluses of between \$15 billion and \$20 billion. This is terrible.

So, the minister could have done a lot. He could have done more to help children living in poverty. This is the minister's favourite theme. Every now and then, he gets up, puts his hand on his heart and starts talking about poor children. Child poverty has been on the rise since 1993, but he never mentions that. Since the Liberals have been in power and he has been Minister of Finance, child poverty has increased. People are poorer than before, children as well.

How can he rise in the House, put his hand on his heart, and talk about child poverty in Canada, knowing what he does? The Minister of Finance knows the figures, he knows how to hide them and how to make them say what he wants. He knows that child poverty has increased. How can he get up with a smile on his face and make jokes, then say that his government has done a lot for poor children and that it has worked tirelessly, with the means at its disposal, to reduce child poverty? How can he do such a thing, knowing all the way that it is not true?

How can he do such a thing and, at the same time, help himself to \$7 billion a year from the EI fund? How can he say such a thing, when less than 40% of unemployed workers qualify for benefits under the new EI system? The other 60% or 70% are living in poverty, on welfare perhaps, as are the parents of these poor children the Minister of Finance says he wants to help.

If the public were to pay a little more attention to the debates in the House of Commons, it would soon be appalled. It is almost sickening to hear things presented like this when we have been fed this nonsense for six years, told that everything is fine, under control, that the Minister of Finance is working hard to put our fiscal house in order, when it is not true.

But he is making everybody else, the unemployed, the disadvantaged, those who can no longer draw unemployment, do the job. And that is truly shameful.

• (1135)

We in opposition will continue to fight until we drop in order to get this government to listen to reason and put into place some real measures to help those who are in greatest need, thus re-establishing justice and fairness in Quebec.

The figures I have just given are not fabrications, but ones anyone can find in the Statistics Canada data. At the present time, there are between 30,000 and 42,000 Quebecers waiting for the federal government to restore justice and fairness to federal transfers, because then they will be able to work and earn their living with dignity.

The Bloc Québécois will continue to work on their behalf, and I can assure the House that we will spare no effort in making this government listen to reason, because what it is doing no longer makes any sense.

[English]

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, I must say that I am absolutely delighted to have the opportunity to stand in the House today to make a few comments regarding the budget implementation bill. Budget implementation bills tell us a great deal about a government's priorities. They tell us about a certain value system that is reflected in the government and in its budget.

I will try to categorize my view of this budget and the government. I will use two or three examples to start with. Perhaps what we should be doing today is debating whether or not the Minister of Finance should be arrested and charged with theft. I think it is commonly assumed that the Minister of Finance has stolen billions of dollars from the EI fund in order to balance his budget. I think that is fairly—

Some hon. members: Oh, oh.

The Acting Speaker (Mr. McClelland): The hon. member for Kamloops, Thompson and Highland Valleys has far more experience in this Chamber than I, but we cannot be attributing specific motives to specific individuals. We can do that with respect to the government, but not when it concerns a specific minister. I would admonish the hon. member for Kamloops, Thompson and Highland Valleys in that regard.

Mr. Nelson Riis: Mr. Speaker, I accept that admonishment, which is probably well placed. I was going to blame an individual, but I suppose we have to blame the collective government or the collective cabinet and so on.

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The truth is that over the last number of years while we have heard people applaud the government for balancing its budget and reducing the deficit, I think it is fair to say that part of that has been on the backs of the people who do not have a job, who are expecting some employment insurance benefits to come their way because they have lost their job, but in fact they do not qualify.

The worst case scenario concerns the young people of Canada. In the last 48 hours we have been told that only 15% of young people who lose their jobs actually qualify for employment insurance. The people who have been paying into the system do not qualify. So 85% of young people who lose their jobs are SOL. They are out of luck. They do not collect any benefits.

I say this is theft. I am not going to say that an individual should be charged. We cannot put the whole government in jail, so we have to assume that there is one person who has to take the hit, and we can speculate on who the most appropriate person ought to be. That is one example.

As we speak today to this budget implementation bill there is another debate going on in one of the committee meetings around the pension system for all of the public employees. Again the government is dipping into that particular pot to the tune of grabbing \$30 billion out of the retirement fund of federal employees, members of the RCMP and members of Canada's armed forces. Now the minister is dipping into that to use the money for various purposes in terms of the federal treasury.

On this side of the House we have to shake our heads with a combination of disgust and perplexity. What on earth would a government be doing dipping into a surplus in the EI fund of \$25.9 billion and \$30 billion in the pension fund?

• (1140)

The government tries to give the impression that somehow it has done magical things and balanced the budget. Of course if we take money from other people we can balance the budget. I suspect, on a personal basis, that if we held up a bunch of people on Sparks Street this afternoon and took all of their money, we could say that we balanced our budgets as well. We could pay off our credit cards and our mortgages through robbery because we held up people and stole their money.

I suspect that people might be thinking this sounds far-fetched, but it is the truth. Whether this is technically theft I do not know. I suppose lawyers could argue this for some weeks. However, it seems to me, as an average citizen, that when we dip into places where we should not be dipping and take money that we are not supposed to be taking, that is a form of theft. That is the one point I want to start off with. This tells us a bit about where the government seems to be going.

I think it is fair to say that the last budget was sort of a wait and see budget for most folks. The millionaires in Canada do not have

to wait and see. They got a nice tax break. I calculate that for one million dollars they would save about \$8,000 in income tax. That is not much for a millionaire, but \$8,000 is \$8,000. They could go out and put a down payment on a nice car or something. However, did mothers or fathers who are raising children on social assistance get anything in this budget in terms of tax breaks? No, there was nothing for them.

We have a government that says it should give a tax break to a multimillionaire, but it should not give a tax break to mothers and fathers who are raising children on social assistance. There is something wrong with this picture.

I could go on to talk about a number of points. Let me make my case and I will tell members in a second where I am taking them. There is a very clear school of economics at work. First, should those people on waiting lists in our hospitals and those waiting for a major increase in support for hospital care across the country be cheerleading this budget? The short answer is no.

The government says it is going to restore funding to health care. To my Liberal funds opposite I say that is true. After a number of years it hopes it will have restored the level of funding to health care up to where it was in 1995. We are almost at the year 2000. It is saying that if we wait a bit longer the funds will eventually be up to 1995 levels. Is it a real commitment to health care and medicare that we have seen over the last number of years? The answer is clearly no. This is a bit of a shell game. The impression is that the federal government is playing its role once again, when in fact it is not. It is playing a very minor role.

What about all those Canadians who are looking for work? Did they see initiatives in this budget that will give them some encouragement? Again, I regrettably have to say that the answer is, by and large, no. Is there anything in this budget that will give some hope that the future is going to be better for those who are suffering hard economic times in the forestry sector, the fisheries, agriculture, mining; the resource sectors that essentially built this country? Regrettably, the answer is no. There is nothing in this budget to give those folks hope.

What about the homeless people? What about the people who are struggling to get their family into a decent home? We all appreciate the fact that there are hundreds of thousands of people today who cannot afford decent accommodation. A lot of young people who are starting out in their careers cannot afford to buy a house, a condominium, a townhouse or anything. They have to rent because they simply cannot afford it. The housing market is priced out of their limits.

In the past we have seen federal governments, and I will give them full credit, say they would do something about the housing crisis. They did. Those governments introduced various programs and made various tax changes to encourage more rental accommodation, more co-operative housing and a whole number of programs that would enable ordinary working men and women to get into a decent house. Was there anything mentioned in this

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budget to assist those needing a home? No, to say nothing about the tens of thousands of people who are sleeping on the streets of our cities. If they are homeless or seeking better accommodation, or accommodation period, there is nothing.

I will not even talk about first nations accommodations. If there is a national embarrassment globally it has to be the fact that so many of our first nations people are living in absolute poverty and in absolutely disgraceful conditions. Again, did this budget do anything to assist those individuals in any real way? The answer unfortunately is no. Let us go on.

• (1145)

If there is one thing that unifies Canadians from coast to coast to coast of all ages, all cultures, all backgrounds, all economic strata, it is the concern about the environment. We listened carefully when the Minister of Finance delivered the budget as to what was in it that was going to give some hope to those people concerned about the future environment of Canada. Again there was nothing in this budget. We are supposed to be fulfilling the Kyoto protocol. We have a whole set of programs.

Hold it, I have to be fair to the Minister of Finance. There was something. He was going to give to the Canadian Federation of Municipalities \$1.2 million over three years to study ways to conserve energy. Where the hell have we been for the last 10 years? We could go down to the parliamentary library in the next 20 minutes and probably get 50 publications on how to save energy and energy costs. It is not as though we need to find new solutions. We have all kinds of solutions.

As a matter of fact I remember a vote in the House not long ago where we all voted in favour by and large of an energy retrofit for all federal buildings to make them more energy cost effective. It makes sense to change the way we insulate our federal buildings, to change the way we heat and cool them. In other words, we should become a leader in the community in terms of making public buildings more energy efficient.

It is not as though we do not know what to do. We need some cash or we need some incentive. We need some direction and some leadership. All the Minister of Finance could say was "Let us study this for another three years" with the assumption that after that presumably we will see some action. The environmental issues were abandoned in this budget. Let us go on. I do not want to go on too long because it gets very depressing.

I think all Canadians were listening carefully in the last election. I know I certainly was. I know my constituents were wondering whether they should support me because the Liberals were saying "Elect Liberals and we are going to introduce a national home care policy. Not only that, we are going to introduce a national pharmacare policy, plus a national child care policy."

A lot of my constituents looked at me and said "The Liberals are promising home care, child care and pharmacare. You are a member of the New Democratic Party, you are probably not going to form the government". I was hopeful, but they are very pragmatic electors. They said "Why should we support you?" I said "You know something, I like my Liberal counterpart, a nice person, but I do not think he knows what he is talking about. I do not think the government will deliver on home care, child care and pharmacare".

Just as in the last election they said they were going to deliver on eliminating the GST. Remember that? "We will eliminate the GST if you elect Liberals". The Liberals were elected and they did not do it. It was very disappointing. I said "When you get to the home care, pharmacare and child care, do not hold your breath. You are going to blow up if you do because it will not happen".

We are now two years into the new mandate and again we listen carefully.

Mr. Jake E. Hoepfner: Mr. Speaker, I rise on a point of order.

I have been listening to this speech and I am really impressed. I think it would be very honourable for other members to come into the House and listen because there could be some lessons learned.

The Acting Speaker (Mr. McClelland): Is the hon. member for Portage—Lisgar requesting a quorum call?

Mr. Jake E. Hoepfner: Mr. Speaker, that is what I am calling for.

The Acting Speaker (Mr. McClelland): The hon. member for Portage—Lisgar has requested a quorum call. We do not have quorum.

Call in the members.

• (1150)

And the bells having rung:

The Acting Speaker (Mr. McClelland): We have a quorum.

Mr. Nelson Riis: Mr. Speaker, it is depressing when one is up giving a speech and there is nobody here to give it to, but now people are here and it is much more encouraging. I realize the Parliamentary Secretary to the Minister of Finance is here and I know he represents a large cadre of other folks. Perhaps we can say one represents a group.

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• (1155)

Hon. Harbance Singh Dhaliwal: The important people are here. We listen.

Mr. Nelson Riis: My friend the Minister of National Revenue indicates that the important people are here to listen. I know he listens to every word I say.

Let me get back to my theme. The original thought was that the RCMP should be brought in to charge the government with theft and take it to court because of the dipping it has been doing into the EI fund and the federal pension fund.

The second theme was that a lot of people had to wait because this budget was not going to do much for them. I am thinking particularly of those people who are looking for work, people who operate a farm, people who are in the ranching sector, the forestry sector, the mining sector and the fishery. Anything to do with primary resources is pretty light in this budget.

Restoring the funding for health care was not there. It was a bit of a shell game. The promise for health care, home care, pharmaceuticals, none of the cares was represented in the budget. This was very sad for many people.

There were some selective tax breaks and I want to focus on them at the moment. Those tax breaks were intended to provide an incentive for certain people to do things. We have identified that some people need to be bribed into activity. They tend to be wealthy people. It is said that if we can bribe wealthy people or industrialists into doing things, this will eventually benefit the other folks. These are fancy words for an old-fashioned term called trickle down economics.

I know my friend the Parliamentary Secretary to the Minister of Finance is well studied in trickle down economics. He graduated from that university. He knows trickle down economics probably better than most people I have ever met. It is like Peter Pan; if we believe we can fly, we will eventually fly. If we believe things are going to pick up, they will eventually pick up or trickle down better yet. If we feed a bit at the front, eventually the benefits trickle down to normal Canadians.

I want to say unconditionally here and now that Canadians are sick and tired of being trickled on for years and years and years. The trickling has to stop. We are almost drowning. The trickle down theme seems to have been introduced into this budget.

I have to identify two or three of the more general things that were missed. I would be remiss not to quote from two or three people about the budget. For example, the Canadian Federation of Students said that tuition fees continue to rise while the quality of education continues to erode.

The Minister of Finance on many occasions has talked about the importance of education and training for the future. As we

approach the knowledge based economy of the 21st century, there is no question that education and training are crucial if we are going to have success in terms of economic growth and prosperity.

What was in this budget that would lend itself to support education? Was there a break on tuition fees? No. Was there some significant support for universities across the country? No. Was there any support at all for persons who are graduating from our post-secondary educational institutions with huge debt loads? No there was not.

What are we talking about here? What is going on? We need to have more support from the federal government for education across the country and we did not get it. That is what is so frustrating. I suspect people listening to this will reflect that frustration. I know students certainly do.

I challenge my friend the parliamentary secretary and I hope he will respond to this. Why not as a government be bold and say "We believe in education. We believe in a quality education. More important, we believe in access to quality education. We can take care of improving the quality but we have to do something about access. What can we do as the federal government?"

We can do what many other countries have done and abolish tuition fees from our colleges, universities, technical schools and vocational schools from coast to coast to coast. Wipe out tuition fees. My friend implies that this is some kind of a pie in the sky thought. Most countries did this years ago.

• (1200)

As a matter of fact the CEGEPs across the river in Quebec do not charge tuition fees. Everywhere else in Canada certainly does: \$1,000, \$2,000 and \$3,000 just for tuition fees, let alone the cost of books and laboratory supplies. As well the students have to stay alive; they have to borrow money to simply live.

Why does the federal government not say that it will wipe out tuition fees from coast to coast? How much would that cost? We have the money. It would cost the federal government about \$3 billion. There is a \$3 billion slush fund. It is called a contingency fund for special occasions. What better signal could the government send? What better suggestion could it make? What better leadership could be provided by the Minister of Finance and the government than eliminating tuition fees for everyone across Canada who wants to improve his or her education?

A cheer would go up across the country if they were to say that. Who would say it was a rotten idea? Most OECD countries have done it years and years ago.

Let us be bold. Let us get out there and say we will do something completely different. However, what would we do? We all find frustrating at this time of the year filling out tax returns, those who can do it. Many people have to hire accountants or take them down to the little shops along the road for someone else to fill them out.

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We need tax reform, and it is time the Minister of Finance informs us of that.

In closing, a number of phenomenal forces are at work in the country that we must address. We did not address them in this budget but let us do it in the next one. We must come to grips with the forces of globalization and rapid technological change. Technology will change. I am thinking of the impact of electronic commerce on the way people work and the way business is conducted. There is also the tremendous changing demography of our country, the aging population, the major move into self-employment in terms of lifestyle for people, and the whole increasing urbanization phenomenon. The federal government has to provide leadership on these issues.

Unfortunately there is a growing gap between those who have and those who have not. On a local scale, a regional scale, a provincial scale, a national scale and a global scale, the gap between those who have and those who have not is increasing.

We are at a crossroads as we enter the 21st century. While this past budget was a bit of a disappointment, to say the least, let us look forward to a better and more timely budget in the year 2000.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I sat and listened attentively to the hon. member. He just made a comment about how mothers and fathers raising children on social assistance were in essence paying tax and that the budget did nothing to deal with that segment of society.

I caution the hon. member that as a result of the 1998-99 budget any Canadian family raising children would pay no net federal tax on an income of \$30,000 or less. I am not saying that is in any way an achievement for which we would stand, pound our chests and say our job is done. We obviously need to do more in terms of helping families raise children and ensuring that Canadians have a better quality of life. However, with those two budgets, Canadian families who are raising children and earning \$30,000 or less will be paying no net federal tax.

As well the hon. member made mention of the fact that health care funding was somewhat of a sham. I caution the hon. member that the restoration of funding to the provinces with respect to health care took two forms. One was the \$8 billion over a period of time. The \$3.5 billion immediately was meant to address what the provinces were saying and what Canadians were saying.

The member sits on the finance committee. He toured the country along with myself and other members of parliament. We heard from Canadians who said that they needed additional moneys put back into the health care system. The \$3.5 billion allows the provinces to draw that down as they see fit. I understand Manitoba is drawing down its portion as quickly as it can. It can do so over a three year period. I caution the hon. member when he says it is a

sham. I would tend to disagree. Hopefully the additional information I am providing will give him an opportunity to clarify his position.

● (1205)

In terms of trickle down economics, I am certainly familiar with the theory. It is something the United States was very accustomed to following under Reagan and Reaganomics. However I would disagree with the hon. member. We have put in place a number of economic policies which deal with certain segments of society. We targeted our tax cuts initially. We took 600,000 Canadians off the tax rolls at the low end.

I go back to the elimination of the 3% surtax. As soon as we had the money we eliminated it for individuals who were earning \$50,000 or less. We targeted our approach to those at the lower end of the income scale.

With that information I only hope the hon. member would say that he might not agree with everything the government does but he could agree with the thrust and the direction of the government and urge us to do more. I welcome the opportunity for the member to urge us to do more as Canadians are doing. We fully respect the priorities of Canadians and are committed to doing more.

Mr. Nelson Riis: Madam Speaker, there he goes, the Parliamentary Secretary to Minister of Finance making sense again. I must say he is right when he says that there have been some good changes and some appropriate changes. I acknowledge that the elimination of the 3% surtax was a good step. Next we have to work on bracket creep, which I think he would agree was overlooked in the budget.

I think he would also agree that I said there was an increase in funding for health care which would eventually bring the federal portion up to the 1995 level. If we could clap with one hand, I suspect that is what we should do for that. It is a step in the right direction, but taking it up to 1995 levels is hardly something we should get too excited about. However he is correct on that point.

I challenge my hon. friend when he says there are no net federal taxes for people living on social assistance. The one tax change we have been advocating is a reduction in the GST. My friend would know that people on social assistance certainly pay the GST. They probably buy stuff with every dollar they collect. They buy services and they buy goods and therefore pay the GST. I realize they get some returns on that, but we can debate these issues in terms of the need for more refundable tax credits and so on.

Let me go on to a point my friend makes in terms of families making under \$30,000 and not paying net federal taxes. My dad asked me to raise a question the next time I was speaking in the House of Commons, which I guess is today. My dad is 94 years old

and he is on a pension, an extremely modest pension. He gets by, to be fair. He had to fill out his income tax forms. He could not see very well so he got my ex-brother-in-law to fill them out for them. He ended up paying a few hundred dollars in income tax.

He asked me to ask a question of the Minister of Finance who unfortunately is not here at the moment but will be here later. Why should a 94 year old man who worked hard all his life, paid taxes all his life and was never out of work, have to pay income tax on a very modest pension income? He was frustrated. I guess I am asking it rhetorically, but perhaps the parliamentary secretary could respond in place of the Minister of Finance in case my father is listening at the moment.

Mr. Norman Doyle (St. John's East, PC): Madam Speaker, I am pleased to say a few words in this debate. When the bill is passed it will mean hundreds of millions of dollars to be used for the benefit of the country.

When I think about the country many words come to mind. I think about quality of life, security, prosperity, freedom, compassion, co-operation and many other things other countries do not have. Generally the very last thing we associate with Canada is poverty and all the suffering and loss that come with it. Most of us simply do not want to admit that the very real problem of poverty exists in Canada. I do not think the government has come to grips with it or wishes to admit it.

● (1210)

Nevertheless, the reality is that for millions of Canadians poverty is a way of life. As the poor become more vocal through various organizations in which they become involved, through the media and anti-poverty associations and whatnot, many Canadians come to realize it is a very real problem.

Governments at every level will not be able to ignore that problem much longer and will have to take action on it fairly soon. They will have to do a bit more than actually appoint a minister for the homeless. They will have to give that minister the resources to do the job that needs to be done to address the issue of poverty.

The issue of poverty is a very difficult one, as we are all aware. The government knows very little about the true state of poverty in the country. We have not developed an effective way to identify and to measure poverty. We have yet to identify all the causes of poverty. We still do not have an effective and complete strategy to eliminate poverty.

The issue is also complicated due to the large number of effects it has on many different social classes, whether it be women, children, the working poor, the unemployed poor, aboriginals or disabled persons. I am not sure if the bill does anything to address the plight of many people who are well below the poverty line.

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We are all very much aware that back in November 1989 the leader of the NDP, Ed Broadbent, introduced the following motion in the House of Commons:

That 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.

Jean Charest, the minister of state for fitness and amateur sport and the deputy leader in the House at the time, moved at the end of the debate that the motion be supported unanimously by the House of Commons, and it was.

I want to read some of the positions of members of the PC Party, the Liberal Party and the New Democratic Party at the time on the whole issue of child poverty. In the speech to the motion Perrin Beatty of the PC Party, then minister of national health and welfare, said:

We do not have to be afraid of the future. We have a prosperous and a dynamic economy which if managed well promises to improve even further. We have the tools to reduce the number of children living in poverty as we have for each and every year since 1984.

In a few short weeks we will be entering the new decade. This is a good time for us to reflect on the very real progress that we have made in the past and to think about what accomplishments we want to make in the 1990s. Any society that cares about its future must care about the plight of its children today. This government demonstrated that commitment and I can assure you it will continue to demonstrate that commitment.

In his speech introducing the motion Ed Broadbent of the NDP showed that child poverty had increased. He stated:

From 1980 to 1986, when the child population actually fell by some 4%, the number living in poverty in Canada at precisely the time that the rest of us were doing better increased by 13.4%.

He also pointed out that the rate of poor children in poor health is 150% higher than the national average.

● (1215)

Mr. Broadbent went on to explain how the cycle of poverty works. He said:

There is now in Canada and the United States a vicious cycle involving the poor. Poor kids are undernourished, underhoused, more sickly, more poorly educated, get the second or third rate jobs, and when the lay-offs come, they get laid off first. The same young people marry each other and then they produce children, statistically out of proportion, who go through the same cycle. We have a cycle of poor food, poor housing, poor clothing, poor education, poor jobs, poor spouses, more poor kids. This is a vicious cycle. It is a vicious cycle that can be broken and it is a vicious cycle that must be broken in this Canada of ours.

Ed Broadbent said that back in 1989.

This quote is truly the most interesting quote of all. It is a statement made by the Minister of Foreign Affairs who was in opposition at that time. In speaking to that motion, he said:

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I never hear the Minister of Finance talk about the real deficit in this country, which is those one million kids in poverty. That is the real lack of investment. That is the real tragedy. In 10 years from now those are the children who should be tomorrow's teachers, business people, politicians or journalists. They will never get there because they will never get up to the starting line. When you have a million children living in poverty, that is the greatest lack of investment. That is the greatest deficit we face. That is the problem, and there is nothing being done to address that kind of issue.

This was the now Minister of Foreign Affairs who said that the greatest deficit we had in this country were our poor children.

Even though the child poverty motion was unanimously supported by all members from all parties in the House of Commons, very little has been done to take action on that problem. Even today we realize the governments of the past, and today's government in particular, have really not taken any action on that issue.

If we were to read the quotes with a few modifications to names and dates, we would realize that the words of a decade ago apply to the situation we face today. In fact the number of Canada's poor has increased and their condition has worsened.

When that motion was passed back in 1989, we had one million children living in poverty in Canada. Today, 10 years later, when we pledged that we would eliminate child poverty in this country by the year 2000, we do not have one million children living in poverty, we now have 1.5 million children living in poverty in Canada. That is a real tragedy and one for which all of us have to bear responsibility. It is not only this government but governments of the past that have to bear responsibility for the very glaring tragedy we have in our society.

Poverty statistics are debatable and very controversial, especially in Canada. An example of that is Statistics Canada's low income cut-off. The low income cut-off is the most widely used formula to establish a poverty line in Canada, even though Statistics Canada says it should not be used as the poverty line. Nevertheless, this does not mean that the statistics are useless and that we should not be using them. Most of them are very accurate. The point is that we need to develop a clear and widely accepted formula for measuring poverty in Canada. Only then, when we have the real hard facts on poverty, will we be able to effectively deal with the problem.

• (1220)

Hopefully, as the poverty task force travels the country, we will be able to, and I think we are, gather all of the good, hard evidence that the government will need to effectively deal with the problem, if it is serious about dealing with it.

There are hundreds of statistics on poverty in Canada. However, we have to make sure that we do not get bogged down in numbers and lose sight of reality. If we only look at numbers we might end

up thinking that Canada is not a very good place to live in this world. That is not really true. That is not the case.

With these numbers we can see that there is a major poverty problem in Canada. However, we must not and should never lose sight of the fact that we are doing many good things in the country and that we are a very strong country. That is why we should be able to find ways to eliminate the whole issue of poverty in the country.

The issue of child poverty has always touched a very sensitive chord with most Canadians. The reasons for that are fairly obvious. Children are some of the most vulnerable people in our society. They are helpless and are innocent victims of their environment and their socioeconomic condition. Needless to say, by eliminating child poverty, the aim is not only to eliminate child poverty, but to eliminate all poverty in Canada. Children are dependent upon parents. If we eliminate child poverty we eliminate parent poverty and people poverty as well. One of our goals has to be the elimination of not only child poverty but also parent poverty.

In 1998, the year for which we have statistics available, 1.5 million children were living in poverty in Canada. That is an increase of 21% since 1995, but it is an increase of 60% since 1989 when the motion to eliminate child poverty was passed in the House of Commons. It is a very real problem.

I wonder if the government is aware of the number of people using food banks in Canada. As travel go from province to province, many people have come before our committee to talk about how frequently they have to use food banks. It is heart-rending to listen to not only the unemployed poor but the number of working poor who come before our committee on a weekly basis to tell us their stories of the loss of pride and how they have to go once a month—and in most cases they can only go once a month—to a food bank in a country that has the kind of resources and riches that we have.

It is a national tragedy that we have over 800,000 people per year using food banks in the country. It is a national disgrace. Forty-two per cent of people who depend on food banks for all or part of their food are children and people under 18 years of age. Can anyone imagine 800,000 people per year using food banks in a country that has our resources and riches? It is hard to imagine.

• (1225)

Statistics for 1994 estimated that 57,000 Canadian children under 12 experienced hunger due to a lack of food or money. We are now living in 1999 and I believe that number has probably gone up to 100,000 children under 12 who are experiencing hunger due to a lack of food or money. The majority of hungry children lived with lone parents and a high percentage of these children were aboriginal people.

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As our poverty task force travelled from province to province, we had quite a number of women who came before us to talk about their problems. Women are struck very heavily by poverty, especially single mothers. We do have a kind of arrogant and cynical attitude in some quarters today toward single parents. People tend to say, especially people in government, "they made their bed, let them lie in it". We hear that very often, but that is not the way of a compassionate country.

An hon. member: Who are you hearing it from?

Mr. Norman Doyle: Mr. Speaker, the hon. member opposite will have a chance to have a go at this as well.

The hon. member can criticize me all he wishes for making these points, but we have quite a number of women today, single mothers and others, who are living in poverty. Single mothers in particular have more difficulty getting jobs, and the jobs they do get are very often low paying. We hear that every day as our committee travels to various provinces. The lack of adequate low-cost day care services for instance is a real problem for some single mothers because it hinders their ability to seek and get employment.

Fully 92% of single mothers in Canada under the age of 25 live below the poverty line. That is a damning statistic. Getting single mothers out of poverty through education is very difficult. It is increasingly difficult as a result of provinces cutting off social assistance to single parents enrolled in post-secondary education. Every day we hear from single mothers who want to get out of the situations they are in but find it very difficult because the provinces have a tendency to cut off social assistance payments to a single mom who wants to get involved in post-secondary education. We perpetuate the problem by doing that instead of doing all we can to try to get these people off the welfare rolls, into a post-secondary education system and back—

The Acting Speaker (Ms. Thibeault): I am afraid I must interrupt the member. Time has expired.

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I listened with great interest to the member opposite for St. John's East. He made a very compelling speech.

● (1230)

I think he was very sincere when he spoke of poverty and single moms and children in terms of the Canadian experience. As he was speaking I was thinking that some of that sincerity is a little diluted when we start to think about the hon. member's party and former leader Mr. Mulroney and the kinds of things they did during their tenure in power.

For example, I think of the high employment insurance premiums. I think of the very high unemployment rate. I think of the kinds of things that were put in place that exacerbated the problem

and the \$42 billion deficit. This was the legacy that the Tory party left to us to clean up. The hon. member with some sincerity is trying to make his points but that sincerity is somewhat diluted.

We on the government side have been very consistent in trying to do the right thing in this all important area. We have worked very hard on this to ensure that we do the right thing for young people and for poor people wherever they may live in Canada. We have worked very hard. For example, there is the child tax credit and other income tax measures that we put in place to ensure that lower income people no longer have to pay taxes. Those are but just a few tangible examples of what the government has done in this very important area.

I used to be the chairman of the Waterloo Regional Police. When it comes to issues like poverty there are measures that communities, educational systems and groups throughout various parts of Canada need to do and pull together. There are justice and economic issues. Measures need to be put in place in a co-operative way.

It was my experience in my former role as chairman of the Waterloo Regional Police that if we spend a dollar now we will save \$7 later. If we bring those kinds of measures into focus it will especially assist our young people who need that very important first start in life in terms of where they go and how they extend through their lifetime the kinds of things that are important to them and their families.

Would the hon. member for St. John's East agree with me that an investment of a dollar now for our young people is important? As an investment it will ensure that we save \$7 dollars later.

Mr. Norman Doyle: Madam Speaker, we would fools not to agree with the hon. gentleman that moneys invested today in youth and in society in general will certainly pay dividends in the future.

The hon. member talks about governments past and the fact that we are all to blame for the child poverty issue and the issue of poverty in Canada. I could not agree more. Members will never hear me defend any government, whether it is federal or provincial, on adequately addressing the poverty issue over the last 10 or 15 years in particular. They certainly have not.

Let me point out to the hon. member that the number of children living in poverty was actually going down right up until 1984. Since 1984 the problem has become more acute.

We can all blame governments past, the Mulroney government, the Trudeau government, or the current government for where we stand today on child poverty, but I do not think we solve the issue in that way. The numbers of people who have been forced on to the welfare rolls because of the EI policies the government has adopted is very evident.

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• (1235)

As members of the task force go across the country many people come before us and say that a number of years ago they worked for seven or eight months of the year and they would get unemployment insurance. Employment programs have been all but eliminated. Thirty per cent of the people who become unemployed are the people who actually receive unemployment insurance. These people are forced on to the welfare rolls and the whole cycle of poverty is compounded even more.

Yes, governments have done a lot of damage, but I know that they have also done a lot of good.

Mr. Lou Sekora (Port Moody—Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, I listened with great interest to what the member opposite had to say. The one thing about it is yes, Canada is a great place to live. Studies show that Canada is the greatest place to live.

The government has put \$11.5 billion into health, \$15 million into cancer research, millions into breast cancer research and millions into diabetes research.

While I am fairly new in the House, the fact is I do remember the years when the Mulroney government was in power and ran up a budget deficit of \$43 billion. It was in power for nine years. Imagine if it had been in power from 1983 to 1999, another six years. That averages about \$7 billion a year. The deficit would probably be in the \$70 billion range.

The Liberal government has paid down about \$30-odd billion in our deficit as far as debt load. I am very much interested in whether the member opposite is interested in having a balanced budget. Were there any food banks during the years when the Mulroney government was in power?

Mr. Norman Doyle: Mr. Speaker, the problem is quite clear. We see some of the stumbling blocks that members throw up in dealing with this problem. They keep playing politics with people in poverty and that is not what the poor want. They do not want members criticizing each other for policies past and present. They want members to make a commitment to deal with the problem in a real and very substantive way.

Yes it is very important to have a balanced budget. We all know that. Through that we can bring in policies to eliminate poverty in this country. However, the government has not done that. The budget is balanced and the government again has made no commitment to the poor, except to appoint a minister for the homeless and not give the minister the resources she needs to deal with the problem.

Let me give the hon. member some statistics that were passed along to me by Statistics Canada. Back in 1987 the average amount of expenditure for a Canadian family was \$33,000. The average

income was \$45,000. In 1987 a family had a \$12,000 surplus of disposable income that they could use to help their children. Families needed that money. In 1997 expenditures for a family were \$42,000 while the income was \$41,900. This means that the average family is \$100 in the hole instead of having a \$12,000 surplus as they did back in 1987.

Yes, we have balanced the budget, but at what cost? We have balanced the budget on the backs of the poor. We have balanced the budget on the backs of the working poor. The government has to come to grips with that.

[*Translation*]

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, right off, I would like to say that I was not really impressed by the speeches of the members for Chambly and for Frontenac—Mégantic the day before yesterday in the debate on the Budget Implementation Act, 1999.

The remarks of the Bloc Québécois members were all over the map, referring to points in the history of Canada's and Quebec's economy and interpreting the facts and events subjectively. In other words, these were half truths.

• (1240)

The pessimistic view of the Bloc members has only one purpose, that of promoting Quebec's separation from the rest of Canada, even though over 80% of those who pay their salaries want to remain in Canada. These same people said in the latest referendum that Quebec's separation was a matter for Quebec only without a trace of embarrassment at raising the subject daily across Canada.

The reality is something else. While it is true that the population of Quebec is comprised primarily of francophones, this is no reason to try, as the Bloc is doing, to turn them into the victims of some sort of machination, because Quebecers can stand up for themselves and with other Canadians build a country that is good to live in.

Francophones have always occupied their rightful place in Canada. They have proudly kept their language and their culture. They will always have to be vigilant, not only in protecting them but in promoting them, and they are working at it remarkably.

Francophones have acquired a confidence that enables them to say that they do not need to separate from Canada to enjoy their fair share.

The Bloc, and the sovereignists, are falling into the trap of paranoia. Instead of proposing to Quebecers a major challenge such as to continue to work to be competitive in Canada and in the rest of the world, the Bloc keeps whining about alleged injustices to Quebec.

The sovereignists are desperate to have people believe that Quebec's separation from the rest of Canada is essential to its

survival. They are stuck in the past. They can no longer adjust their views and opinions to today's realities and tomorrow's challenges.

While they are talking about separation, the sovereignists are forcing municipalities and school boards to merge, which is an obvious contradiction. In short, the Bloc Québécois is stuck, it is unable to propose solutions other than to impoverish Quebec from a political, economical and cultural point of view, at the expense of the one million francophones living outside the province.

The member for Frontenac—Mégantic had the nerve to say that there are two Ministers of Agriculture and that it is one too many. Let me give a quick example of what the federal Minister of Agriculture has done for Quebec.

Our province accounts for 24% of the overall population but 48% of the milk quotas. Among other measures, the federal government recently put in place a special assistance program for farmers who find themselves in difficult situations. This initiative complements the Quebec program, whose objective is to help the agricultural industry with problems relating to livestock production, seeds, and so on. Under its initiative, the Government of Canada will provide about \$900 million. That amount could reach \$1.5 billion if the provinces are interested in taking part in it.

Allow me to put our government's philosophy and initiative in their proper perspective. Let me give you a more realistic and accurate view of our last budget.

First, I would like to point out to the members of the Bloc that the structure has evolved in such a way that the Americans no longer have a hold over our economy. Quebec's economy is made up of thousands of entrepreneurs who invest in the various regions of the province, with the help and support of both levels of government, that have developed and implemented policies and programs, taking into account the needs of regional and local stakeholders.

Contrary to what sovereignists are saying, it is very much in Quebec's interest to be a full fledged member of the Canadian federation. In fact, sovereignists lack perspective and have a selective memory. The Liberal government remembers vividly that, in 1993, Canada had a huge deficit of \$42 billion, which we have eliminated with the great co-operation of Canadians, who had to make big sacrifices.

But today, the new context created by the federal government's budget surplus, by the creation of 1.6 million jobs in Canada and by a thriving economy has restored the confidence of Quebecers. Their renewed confidence is also due to the fact that the government has been able to do things that were beneficial to them.

• (1245)

Confidence in the Canadian economy has been restored because we were able to create the conditions for investment and economic

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growth, which means, among other things, that unemployment has fallen from 11.4% to 7.8% in 1999. This economic recovery has also led to lower interest rates.

As indicated recently by the federal government, the Government of Quebec will receive about \$7.4 billion in new transfers this year and over the next five years.

This sum represents 34% of all new federal transfers, whereas the population of Quebec represents 24% of the Canadian population. This is not bad, in terms of help and support for Quebec.

Our economic and budget choice was actually an easy one to make. Our government deliberately chose to no longer mortgage Quebec's and Canada's future. It was committed to a balanced budget.

In 1998-99, we balanced the books for the first time, and even had a surplus. This marks the first time since 1951-52 that Canada has recorded two balanced budgets or surpluses, back to back.

One last statistic: in 1995-96, when the debt to GDP ratio was at its peak, 36 cents out of every revenue dollar collected by the federal government went to interest on the debt. Last year, this amount dropped to 27 cents.

I will not have enough time to list the many positive actions by our government, especially the support and magnificent work by several federal departments during the floods in the Saguenay and during the ice storm, which hit Quebec especially hard.

Members will recall that the Premier of Quebec, Lucien Bouchard, was handing out \$70 cheques to ice storm victims, even though 70% of this amount, or 63\$, came from the federal government. The cheques were emblazoned with the fleur de lys.

The economic and budget priorities of our government are well known and shared by a majority of Canadians: strengthen our universal health care system; provide tax relief; fight child poverty, and invest in a more productive economy and a better standard of living by expanding access to knowledge, research and innovation. These are measures we took in the most recent budgets, and we will continue to promote them.

In conclusion, my message is one of optimism. It is one of pride in being a member of the Liberal team, whose primary concern is to do everything possible to improve the quality of life of Quebecers in Canada, the best country in the world.

My message is also one of pride in representing the people in the riding of Beauce who put their trust in me.

The riding of Beauce has an unemployment rate of about 4%, the lowest or the second lowest in the country. My constituents' priority, and ours, is to work and to improve the quality of life in Canada.

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In conclusion, my constituents have given me a mandate that is straightforward and complicated at the same time. Not only have they asked me to represent them well in the House of Commons, but they have also asked me to protect their interests and make sure that their region, like all regions in Quebec, gets its fair share.

Their trust encourages me to redouble my efforts, for our children and the generations to come, for Beauce, for Quebec, and for Canada.

The Acting Speaker (Mr. McClelland): Did the hon. member for Beauce intend to share his time?

Mr. Claude Drouin (Beauce, Lib.): No, Mr. Speaker.

Mr. André Harvey: Mr. Speaker, I will not call my colleague on the dispute between the government and my colleagues of the Bloc Québécois on the referendum question. Like many others, even in the Saguenay—Lac-Saint-Jean, my region, I and my fellow citizens do not waken up at night thinking about the date of the next referendum. We have a lot of other priorities at the moment.

• (1250)

There are basic concepts we do not want to let drag on and waste our time debating, but I would like to call my colleague on the subject of taxes.

Every time a member of the Conservative Party rises, they raise the figure of the \$42 billion deficit, but they always fail to say that this deficit had been accumulated with the \$200 billion in debts the previous government had left us.

We are not going to change history, but it would be interesting to compare the two governments. We would see that there was no shame in being Conservative for nine years.

The essential issue is taxes. The big topic of conversation at the moment is that a lot of people are thinking of moving for tax reasons. It costs a fortune to live in the Province of Quebec, because our tax system is utterly regressive. I think the federal government must also have a more progressive policy on taxes.

In the analysis done by economists Ferland and Laferrière, 14 federal measures are prejudicial. I would like the opinion of my colleague from Beauce on that. Is it usual for a government to withdraw all the benefits from free trade, \$22 billion from the GST and tens of billions of dollars from the surplus in the employment insurance fund, while overtaxing by some \$30 billion at a time when people have no more money in their pockets.

We cannot afford to just say “Wait for the next budget”. For families earning between \$25,000 and \$70,000 a year, it is a disgrace to live in Canada and in Quebec at the present time, for tax reasons. They have nothing left of their pay cheques. They wonder

how they can arrange things differently so that they have a little bit more left in their pockets.

There are, of course, some provinces that are better off than others at this time, like Alberta and Ontario. Their premiers decided to say “Yes, we are going to work at decreasing the deficit, but with moderation. We are also going to look at the taxation system”. They know it is a key to reviving the economy.

I would like to ask my colleague from Beauce whether he does not find it unreasonable to keep on pocketing people’s money as the Liberals are doing, to create what are almost hidden funds, to have a taxation system that is hideously complex. People cannot figure out what is going on any more, but there is one thing they do know. The bottom line is: their net salaries continue to get smaller.

There are examples of this. There are typical cases that have been referred to in reports. People get pay raises that cost them money. Something must be done. We must not say “Wait for the next budget”. Administrative corrections need to be made. It is nothing complicated.

If a single-parent family with an income of \$31,000 a year gets a \$1,000 increase in income, which costs it \$1,056, including a \$260 drop in the child tax benefit, we do not need to wait for the next budget in order to remedy this. The Minister of Finance merely needs to send a note to his deputy minister indicating “This needs fixing. It is not right”. There are 14 different elements that have negative effects on Canadian families, Quebec families in particular.

I am sure that my colleague from Beauce is doing his best to represent his fellow citizens well, as did his predecessor. I would like to have his opinion on the taxation system.

Mr. Claude Drouin: Mr. Speaker, first, I agree with the hon. member for Chicoutimi that Quebecers are, unfortunately, the most heavily taxed people in North America. We must absolutely work to help people regain confidence, and I hope that the Quebec government will do its share in that regard.

The member for Chicoutimi also said that we must not only remember the \$42 billion deficit that we inherited, but also recognize what was done before that. I agree, but we must not think either that the previous government does not have any responsibility.

We have begun to lower taxes. We increased the child tax benefit. But, we must be cautious. Canadians have made huge sacrifices to allow us to achieve fiscal balance. Today, we have succeeded and all Canadians are pleased to see that tax reductions have begun and will continue, at least as far as the Government of Canada is concerned. We hope that the Quebec government will do like its Ontario counterpart and that Quebecers will stop being the most heavily taxed people in North America.

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• (1255)

Finally, I will conclude by telling the member for Chicoutimi, who is also well aware of what is happening and who works hard for his constituents, that we do not need to think constantly about separation. What people want is to work and to have the best quality of life while remaining in Canada.

[*English*]

Mr. Deepak Obhrai (Calgary East, Ref.): Mr. Speaker, today I rise to speak to Bill C-71. This is the third time that I rise to speak to this bill. I rise to speak because I feel strongly about what is happening in our country, especially in the past couple of years when we have seen taxes going up, our financial house not being in order and the burden that ordinary Canadian taxpayers are carrying.

I have been a small businessman and an accountant. In the last 10 years that I have been a businessman there is just one area where I could not control the cost which dug into my profit, and that one area was government taxation. Government fees, government taxation, UI, EI, all kinds of taxes, from the cities to the provincial governments to the federal government, have been hampering the growth of small businesses.

This started with the Conservative government. Now the Liberal government is claiming that it is working well to bring its financial house in order. That is not what I hear from Canadians who are coming into my office. That is not right. Despite the claim made by the federal government that it has been reducing taxes, that it has balanced the budget and that good times are around the corner, those who walk into my office cannot vote for that. They cannot say that good times are around the corner because their take-home pay is still going down.

Why is their take-home pay going down? Costs are going up, rents are going up and service fees are coming in. With all of these things they just cannot seem to make ends meet. How can this government stand and say that happy times are here?

Now we see a new debate going on. Businesses have finally started speaking out. They are saying that enough is enough. We hear Nortel talking about losing the brightest people in Canada. We spend money to train them and then we lose them to other countries.

We have free trade with the U.S.A. Now we have free trade with Chile. We have free trade with Israel. As we go on we will have more and more free trade, which gives Canadians the opportunity to go to other countries where there are better conditions and better take-home pay. They will do that and we will lose them.

While I am on the subject about losing our brightest, I want to talk about something that is very dear to me, the student debt. Let us talk about that for a little while.

In the past decade the average Canadian university tuition has risen by 119%. That is a substantial increase. However, transfer payments for post-secondary education have already been sliced by 18%. The government has sliced this money, part of which would have been used by the provinces for student loans. Now the Liberal government is coming up with a band-aid solution. The government has created the millennium scholarship fund which will only address 300,000 students.

• (1300)

Today I read a press release in which the government said that it had come to an agreement with the Government of Ontario. The Government of Ontario will be administering Canada student loans. From a cost and efficiency perspective I think that is great. It is a good initiative on the part of the federal government. However, that does not address the main issue of the high cost of tuition.

I will talk about the University of Calgary for example. This university has charged more and more for tuition fees because it does not have funds coming from the provincial government any more. The federal government has refused to meet its obligations despite the fact that it talks about the great transfer of money it is giving to the provinces to address their educational needs for the future.

We are at the dawn of the new millennium. Is it not important that we look at what our students need? Is it not important to ensure that Canada has an educational force that can challenge others and make Canada prosperous?

I am the international trade critic for my party. I have travelled around the world on behalf of Canada. I have seen how competitive Canadians are. We can rise to the challenge. What is curtailing us? High taxes are curtailing Canadians. Despite what the Liberals say, the facts speak for themselves. More and more Canadians are leaving.

On Monday I pointed to an example which I will repeat today. I visited an institution in Toronto where they are teaching high tech to students. I was told that IBM hired six students and took them to the U.S.A. We trained them and we lost them. The reason is high taxation.

In committee yesterday the Minister for International Trade sent his message out to the government. I hope the minister is listening to this. He sent a very subtle message to the government; he was afraid he might get slapped. His chain was yanked. He said there is a need to reduce the gap in taxation between the U.S. and Canada since we are losing our brightest to the United States. The minister has admitted there is a need. Of course he had to say the politically correct thing so his chain would not be yanked. The minister said that the Prime Minister and the finance minister were working toward this. When will they work toward it?

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The cost of education is rising. I have repeated this many times in this House. I have two daughters attending university and I know firsthand that the cost of education is going up and up and up. And what is happening? A millennium fund, a legacy of the Prime Minister, but that legacy is not going to work.

An hon. member: Where is your leader?

Mr. Deepak Obhrai: Mr. Speaker, a member from British Columbia is talking about my leader while I am talking about taxes. Let us talk about taxes for a change.

• (1305)

We have problems. We have a problem with education. Post-secondary education is a problem. Small business people are facing problems. CPP premiums have gone up. Of course the government claims it has reduced the EI. In the overall taxation problem people do not see any hope.

The auditor general has stated that the underground economy has increased. I do not agree with the underground economy. When the government provides services we have to pay for those services. Why is there an underground economy? For the simple reason that people feel they are not getting back what they have been paying to the government. That is why there is an underground economy.

Ours is a voluntary system. We are supposed to declare what we earn. In a voluntary system there must be trust, trust between the government in what it is doing and those who are paying. If that trust is broken, we will get a situation where people will say that they will not voluntarily comply with it. This is what is happening. Over the past years the trust has been broken.

The trust was broken when the Conservatives brought in the GST. The GST was supposed to be paid toward the debt but instead it went toward spending. That was the start of the breaking of the trust between the Canadian public and the Canadian government. Up until now Canadians have not regained that confidence to pay taxes voluntarily. Canadians should pay their taxes. They should not break the law.

We as parliamentarians can tell the government that it is wrong, that it has not addressed the issue of what Canadians are saying. Everybody is tired. The burden on single parents raising children is so heavy yet the government refuses to recognize that. Canadians brought this issue up and now the government has a committee to address the issue. Mothers at home have not been recognized. Again the government said it would study this issue.

The minister of state for the status of women met a lady who had taken Canada to the United Nations. That lady had the impression that this government or the minister herself looked more favour-

ably on women who went out to work and less favourably on those who stayed at home to raise their children. I do not see the logic.

Those who want to stay home to raise their children are equally important to this society because they are raising the young. They are equally important as those who are working and who come home in the evening to raise their children. It is a choice they have made. One choice is not better than the other. They both have the same objective of raising good Canadian citizens. But our current taxation system does not address that and this budget did not address that.

Let us talk about health care. I said on Monday that a constituent had phoned me. She said that she was afraid of what was going to happen with health care. She did not see that this government had addressed this issue. Despite the fact that this government has said it is going to pour money back into health care and despite the fact that this government is going to give money to health care one time, it does not bring confidence. The government has taken more since it came into power in 1993 than what it is putting back in.

• (1310)

The province of Ontario is going into an election. The Progressive Conservative Party has come up with its platform for the election. One of the points in its platform is it is going to uncouple its taxation system from the federal government. What does this do? This is the second province to do that. Alberta has already given its intention to do that and now Ontario is going to do it. Why? Neither of those governments have any confidence and do not see that the federal government is doing enough to reduce taxes. They want to get those taxes.

One of the reasons the provincial government was not initially reducing taxes was the fear that if it reduced taxes the federal government would increase taxes because it was tied into the system. Now the provincial government is uncoupling so it can address the concerns of its own citizens. It is uncoupling from the federal government so that it has the freedom to do what the federal government is refusing to do.

The other factor is both Alberta and Ontario have come up with tax reductions for their citizens. Yet Alberta is in the same situation as the federal government where there is no operating deficit. Why is the federal government unable to do that? It will claim it has done something. It will claim it has taken away the 3% surtax. The surtax is for whom? It is for those who earn high incomes. They pay the 3% surtax.

However even any relief that the government has put in this budget will not kick in this year. It will kick in starting in the year 2000. And the government claims it is giving Canadians tax relief now. The Liberals say they are giving tax relief now. No. Their own documents say when they are giving tax relief. It is next year.

An hon. member: Do not give me indigestion.

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Mr. Deepak Obhrai: I will give the hon. member some tablets for his indigestion.

The central theme of what I have been saying is that the federal government will have to address the issue of tax relief. It will have to address the issue of smaller government. Get off our backs. That is the bottom line. That is what Canadians are saying. Get off our backs. Become efficient. We have had enough big government and enough high taxes. Now it is time to stop.

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, I think the hon. member before he gets up to speak had better check the facts. It was about 90% hot air, nothing on target.

Education is a provincial responsibility. The provinces spend the money, they set the costs. That is who is responsible. We give them money but we do not float it all.

On the deficit, who got to the deficit? It was one of our platforms and this government reduced the deficit. This government put money against the debt. This government will not borrow to lower taxes, not like the Ontario government that has had to borrow \$2 billion to \$3 billion, that has had to borrow money. There is one fundamental rule in public policy. Do not borrow money to give tax cuts because we never get back on it. The provincial government is off track and it will be tough to get back on track.

The government has put money against the surplus. No other government has hit its target in a more systematic, well planned fashion than this federal government. It is getting praise around the world for the prudent approach to the finances of this country.

• (1315)

Let the stay at home mothers and the working mothers make that decision. It is not up to us to interfere and tell them to go to work or not to go to work.

An hon. member: Give them tax relief.

An hon. member: Borrow it.

Mr. John Richardson: They want us to borrow it. That is typical coming from members of the Reform Party, which is supposed to be prudent. It will be a laugh if they ever make it to government.

The surplus that we have accumulated in the last two years has been put against the debt, and that is the right way to go. We will continue to bring down the mountain of debt. We did not put it there. It was created over a number of years. Slowly we will bring it down. For every \$10 billion we put against it we will probably save up to \$1.5 billion in expenses, which will accrue to the revenue side for the next year because we will not have to pay out that money.

This is an exaggeration by the Reform Party. It takes half truths and talks about unfounded economic policies of borrowing to give tax breaks. I cannot believe it.

An hon. member: Rubbish.

Mr. John Richardson: That is exactly it. There is no government that would take that on. All tax policies say that we should not borrow to give a tax break.

Mr. Deepak Obhrai: Mr. Speaker, talk about the hot air that just blew over from the other corner. He just stood to ask anything. He did not say a single word about what I was talking about.

He talked about deficit reduction. The deficit was reduced on the backs of Canadians. Government did not clean it up. It was cleaned up by high taxes.

He talked about the Ontario Conservatives borrowing money. Let me tell him this. There is no Canadian law, but there is a law in Alberta that governments can no longer have deficits. Do that over there and then we will talk about it.

He talked about being praised around the world. Let us ask the people who are leaving Canada to work in other parts of the world about this business of being praised around the world. Where is this hot air coming from?

He talked about giving mothers a choice. Yes, we should give them a choice. But the government's tax system has created no choice for them. That is the problem. Even I agree that they should be given a choice, but the government has not done that. We know where this hot air is coming from.

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, I note that the member across the way said that it is simply against government policy to borrow in order to reduce taxation.

I would like to ask my colleague if, in his opinion, this has ever been done before. Have Liberal governments in the past ever borrowed money? Or has the member for Calgary East heard that at least 35% of Canadians are forced to borrow money to pay their federal taxes? Has he heard those figures?

Mr. Deepak Obhrai: Mr. Speaker, I thank my colleague for asking that question. It is a good question.

Where did this deficit come from? Was it not started by a Liberal government? It initiated this business of deficit spending and the Tories followed. It started over there. Now the Conservative governments are bringing in legislation to stop deficit spending.

My colleague talked about Canadians borrowing money. I forgot that point. He is absolutely right. I have had people in my riding come to me and say that they had to borrow money to pay their taxes. The tax burden on Canadians is pretty high.

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• (1320)

Let me cite some statistics. And I will give them statistics, not hot air. The statistics are very simple. Each Canadian taxpayer will be paying \$2,020 more in taxes in 1999 than they did in 1993 when the Liberals came into power. Canadian taxpayers will pay \$42.1 billion more in taxes than they did when the Liberals came into power. Let us talk about facts.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, I want you to know that in no way did I intend to usurp your authority. I am well aware of the great influence you have on the House. I accept your leadership without question. If I had had the opportunity I would even have voted for you.

This being said, we now have to deal with less pleasant issues. I would ask government members to pay attention. We have many complaints about the budget.

I want to stress again how important it is to vigorously fight poverty. I will benefit from the presence in the House of all my Bloc Québécois colleagues, since I believe those who are the most sensitive to the issue are here today. It is a quirk of scheduling. It was not planned, it just happened that way. I therefore feel all the more comfortable talking about this issue.

Last year, I went on a tour of Quebec to promote community reinvestment by banks. This idea is gathering a fair amount of support.

I have some support from the Progressive Conservative Party. I have some support from the New Democratic Party. I know there is some fragile support among government members, but it is bound to get stronger.

As a matter of fact, in his report the Parliamentary Secretary to the President of the Treasury Board reviewed the whole issue of bank involvement in the community.

Since 1977, the United States have had the Community Reinvestment Act. It provides no constraint. It sets no quotas. It simply requires banks to become involved in the community.

The strength of the U.S. legislation, which appeals to a number of my colleagues—whom I thank for welcoming me in their region—is that it provides for a yearly assessment of what the banks are doing in underprivileged communities.

Banks can get involved in underprivileged communities in a variety of ways. They can do it by supporting community groups, by providing lower income people with a range of financial services at preferential rates and by making mortgage loans. All this is called community reinvestment.

Community reinvestment by the banks is a matter of balance since they make profits from the money deposited by individual investors. It has to do with the multiplier theory.

I think Canada needs a legislation to assess what the banks are doing in their communities, and that assessment should be made available to consumers. That is what made the success of the American formula. Once a year, in June, the assessment of the banks' involvement in the community is disclosed in what is appropriately called the disclosure process. Naturally, consumers are better informed when they have to make choices.

I do not understand why the government never proposed anything similar in the budget or elsewhere over the years.

This brings me to talk about poverty. I think members of the House are very sensitive to the issue of poverty.

• (1325)

We, on this side of the House, do see a paradox in having an increasingly rich society, which is able to produce and has gained access to export markets like never before, yet a society where the number of poor people has never been higher.

For example, the National Council of Welfare estimates that one out of five Canadians lives in poverty. In certain communities, the ratio is two out of five, and among certain groups, particularly young people, it is three out of five.

What are we talking about when we speak of poverty? We are talking about people who have to spend more than 55% of their income on basic necessities, like clothing, housing and food.

Our colleague, the member for Shefford, has embarked on an antipoverty fight—this the kind of word we should use when we talk about poverty—and she has suggested what could be part of the solution. Nobody thinks there can be one single solution to the problem of poverty. We all know we need a whole range of measures.

But the hon. member for Shefford did suggest one idea that could be part of the solution and that got a great deal of attention in the House and a lot of support from the Bloc Québécois, from me as the member for Hochelaga—Maisonnette, from the hon. member for Québec, who has also joined us in this fight, and from the hon. member for Laval East. We did not ask the government for a budgetary measure, but for something that could make a difference for underprivileged citizens.

In a spirit of honesty and camaraderie, we have asked the government to add social condition as a prohibited ground of discrimination in the Canadian Human Rights Act, but not in the charter, because it is obvious we cannot reopen and amend it without new constitutional negotiations.

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Hard to believe as it may be, this despicable government has rejected the consensus reached by the main opposition parties. What would have been the impact of including social condition in the Canadian Human Rights Act? It would have given a remedy to all those who receive federal services, or who work in companies under federal jurisdiction. All those who have been victims of discrimination on the basis of their fortune or their wealth could have taken their case to a human rights tribunal to obtain redress.

As members know, Quebec has no choice but to become a country. It is a matter of time, of months, but Quebec will become a country as, indeed, the case should be for any nation. Quebec, which will be a sovereign country, has a lot of expertise in the area of human rights. Since 1977, the Quebec Charter of Rights and Freedoms forbids discrimination on that ground. With what result? It has allowed us to take three major steps forward in matters of law, in particular for single parents, who are often women.

For instance, a landlord refuses to rent an apartment to a single parent, on the ground that income may be inadequate, there can be a legal challenge. A human rights tribunal has ruled on this issue. Discrimination against a recipient of income security is not allowed. A landlord cannot refuse to rent an apartment to a recipient of income security in Quebec.

This is an example of what lawmakers can do to support less fortunate people, who are often victims of discrimination.

There was a similar case regarding financial services. For instance, there is the case of a credit union near Quebec City, one I will not identify because it would not be relevant to my argument.

• (1330)

A credit union had refused a mortgage to a single parent, despite the fact that the person clearly had the means to meet the terms of the mortgage. Again, because the Quebec Charter of Rights and Freedoms allowed that person to take her case before a tribunal—

The Acting Speaker (Mr. McClelland): On a point of order, the Parliamentary Secretary to the Minister of Finance.

[*English*]

Mr. Tony Valeri: Mr. Speaker, I am always reluctant to rise on a point of order when a member is in the middle of his speech, but I find it somewhat difficult to sit here and listen to comments about the CRA and other matters that do not have anything to do with the particular bill.

I know that under your guidance you offer that kind of latitude, Mr. Speaker, but I wonder if you could ask the hon. member to speak to the bill rather than everything under the sun except the bill.

The Acting Speaker (Mr. McClelland): The Parliamentary Secretary to the Minister of Finance has asked through the Chair that members be relevant. We do have a responsibility to be relevant when speaking to the bill. I would ask the hon. member for Hochelaga—Maisonneuve to keep that in mind.

[*Translation*]

Mr. Réal Ménard: Mr. Speaker, the parliamentary secretary may have had trouble concentrating. I remind him that we are talking about poverty here. We are talking about the budget. If the parliamentary secretary cannot see the link between the budget and poverty, he may not be fit to sit in the House of Commons. On this side of the House, we do see the link between poverty and the budget.

My colleague's remark is totally uncalled for. He should remain seated and steer clear of such irrelevant comments.

Having said that, I want to come back to the fact that we have asked the government several times to commit to an anti-poverty agenda. I think the government could have done a lot more with the budget surplus.

Let me give the House some examples. The government has more room to manoeuvre, because they literally stole from the provinces. We have to realize that. When we go over the budget, because we are debating its implementation today, we see a lot of measures taken in areas where the federal government has absolutely no right to interfere.

First, there is the millennium scholarship fund. If government members could just look at the Constitution of Canada, they would have a hard time explaining how the federal government can interfere in education. And yet, that is what they are getting ready to do.

It was decided that money could be made available, through a program called the millennium scholarship fund, for some of our fellow citizens who wanted to get a post-secondary education.

Why is the government making money available for this when it has absolutely no constitutional authority to do so? The federal government does not have the constitutional power to do so and, furthermore, since 1966, Quebec has been offering the most generous loan and scholarship program in Canada.

The federal government worries about training and says "We think that it is important for people to make a commitment to stay in school for at least 11, 12 or 13 years".

It is believed that men and women, in the 21st century, will change careers four or five times during their active life. So, they will be involved in a process of lifelong learning. Of course, the governments have the responsibility to give them access to the

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money that will allow them to acquire greater skills. However, it is not up to the federal government to give that money directly.

• (1335)

The Bloc Québécois has often asked the Minister of Human Resources Development to negotiate with the National Assembly, which is the only parliament Quebecers can truly identify with in America, to find a way to give them access to the money the federal government intends to invest in millennium scholarships. There has to be a single program, one managed by the Quebec government.

Did the federal government listen? Of course not. It cannot shed its old attitude of interventionism and its lack of respect for provincial jurisdictions.

I could go on and on. I will address the whole issue of the Youth Employment Strategy. We all know that the Youth Employment Strategy deals with an area over which the federal government really has no jurisdiction. It is so true that, in the whole job training repatriation process leading to the manpower agreement concluded between Minister Harel and the federal minister responsible for human resources development, Minister Harel, on behalf of the government of Quebec, asked that the Youth Employment Strategy be included.

The Youth Employment Strategy is one of the tools available to the labour force to upgrade their skills on the job market. The federal government did not include it, which leaves us in a rather paradoxical situation.

The paradox comes from the government developing a program that does not make any sense because it is determined to interfere in areas like job training. This program does not make sense because it tells people that they cannot be unemployed, they cannot be studying and they cannot be on the job market in order to qualify for and participate in this program administered by the federal government under the Youth Employment Strategy.

The program is therefore geared toward a very specific clientele mainly comprised of dropouts. We certainly do not want to suggest that we should not help these people.

For example, in my riding of Hochelaga—Maisonnette, there are 200 community organisations. These are instrumental in making my riding such a great place to live. Very few organizations are interested in the Canadian Youth Strategy because they are not the clients mainly targeted by the strategy.

This program is ill-conceived. It does not make sense. It would make more sense to be able to ask that this program and the money spent on it be transferred to the provinces.

I would also have much to say about the interference by the federal government in the field of health. The federal government's interference in this area is now a well-known fact.

Canadian institutes for health research have been established. They will constitute virtual networks bringing together researchers and institutes to co-ordinate and target research efforts in Canada.

Some hon. members: Oh, oh.

Mr. Réal Ménard: Mr. Speaker, the august backbenchers are going about their daily ritual of making noises barely loud enough to be heard in this civilized world.

Still, I want to tell them that if they really want to help the Canadian government and their fellow citizens, they should add their voices to that of the Bloc in order to have the funds available for education and health transferred to the provinces. Under the Constitution, the provinces are primarily responsible for providing these services to our fellow citizens.

In closing, I would like to remind the House that there is another issue where we were entitled to expect the federal government to act, namely the Palais des congrès. Members know that Montreal is a hub in the tourist industry.

An hon. member: Oh, oh.

Mr. Réal Ménard: Mr. Speaker, I cannot hear what the obscure backbenchers are saying. Would you be so kind as to call them to order?

• (1340)

I am not asking them to come up with an idea, because that could be hard for them. However, all I am asking them is to pay attention a bit.

The Government of Quebec has pumped \$159 million into the Palais des congrès to attract business tourists. We also know that the industry where the most jobs will be created in the coming years is the tourist industry.

What did the federal government do and what did it not do? It refused to support the initiative of the Quebec government and to inject the \$69 million that we were entitled to expect. Did a member of parliament representing Quebec, a member of the Liberal caucus who represents Quebec voters, get involved in this issue where Quebec's interests were being trampled on? Certainly not. They all kept silent, as they all do when the time comes to defend Quebec's interests.

Fortunately, there is the Bloc Québécois. We will continue to defend Quebec's interests and we will continue to ask the federal government to inject \$69 million, its share in the Palais des congrès project.

Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.): Mr. Speaker, when I hear my Bloc Québécois colleague complain about the fact that the Canadian government is interfering in the area of health care while five minutes earlier he was asking the same government to get involved in his riding, I get totally confused. He

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wants us to help him in his riding. He wants us to invest in 200 non profit agencies in his riding, and five minutes later he accuses us of interfering in all of Quebec's affairs. I am totally confused.

He says we are not going to invest in the Palais des congrès, but if we do, he will say we are interfering in Quebec's affairs. It does not make any sense.

Sometimes I wonder if the members of the Bloc Québécois realize what they are asking us; they want us to get involved, but when we do, they say we are interfering in areas where we have no business.

Students in Quebec have trouble repaying their loans. We want to help them because their own government is not. Bloc members say "Give us the money. We will manage it". Why are they not doing it? They do it after we offer.

It is always the same thing. Bloc members are constantly saying that the Canadian government, which tries to help every province, is interfering, but then they ask us to get involved.

Mr. Réal Ménard: Mr. Speaker, I think the member is being pretty honest when he says he does not understand. It seems obvious to me.

First, I want to remind him that Quebec sends \$31 billion in taxes every year to the federal government. The member for Verdun—Saint-Henri has to be particularly out of touch with reality to say that Quebec does not help students. The Government of Quebec is the most generous government. It has been administering a loan and scholarship program since 1966.

If the federal government wants to make money available to help students pay their debts, it ought to do so through the Quebec Department of Education because, under the Constitution, education is a provincial jurisdiction.

I am asking the member to rise in his place, if he has the courage, to tell us who, within the student community, agrees with the proposed formula. The student community is calling unanimously upon the federal government to make the millennium scholarship money available through the Government of Quebec.

Second, there are 200 community organizations in Hochelaga—Maisonneuve looking after our well-being. These organizations need money. It makes no sense at all that the youth strategy be managed by the federal government. It is ill conceived. It does not meet the needs of these community groups. It would be much more logical, in the context of the transfer of powers with regard to manpower training, if those funds were distributed by the Government of Quebec.

• (1345)

I hope the member will agree with my remarks because there is a consensus. If the member is listening to what the stakeholders in Quebec have to say, he will know that the Bloc Québécois is saying the things those people want to hear.

Mr. Raymond Lavigne: Mr. Speaker, imagine, the Bloc member for Hochelaga—Maisonneuve is calling for the youth strategy to be transferred to Quebec. Job training has already been transferred, and all the papers have reported on the fiasco there has been in Quebec with that. Now he is asking for transfer of the Youth Strategy to Quebec. Frankly, I think the member for Hochelaga—Maisonneuve does not really realize what he is saying.

Another thing, there are as many volunteer organizations in my riding of Verdun—Saint Henri as in his riding. Also, I am very proud of the fact that the Government of Canada is interfering in my Quebec riding. I am pleased to tell my colleague that, if the Youth Strategy, this wonderful program providing employment for students in the summer, is transferred, as far as job training is concerned, the not for profit organizations in my riding are anxious to get their hands on some funding for job training in Quebec.

Mr. Réal Ménard: Mr. Speaker, I knew we could count on the Liberal Party to stick it to Quebec, to always be there when it is time to run Quebec down. I know that the hon. member is one of a long line that has always done so.

In fact, all stakeholders in the workforce, the Conseil du patronat, the unions, the bodies concerned with job training, have expressed the wish that the Government of Quebec play the lead role in training, since it is normal for things to be that way.

Is it true that, during the first year of implementation of these programs, there were adjustments that needed to be done, things to be re-examined? Of course we are aware of that, but what I am saying is that if the hon. member for Verdun—Saint-Henri thinks it is a fiasco that manpower training programs were transferred to Quebec, it is because he is prepared to deny the interests of Quebec. It is unworthy of a member of parliament from Quebec to hold such a view.

[English]

Mr. Jake E. Hooppner (Portage—Lisgar, Ref.): Mr. Speaker, it has been an interesting morning listening to the debate. I am sure that it is a healthy debate, but my blood pressure rises once in a while according to the statements and arguments I have heard.

We know we are debating Bill C-71, the budget implementation act. This omnibus bill will implement programs from the 1999 budget. The first part of the bill includes an increase in the CHST for the purpose of health care funding.

Let us make no mistake. A shell game is being played. In 1993 when the Liberals took office the CHST was \$18.8 billion. The

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measures in the most recent budget restore it to \$14.5 billion, which is still \$4.3 billion per year less than when the Liberals took office.

We see the pattern where the government guts health care and then a few years later tries to create the illusion that it is the defender of health care by throwing money back into the pot. At the end of the day we are getting less health care than when the Liberals took office.

These tactics have been used for years by federal governments that think the public is easily fooled by the shell game. The public is more aware than the Liberals think it is. The public is not being fooled. It knows the Liberals are removing \$3 from the system for every \$1 they put back in.

When the 1999 budget came down it amounted to a Liberal apology for their reckless gutting of the health care system. The government tried to regain some support by putting money back into the system, but Canadians realize that they have never paid so much for so little as they have under this government. There were 188,000 Canadians on waiting lists for health care services who would not accept this Liberal apology.

• (1350)

When I look at my own community I see a tremendous number of people going to the U.S. for easily accessed CT scans and health care services, I wonder what the government is thinking.

Nurses are on strike. Nurses are demanding that they get some more help. They are overloaded. Nurses are going to the U.S. When we look at the nurses going to the U.S., they are not the 40 and 50 year old nurses who are established. They are the younger trained nurses, the brain drain, the people who are leaving the country.

It is the same for doctors. They are leaving for the U.S., not just because of better pay but because of less taxes and more opportunities to practise their expertise. If it were not for South African doctors emigrating to Canada, we would be in a terrible mess as far as the health care system is concerned.

The 1999 budget shows that the Liberal Party is still not interested in listening to Canadians. Instead of providing tax relief, the government chooses to spend. The budget announced \$8.5 billion in cumulative new spending initiatives over the next three fiscal years. The budget did not contain any significant debt or tax relief measures that would increase disposable income or create investment opportunities for entrepreneurs. This is despite mounting pressure from Canadians to lower taxes.

In the past few weeks we have been faced with the spectacle of large firms operating in Canada threatening to pick up and move south because they are no longer willing to contend with the high taxes and the high cost of doing business under the Liberal government.

The voices of these CEOs join the chorus of thousands of Canadians who have been trying to tell the government the same

thing for years. However, the Liberals are ignoring the message just like the Conservatives did in 1993, and we remember what the results were.

An hon. member: Do you put your tax cuts on your VISA or MasterCard?

Mr. Jake E. Hoepfner: I see my hon. friends across the way are listening and I appreciate that. That is the only way we will get a few things done.

We noted yesterday on television the Premier of Ontario beginning an election based on the jobs he created. I was always under the impression that it was all due to the Liberal government. All of a sudden we hear a premier saying that because of his reductions and fiscal responsibility there are 585,000 new jobs.

Actually the events of the past few weeks have shown Canadians how confused the Liberals are on the issue of tax cuts and productivity. In fact they are all over the map. Some cabinet ministers suggest the country needs deep tax cuts to compete with the U.S. Some even seem to recognize that high Canadian taxes are driving away investment in Canada and are making it difficult to build businesses.

At least some of these cabinet ministers seem to understand that a policy shift is required, but the Prime Minister has been quick to reign them in. I suppose he does not want Canadians to get the idea that they actually deserve tax breaks. If they are given a little finger, the Prime Minister is afraid they might suddenly ask for a hand. Then we would have a real problem because it would come out of the pockets of taxpayers and into the community for investment.

The Prime Minister has been quick to squelch any break out of common sense. Canadians want less taxes and smaller government, and he is giving them the opposite. Instead of the tax cuts that everybody wants, we get increased taxes and less health care under a Liberal government.

For good measure the budget also perpetuates discrimination against single income families in the tax code by requiring them to pay more tax than their dual income counterparts.

• (1355)

It has been pointed out that the government overspends its budget every year. Last year it went \$3 billion over budget. This year it is about \$7.6 billion. It does this to ensure there is not enough left in the coffers to start giving Canadians tax relief. It is a sneaky strategy, but the government has proven that it is quite willing to cook the books a little in order to maintain its strategy.

The government's legacy will be its lack of foresight and its stubborn refusal to listen to people who know how to make the country better and more productive. Whether they are everyday Canadians or industry experts, this is evidenced by the government's refusal to target money where it would be most beneficial.

Our treasury board critic uncovered some startling examples of misspent money by the government. They include thousands of dollars spent on golf balls for a government department and hundreds of thousands of dollars on silverware and china for bureaucrats. I included these examples in my most recent householder, and my constituents could not believe that their tax dollars were being wasted like that.

It is painfully obvious that the government cannot keep a lid on the out of control spending of its departments. The government spends money on wasteful things and keeps money away from the areas where it could benefit the economy. There is no better example than the agriculture sector. Everyone is familiar with the—

The Speaker: Order, please. The member has 11 minutes left and will have the floor when we return. We will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

GRANVILLE ISLAND PUBLIC MARKET

Mr. Lou Sekora (Port Moody—Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, I am very pleased to recognize the 20th anniversary of a truly unique Vancouver landmark. Granville Island Public Market opened on June 12, 1979. Over the years the market and Granville Island have become a must-see attraction for visitors. The market is recognized as one of the most successful in North America.

Given that the market and Granville Island are seen to be synonymous, we are taking this opportunity to celebrate the success of this rejuvenated industrial area in the heart of the city. I am proud that the Government of Canada, through the CMHC, has contributed significantly to the development of sustainable communities such as Granville Island.

* * *

CORNELIUS W. WIEBE

Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.): Mr. Speaker, tomorrow an extraordinary citizen in my riding will be awarded the Order of Canada in a special ceremony. Dr. Cornelius W. Wiebe will be given this honour at his home in Winkler by the governor general. Dr. Wiebe, now 106 years old, was born in a log home in 1893 near Winkler, Manitoba.

He began studying medicine in 1920. Soon after graduation he brought his family to the community of Winkler where he

practised medicine for more than half a century. He extended his community service by sitting on the local school board and spending a term as a member of the provincial legislature. His insights into medicine, politics and agriculture were always highly respected and appreciated.

The community today has many health facilities made possible through Dr. Wiebe's initiatives: the Winkler Bethel Hospital, the Winkler Clinic, the Eden Mental Health Centre and the Valley Rehab Centre. It is an honour for—

The Speaker: The hon. member for London—Fanshawe.

* * *

SPEECH AND HEARING AWARENESS MONTH

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, I am pleased to inform the House that May is speech and hearing awareness month.

This is an opportunity to promote public understanding and to educate Canadians about the challenges faced by the deaf and hard of hearing. An estimated one in ten Canadians is deaf or has some degree of hearing loss. Those most likely to be afflicted are seniors. We need to recognize the importance of improving the situation for those with hearing related communication disorders.

● (1400)

Speech and Hearing Awareness month is recognized by voluntary and professional organizations which provide ongoing services to deaf and hard of hearing individuals.

Please join me in congratulating all organizations, service agencies, professionals and volunteers who help improve the quality of life for the deaf and hard of hearing.

* * *

RED CROSS

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, I am pleased to inform the House that Saturday, May 8 is World Red Cross-Red Crescent Day. This day celebrates the humanitarian work of millions of Red Cross-Red Crescent staff and volunteers worldwide.

Among the countless number of victims of conflict and disaster worldwide helped by the Red Cross were the people in Central America devastated by hurricane Mitch and now the refugees from Kosovo.

In honour of the millennium, the international family of the Red Cross is celebrating the theme "Power of Humanity", the guiding principle for all the Red Cross' work: "The rehabilitation of people suffering the consequences of war, violence, natural disaster and malnutrition".

S. O. 31

I would ask all members to please join me in recognizing the Canadian Red Cross for its great work and in wishing them a very successful World Red Cross-Red Crescent Day.

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THE LATE ALLAN WRIGHT

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, today I would like to pay tribute to a constituent Allan Wright who passed away January 29 in Grande Prairie, Alberta.

In 1944, Lieutenant Wright became one of Canada's most decorated soldiers, being awarded the Canadian Military Medal and the Distinguished Service Cross medal from the U.S. government for the heroic acts he performed while stationed in Europe during World War II. The U.S. medal is second only to the U.S. Congressional Medal of Honour. He was decorated by both the American and Canadian governments, commissioned in the field and wounded in action.

Like many World War II veterans, Lieutenant Wright lived with the effects of his wounds for his entire life. Allan or Phooey, as he was fondly known in Grand Prairie, was one of five brothers who fought on behalf of Canada. His brother Kelly was killed in action.

On behalf of Peace River constituents, I salute Allan for the sacrifices he made for this great country and for the accomplishments that he achieved. He is truly a Canadian hero.

* * *

RESERVISTS

Mr. John Richardson (Perth—Middlesex, Lib.): Mr. Speaker, reservists have always played an important role in the Canadian forces. They have represented our country with distinction at sea, on land and in the air. Reservists are committed Canadians who do their military service in their communities, both small and large, urban and rural.

The names of some of the units, like the Fort Garry Horse of Winnipeg, are written on the pages of history books. Other names, like the 2nd Irish of Sudbury and Her Majesty's ship *Montcalm* of Quebec City, might be known only locally but we know them today.

The names and locations might be different, but reserve units across Canada share the same mission. They have served close to home during the Manitoba flood in 1997 and the ice storm of 1998, and they have served abroad in places like Bosnia, the Golan Heights and Cyprus.

May 5 has been designated Reserve Force Uniform Day and all members of the primary reserve, cadet instructors cadre and Canadian rangers—

The Speaker: The hon. member for Trois-Rivières.

[Translation]

SAINTE-URSULE SECONDARY SCHOOL

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I want to draw attention to the remarkable performance by four musical groups from the Sainte-Ursule secondary school in Trois-Rivières at the Heritage Festival of Music in New York in mid April.

The only delegation from Quebec, in fact from Canada, to this competition, which brought together 90 groups from the United States, Sainte-Ursule school picked up two gold medals, one in the harmony category and the other in the stage band category and won a silver medal in the jazz vocal class.

To top it all off, this delegation won a special award for the vibrancy, enthusiasm and public spiritedness of these young people from my riding.

I congratulate them on proudly and worthily representing Quebec in this top-level competition and would draw particular attention to the work of the music director, David Labrecque.

* * *

FISHING INDUSTRY

Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.): Mr. Speaker, on May 3, the Government of Canada and the Government of Quebec reached an agreement on the joint implementation of an early retirement program for workers in Quebec affected by the decreased activity in the Atlantic groundfish fishing industry.

We will recall that it is a joint program, with the Government of Canada paying 70% of its cost, and the Government of Quebec, 30%.

• (1405)

This type of program bears witness to our government's commitment to working in partnership with the Government of Quebec in an area as important as the quality of life of the fishers affected by the decline of this industry.

We have here another example of the benefits of Canadian federalism and its flexibility, especially when there is co-operation.

* * *

PIERRE PETEL

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, it is with sadness that we learned the passing of one of the fathers of Radio-Canada, Pierre Petel, who died at the age of 79, after a long illness.

Born in the Montreal neighbourhood of Hochelaga, Pierre Petel studied at the school of furniture designing. He was a student of Paul-Émile Borduas and a fellow of painter Jean-Paul Riopelle. He

was one of the first francophone filmmakers at the National Film Board, where he worked from 1945 to 1950.

At the very beginning of national television, in September 1952, Pierre Petel was the author and producer of Radio-Canada's first teleplay, *Le Seigneur de Brinqueville*. Mr. Petel's death is particularly sad since we are celebrating the NFB's 60th anniversary this week.

I extend my most sincere condolences to the relatives and friends of this Radio-Canada giant, and I say thank you Pierre Petel for your lifelong work.

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[English]

BRITISH PARLIAMENTARY ELECTIONS

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, the winds of change are blowing strongly across Britain today.

For the first time in nearly 300 years, parliamentary elections are being held in Scotland and Wales. These legislatures will bring government closure to the people they serve. For centuries the Scottish, Welsh and Irish have felt alienated by the decision made in far off Westminster.

I commend Prime Minister Tony Blair for recognizing the need for institutional and governmental reform and acting upon it. Blair has recognized that the upper house must be accountable to the electorate and that decisions on health, education and social services are best made by local forms of government where the voices of the electors are heard most clearly.

Congratulations to Scotland, Wales and Great Britain. There are lessons for our Prime Minister to be learned from Mr. Blair. Our Prime Minister says we do not need change because our system is based on Britains. Well, Mr. Prime Minister, the times they are a changin'.

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UNITED ALTERNATIVE

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, as Reformers prepare to judge the united alternative at the end of the month, they should look at its success rate for broadening support.

In 1992 the Reform Party reported that it had 132,000 members. Today it only has 65,000, half that number.

With that kind of negative growth, Reformers will not need to vote themselves out of existence, they can just wait until their support totally withers away and drops off.

One Reform MP was quoted as saying this about the united alternative, "The sooner we can put this behind us, and defeat this

ridiculous notion and get on with our real business, we'll be better off".

I could not disagree more. The more time Reform spends on the united alternative, the fewer Reformers there are. And the fewer Reformers there are, the better Canada is.

* * *

SEXUAL ASSAULT AWARENESS MONTH

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Mr. Speaker, May is Sexual Assault Awareness Month. Sexual assault is a uniquely gendered crime. Overwhelmingly it is women who experience this violence. In Canada two out of three women have been sexually assaulted, one every six minutes.

Sexual assault is a serious crime and must be stopped. It has serious economic and political costs for women. The ability to live our lives free from gender based violence, free to walk down the streets is every women's right under the Canadian Charter of Rights and Freedoms.

Women cannot help but wonder that if two-thirds of corporate executives or lawyers were victims of assault we would be declaring a state of emergency. Instead we have the federal violence prevention strategy that leaves action to other levels of government or community groups with no commitment of resources.

Women want the government to know that failing to take serious action to prevent sexual assault amounts to tolerance of gender inequality. Canadian women are tired of platitudes from this government. They want action and they want it now.

* * *

• (1410)

[Translation]

KOSOVO

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the report released on Friday by the organization Doctors without Borders on the situation in Kosovo implacably concluded, "It is a planned process to extinguish a people. Albanians from Kosovo are not only deported, but also systematically stripped of documents establishing their identity, civil status and title to property. By forcing them out of their homes, the Serbian forces are clearly telling them that they are no longer from Kosovo, never were and are never to come back".

This timely report tells us that this is an action "whose details, players and objectives are necessarily part of a pre-established plan".

The report adds that "more than half of the individual accounts heard refer to murders committed under various conditions, thus reflecting an extremely high level of violence".

Oral Questions

It is high time all the Milosevics of this world learn that they cannot do what they want without triggering a reaction from the international community.

* * *

[English]

MULTIPLE SCLEROSIS MONTH

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, May is Multiple Sclerosis Month. Yesterday it was my pleasure to work with members of the MS Society and members of the Speaker's staff in pinning red carnations on our colleagues here in the House. It was a wonderful sight.

I thank you, Mr. Speaker, your staff and all of my colleagues for their generous support of the MS Society. We raised a lot of money that will be useful in doing research and extending help to those who are afflicted by this disease of the central nervous system.

Sunday is Mother's Day and the end of the annual carnation week campaign. I encourage all Canadians to buy carnations this weekend because so many women are affected by this illness. I will be in the Burlington Mall helping a terrific team. It will be a wonderful opportunity to make additional funds for the MS Society.

* * *

[Translation]

HAUTE-YAMASKA

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, in an increasingly global economy, our country's prosperity depends largely on our ability to innovate and to be competitive.

As the magazine *Québec Entreprise* points out in its most recent edition, the various economic stakeholders of one RCM in my riding have taken this very much to heart. The Haute-Yamaska region, whose main business centres are Granby, Bromont and Waterloo, has shown that it has what it takes to compete with the best.

A healthy economy, a strong and modern manufacturing industry, and high-tech businesses all combine to make this region one of the most dynamic in Quebec.

I would like to take this opportunity to pay particular tribute to all those who helped build my region and who, through their know-how and leadership, are contributing to the economic growth of Quebec and of Canada.

* * *

[English]

ALLERGY-ASTHMA AWARENESS MONTH

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, I am pleased to inform the members of the House that the month of May is Allergy-Asthma Awareness Month.

More than six million Canadians suffer from allergies and asthma. In many cases, these conditions can be life-threatening.

Voluntary organizations, including the Allergy-Asthma Information Association, help people gain control over their symptoms and improve their quality of life. The Allergy-Asthma Information Association provides educational services and support to both affected individuals and their families.

In 1997 the association answered over 70,000 telephone inquiries and requests for information from all regions of Canada.

Please join me in wishing the Allergy-Asthma Information Association a successful awareness month.

* * *

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the following is a poem sent to me recently from an overtaxed Canadian:

Tax the farmer, tax his dad,
Tax whate'er he ever had.
If he's broke, it's just too bad,
Tax him hard, till he looks sad.

Go ahead and tax the man.
Tax his dog and hired hand;
Tax his cow. Tax her milk,
Tax his bed, tax his quilt;

Tax his pig, tax his pen,
Tax his flocks, tax his hen;
Tax his corn, tax his wheat,
Tax his wagon, tax its squeak;

Tax his wife, tax his boy,
Tax whatever gives him joy;
Tax the man who works for him,
'Fore his paycheque gets too thin.

Tax his buildings, tax his chattels,
Tax his truck and all its rattles;
Tax his stock and tax his cash;
Tax him double if he's rash;

Tax his light, tax his power,
Tax his payroll by the hour;
If he's making more than rent,
Add another five percent;

Tax whate'er he has to sell,
If he hollers—tax his yell.

For the finance minister.

ORAL QUESTION PERIOD

• (1415)

[English]

KOSOVO

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, all members of the House were encouraged today to learn that

Oral Questions

the members of the G-8, including Russia, have agreed to a seven point plan to bring peace to Yugoslavia. The plan is reported to include the deployment of an armed international peacekeeping force in which the Russians would participate.

I ask the Prime Minister what role is Canada expected to play in the implementation of this plan?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I thank the Leader of the Opposition for asking this question.

I was talking earlier with the Minister of Foreign Affairs who started to work on this compromise while he was in Moscow. I would like to report to the House that he played a very important role in the drafting of this resolution. Our role is not defined as yet. We have to move hoping to have a resolution of the security council on that so that the force can be deployed under the authority of the United Nations.

I am very pleased to see that the Russians are part of this agreement and that the G-7 ministers have agreed. It is a very good sign of progress. I hope now that the isolation of Milosevic will be so clear that he will realize he has to permit the Kosovars to go home as soon as possible so that the bombing can stop.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, nothing comes for free in this world and presumably the Russians did not agree to participate in this G-8 plan without asking for something in return from the G-8 members. For example, it is well known that the Russians have been asking for \$10 billion and more in assistance from the IMF and other economic and trade assistance from the west to help a faltering economy.

Can the Prime Minister tell us what commitments the G-8 made to Russia to secure its involvement and what those commitments will cost?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I really do not know why the Leader of the Opposition is throwing a canard like that. I think that the Russians want to have peace in Yugoslavia, and they want to participate with the G-8 to find a political and diplomatic solution to this conflict that we all hope will stop soon.

I do not know of any quid pro quo for them to sign. They are determined, like other countries of the G-8, to have a diplomatic solution. And they did not ask a price for that. Their reward will be the same as ours. It will be peace.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Canada has already committed 800 Canadian troops to a peacekeeping mission in the Balkans. Originally the plan was for these troops to work with a British brigade as part of a NATO led

peacekeeping mission. Now they will presumably be deployed under a UN mandate which will include both civic administration as well as peacekeeping.

Are our Canadian troops properly prepared and equipped for any changes in role which the implementation of this new plan may include?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the answer is yes.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, Canada should do everything possible to make peace a reality in Kosovo. That will inevitably mean committing a sizeable Canadian military contingent to the region. I am concerned however that we may not have the resources to extend any such commitment beyond the current 800 soldiers who have just been deployed.

Is the defence minister considering the expansion of Canada's current commitment beyond what we have already sent there?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, there has not been any request to that effect but certainly if there is, then of course we would have a very close look at it. There is nothing in the G-8 terms today that would change the picture in terms of the 800 peacekeepers we have sent over there. They can certainly play a very useful role under the G-8 formula for a solution to this.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, our military planners talk of double tours of duty which reveal just how strapped the Canadian forces are for personnel. Our soldiers are already overtasked and they are overworked in Bosnia.

Will the defence minister assure the House that any further commitment to an international peacekeeping force in Kosovo will not include troops who are currently serving in Bosnia?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): Mr. Speaker, there are no plans to do that in the immediate future. We do have a formula for people coming back from peacekeeping duties to spend some time back here at home before they can be deployed into another theatre.

Is the member talking about taking somebody directly from Bosnia to Kosovo? No, we are not looking at that prospect at all.

• (1420)

In fact, the number we came up with, 800, and the roles that we are asking them to play in this peacekeeping are to bear in mind the fact that we want them to come back home after a six month period of time when they can be reunited with their families. We have taken all of that into consideration. That is all part of the quality of life that we want to improve for our Canadian troops.

Oral Questions

[Translation]

INTERNATIONAL RELATIONS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, now that the Minister of Foreign Affairs has admitted yesterday that the Canadian embassy in Mexico never passed on Quebec's request, contrary to what the Prime Minister claimed yesterday, will the Prime Minister apologize to the House, to the Government of Quebec, and to Mexico for the erroneous statements he made in the House yesterday?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Parti Québécois is again trying to show that it has been humiliated.

The President of Mexico will not be in Mexico City when Mr. Bouchard is there. This is a rational enough explanation. I do not know who informed the President of Mexico but, when I met with him, he told me that he would not be there for Mr. Bouchard's visit. It was he who raised the problem, not I.

Divine providence probably informed him, not the Canadian government.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Quebec was ready to change its dates, but that is not the question. The question is whether or not the embassy passed on the message.

Yesterday, the Prime Minister told the House that foreign heads of state did not usually receive provincial premiers. That being the case, how does he explain that Robert Bourassa met with two British Prime Ministers and the German Chancellor?

David Peterson met with the prime ministers of Japan and Italy and the Premier of China. Quebec minister John Ciaccia was received by President Carlos Salinas in Mexico in 1993 and, two weeks ago, Brian Tobin was received by President—

The Speaker: The Right Hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we had a well established protocol for this.

Since I have been Prime Minister, there have been numerous examples of Quebec's Department of International Affairs not allowing the Canadian embassy to be represented during visits by presidents of other countries to Quebec, despite the existing protocol. If they want a protocol, they should start respecting it.

I apologize to President Zedillo, for he must now be having to read telegrams about the humiliation he has inflicted on dear Mr. Bouchard.

Some hon. members: Oh, oh.

The Speaker: Order, please.

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, in 1974, Robert Bourassa met with the King of Sweden. In 1975, Mr. Bourassa visited the Shah of Iran. In 1989, Mr. Bourassa was received by the German Chancellor. In 1992, Mr. Bourassa met with the British Prime Minister.

Is the Prime Minister not putting an unacceptable spin on international relations by refusing to facilitate a meeting between the Premier of Quebec and the President of Mexico?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the president is not even there. So they are being humiliated.

As we know, the PQ plan is to systematically go looking for humiliations in order to try to win a referendum they never will win if they have the gumption to ask a clear question to the population of Quebec.

So why bother—emmerder—foreigners with our problems, instead of keeping them here—

Some hon. members: Oh, oh.

An hon. member: Is that parliamentary language?

The Speaker: Order, please. I would again ask hon. members, and the Right Hon. Prime Minister as well, to be very judicious in their choice of language.

• (1425)

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, once again the Prime Minister is giving a demonstration of his legendary nastiness toward Quebec.

Yet the federalist top guns never stop telling us that Canada is a flexible and decentralized federation, one in which Quebec is supposedly a society with a unique character.

Does the Prime Minister realize that, by deciding what the Premier of Quebec can and must do, he is revealing how he sees Quebec: as a province like all the others, subordinated to their lords and masters in Ottawa.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I might quote Jean Lapierre, a former Bloc member.

An hon. member: A former Liberal minister.

Right Hon. Jean Chrétien: Paul Arcand spoke of a winning condition. Lapierre's reply was: "There you are. The Canadian Constitution is very clear on federal jurisdiction over international trade and foreign affairs. There is no doubt about that. Yet any time you want to go beyond your jurisdiction, you know that Ottawa will say no. Such a clever strategy".

So there we have it. They provoke incidents. They go on and on about interference in provincial areas of jurisdiction, while they are trampling roughshod over federal areas of jurisdiction all the time.

Oral Questions

[English]

ETHICS COUNSELLOR

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Prime Minister.

The auditor general does not report to the Prime Minister for good reason. He reports directly to parliament, as do the chief electoral officer, the official languages commissioner, the privacy commissioner and the information commissioner. In some provinces reports on ethics are fully disclosed, but not in this government. It prefers to operate—

Some hon. members: Oh, oh.

The Speaker: Order. My colleagues, I would ask you please to lower your voices.

The hon. leader of the New Democratic Party, you may begin your question again, if you like.

Ms. Alexa McDonough: Mr. Speaker, the auditor general does not report to the Prime Minister for good reason. He reports directly to parliament, as do the chief electoral officer, the official languages commissioner, the privacy commissioner, and the information commissioner. In some provinces reports on ethics are fully disclosed, but not in this government. It prefers to operate behind closed doors.

Why does the Prime Minister refuse to allow the ethics commissioner to report directly to parliament?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in exactly 62 minutes he will be in front of a committee replying to questions of members of parliament. It is not in hiding. It is in the open. He explains how he manages the files and members can ask him questions. But there is too, for every member of parliament in their private affairs, an element that when they have blind trust, that means that trust has to be blind. He will reply to questions. I have written a letter and I have replied to all the questions in the House. You can ask Mr. Wilson questions this afternoon.

The Speaker: Please direct your answers and your questions to the chair.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, sure we can ask questions without the benefit of a report to parliament to base those questions on.

In 1994 this government promised to develop a code of conduct for MPs and senators. That was over five years ago and what do we have? Nothing. Telling proof that ethical conduct is not a priority for this government.

The member for Halifax West has done his homework and tabled a code of conduct. Has the Prime Minister reviewed that code of conduct and will he support it?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member across will know that the code of conduct for members of parliament that she is proposing is for people in their jobs as members of parliament.

• (1430)

The member will also know, if she has surveyed her own colleagues, that very few members of the House would want what she says; that is to say, the disclosure of assets and everything else of her own backbenchers. Perhaps she should check it out.

* * *

[Translation]

MILLENNIUMSCHOLARSHIPS

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, on the subject of the millennium scholarships, two months ago I put a question to the Minister of Human Resources Development. He said he was prepared to appoint a negotiator, if such were requested. In the past two months, two agreements have been signed—with Alberta and Ontario.

This morning the minister of education sent a letter to the Minister of Human Resources Development. We learned today that the minister will announce the appointment of a negotiator, finally, after two months.

The minister is like the tulips on the Hill. He opens up, finally, and sees the light. Why did he wait two months to appoint a negotiator?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, two months ago in the House, I proposed a facilitator, and Quebec refused.

The foundation has concluded two agreements, with Ontario and Alberta, two agreements that were extremely well received in Quebec.

I am very pleased to see that the students, the educational community, the public in general and the political milieu recognize the flexibility of the Canadian legislation, and we will make sure that the best interests of students in Quebec remain a priority—

The Speaker: The hon. member for Richmond—Arthabaska.

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, the minister took over two months, two tulip festivals, before appointing a negotiator. That makes no sense.

Can the minister, who today is appointing a negotiator, tell the House what his mandate will be in meeting the Quebec negotiator, when the negotiator will report to the minister and when the minister will report to the House? It is time to stop beating about the bush. Tulip time has arrived, and we need a solution.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, this morning, I appointed Robert Bourgeois, assistant deputy minister with the Department of

Oral Questions

Justice, as the facilitator in the matter of the millennium scholarships.

This matter has moved along considerably in the past two months and reached the point where now the Government of Quebec has agreed to return to the Gautrin motion, the three principles of which are provided for in the agreements signed with Ontario and Alberta.

The mandate of the facilitator, Mr. Bourgeois, will fall within the legislation that parliament passed last year.

* * *

[English]

ABORIGINAL AFFAIRS

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The minister has a responsibility to disclose his views on the Nisga'a treaty, yet he sat here during three days of questions and did not answer any of them.

This treaty creates a new Nisga'a state in the heart of British Columbia. The Nisga'a government will have absolute power in 14 constitutional areas and the Nisga'a can grant civil rights based on ethnicity.

This same minister has refused to grant Quebec these same powers, and rightly so. Why has he caved in on the Nisga'a treaty?

The Speaker: I remind members that the question is posed to the government and any minister or anyone on this side can answer.

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the Reform Party has every right to question the treaty with the Nisga'a.

What is not legitimate is that it has tried to analyse what we mean by the spirit of our country, comparing what would be seceding with an agreement on what is within the Canadian constitutional framework.

Mr. John Duncan (Vancouver Island North, Ref.): Mr. Speaker, we are not talking secession here; we are talking sovereignty association, a sovereign state.

I asked the minister about creating a state within a state in the province of British Columbia. I am sure that he wants to respond again.

He says that Quebec cannot take over the federal government's powers, and we agree. He says that Quebec is not a nation state, but he obviously thinks the Nisga'a nation is. Why the double standard?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, we need to do some educating for the sake of the other side.

The questions they are asking get to the heart of the issue of the inherent right to self-government. We are not talking about ethnicity; we are talking about indigenous people to Canada, people who lived here before my ancestors came and before many of theirs.

• (1435)

The understanding is that indigenous people, first nations, were governing themselves before we arrived and, as one of the rights protected in our Constitution, aboriginal rights, the inherent right to self-government is such.

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[Translation]

INTERNATIONAL RELATIONS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, no doubt the business people accompanying the Quebec Premier on his economic mission to Mexico will appreciate the fact that not only did the Canadian embassy not help them one bit, but also that the Prime Minister thinks they are troublemakers, emmerdeurs. They are going to bother—emmerder—people in Mexico because they want to discuss economic development for Quebec.

Does the Prime Minister feel that the visit, 15 days ago, by his Newfoundland friend Brian Tobin to the Prime Minister of Ireland was also a trip made to bother people, a trip of emmerdements?

The Speaker: I would prefer that we did not use words like “emmerdant”.

An hon. member: The example comes from the Prime Minister.

The Speaker: Order. This goes for both sides of the House.

The Right Hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, let us not get all worked up. It is not even me, it is Jean Lapierre again who said—

Paul Arcand asked him “Then, why are the Péquistes upset?” And Lapierre replied “Because it is a nice way to be told no and, I am telling you, and I am telling people, do not fall for this trick”.

For example, when Mr. Bouchard went to Washington, did he not ask to meet with President Clinton?

We are helping the Government of Quebec. They will meet with all the economic ministers they want to. The only thing they want is to be told no and feel a little more humiliated.

Some hon. members: Oh, Oh.

The Speaker: The hon. member for Roberval.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would appreciate it if the Prime Minister would explain his logic. Why is

it possible, normal and fine for former premiers of Quebec, Ontario and Newfoundland to meet prime ministers and heads of state, but a big deal—ces emmerdements—when it is the Premier of Quebec?

We cannot accept that.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is very, very, very complicated. Mr. Zedillo is not in Mexico City. Therefore, it is the federal government's fault.

* * *

[English]

ABORIGINAL AFFAIRS

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, the Nisga'a treaty creates a separate race-based nation in the heart of British Columbia. The treaty gives that—

Some hon. members: Oh, oh.

The Speaker: Order, please, on both sides of the House. The hon. member for Fraser Valley.

Mr. Chuck Strahl: Mr. Speaker, the Nisga'a treaty creates a separate race-based nation in the heart of British Columbia. It also hands over the control of 14 constitutional areas from this parliament to the Nisga'a people.

When the Nisga'a agreement was brought to the British Columbia legislature for debate the B.C. Liberal Party opposed it, saying it was a backdoor amendment to the Constitution of Canada and it should be disallowed for that reason alone.

Why does the constitutional affairs minister agree that this is the proper way to amend Canada's Constitution?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, it is very difficult to try to explain to a party that refuses to understand treaties and treaty making in Canada why its answers are so incorrect.

Let me share this with the House. It comes from the Canadian Human Rights Commission.

Concerns have been raised that the new Nisga'a system of government will be "racist" and "undemocratic" because only Nisga'a may vote for representatives to the central and village governments. In the Commission's view, these accusations are based on a misunderstanding. The Nisga'a people governed their own affairs within their territory long before European contact and have never renounced that right. This inherent—

The Speaker: The hon. member for Fraser Valley.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, let me try this another way.

The intergovernmental affairs minister calls himself the keeper of the Constitution, but it is obvious by his silence that he is going to go along and of course he is going to vote for this Nisga'a agreement when it comes in.

Oral Questions

The question is this. Since the Nisga'a band has been granted, in essence, a form of sovereignty association within the province of British Columbia, why would the intergovernmental affairs minister possibly vote for a change to the Constitution of that magnitude? Why would he do it?

• (1440)

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, is it possible to stop this kind of demagoguery and to stop portraying a change within the constitutional framework to mean the splitting up of Canada, the end of our country? Is that possible?

* * *

[Translation]

INTERNATIONAL RELATIONS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, today, the Prime Minister is trying to change his story.

He is saying that it is because the president was not there. But Quebec was prepared to change its date. The real reason is that Ottawa refused—

Some hon. members: Oh, oh.

The Speaker: Order, please. We want to listen to the question. The leader of the Bloc Québécois.

Mr. Gilles Duceppe: Yesterday, what he said was that a premier did not meet with a head of government.

I would like to know why the Canadian embassy in Ireland organized a meeting for Premier Tobin two weeks ago. Why did it then refuse to do the same thing for Premier Bouchard?

The Prime Minister went on at great length about how this was not done, that it was contrary to Canadian protocol. Can he tell us how it is that this protocol has changed in two weeks?

An hon. member: There are two stories.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this involves a trade mission to Mexico. We are being accused of not informing President Zedillo. He himself informed me that Mr. Bouchard was going to visit Mexico.

He told me that he was not going to be there that day, and he was not. They are trying to turn it into a huge scandal. But these are the same people who are always talking about respect for jurisdictions.

They are clearly interfering in an area of federal jurisdiction—

An hon. member: Oh, oh.

Right Hon. Jean Chrétien: —and then saying it is our fault that the President—

Oral Questions

The Speaker: The leader of the Bloc Québécois.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if Brian Tobin met with foreign heads of state, that would not be interfering in federal jurisdiction, that would be fine.

But when it comes to the President of Mexico meeting with the Premier of Quebec, it is out of the question. Is it not true that what the Prime Minister really wants is for all Quebecers to be just like him, good French Canadians kowtowing to the federal government?

Some hon. members: Oh, oh.

An hon. member: Shame.

The Speaker: Order, please.

An hon. member: Kowtowing like Stéphane Dion.

Some hon. members: Oh, oh.

The Speaker: Order, please. That is enough.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am extremely proud to be a French Canadian.

Some hon. members: Hear, hear.

Right Hon. Jean Chrétien: I am very proud to be the Prime Minister of this country, a country of tolerance and generosity.

The pettiness of the leader of the Bloc Québécois is very clear; I have spent 36 years defending francophones both in and outside Quebec so that they can remain French, and continue to be proud to be part of Canada, the best country in the world.

Some hon. members: Hear, hear.

Some hon. members: He sold out.

Some hon. members: Oh, oh.

• (1445)

The Speaker: Order, please. I would ask the hon. member for Bourassa and other members to lower their voices. The hon. member for Medicine Hat.

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[English]

THE ECONOMY

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, first I want to inform the House that I am humiliated the Prime Minister has not arranged a meeting with the Pope for me. I am very disappointed in him.

According to the Conference Board of Canada, the low dollar has been masking the underlying weakness in the Canadian economy. My question is for the finance minister. The finance minister

cannot wish this problem away. The dollar is strengthening right now. When will he cut taxes to save Canadian jobs?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, in his own mind I thought the member for Medicine Hat was the Pope.

The conference board said that many factors affected our ability to operate efficiently. These include organizational effectiveness, the capacity of management, the skills of employees, investment market, firm size and the policy framework set out by governments. What the conference board has done is to confirm exactly the policy of the government.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I invite the minister to kiss the Pope's ring.

If the government does not want to believe the conference board, maybe it will believe the KPMG study that the government trumpeted just a month ago. In that study the government was arguing, by virtue of that study, that as the dollar strengthened more Canadians would lose their jobs. We would lose our competitive advantage.

Why will he not cut taxes so that Canadian business does not have to compete with one arm tied behind its back?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I would like to tell the full monty that the fact is, as the hon. member knows, that we have cut taxes. It has been spelled out very clearly here with \$16.5 billion over the next 36 months. We began cutting taxes faster than any other government after the elimination of the deficit.

The country is on the right track and we will continue to do that. At the same time we will invest in education. We will invest in health care. We will invest in future generations of the country.

* * *

[Translation]

KOSOVO

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, we have learned today that the ministers of foreign affairs of the G-8 countries meeting in Bonn have reached an agreement on the Kosovo question, an agreement described by the Canadian Minister of Foreign Affairs a little earlier today as still having a few sticking points.

My question is for the Prime Minister. Is not one of the major sticking points the nature and scope of the participation of the NATO member countries and of the force deployed in Kosovo, but also and above all—

The Speaker: The Right Hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the ministers of the G-8 countries have made considerable progress. In my opinion, having an agreement that includes the

Oral Questions

Russians is an extremely positive thing. There are details on the nature of the operation and on how it could be organized.

It is, however, obvious that there must be NATO troops over there, because there is not just the Serbian side. There is also the matter of disarming the Kosovars who are involved in violence. That is why the belligerents need to be kept completely separated in order to allow the people of Kosovo to return to their homes in safety.

* * *

• (1450)

[English]

HUMAN RESOURCES

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

As our elderly population increases and health care moves from the hospital to the home, could the minister tell the House if Canada has given any kind of consideration to providing some form of compassionate or eternity leave which would allow employees to take care of terminally ill relatives without fear of losing their jobs?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I thank the member for asking this very important question, one that is important to those Canadians who find themselves in such trying circumstances.

There are two main questions to examine around this issue. Is it about protecting peoples' jobs while they are on leave or is it about providing temporary income support? Is compassionate leave the best way to help? I have asked my officials to look into the matter.

* * *

VIOLENT OFFENDERS

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, I have a question about protecting public safety. There is more bungling by the solicitor general. Two convicted serious criminals walked away from Elbow Lake Camp in my riding two weeks ago. The only reason we know about it is that they are now prime suspects in a double murder case.

If public safety is the government's number one priority, why does it take a double murder before my constituents are even informed about this walkaway?

[Translation]

Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, the tone of the question suggests rumours or perceptions that are totally inaccurate.

This is a case of considerable concern. Correctional Services Canada has carried out an investigation. The RCMP is carrying out an investigation. They are working together in order to pick these people up, and until such time, I believe that the hon. member across the way should comply with the principle that a matter under investigation is not to be commented on in the House.

[English]

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, it is not rumour that two convicted criminals walked away from a camp in my riding. That is a fact. It is not rumour that they are now the prime suspects in a double murder.

Why is it that the government says that safety is its number one priority when people only find out about these things when those individuals commit a double murder?

[Translation]

Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, the Government of Canada claims that safety is the number one concern because it is.

Outside of that, the matter is under investigation. I am not in a position to comment any further.

* * *

[English]

CANADA PENSION PLAN

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of Finance. The CPP investment board has purchased shares in Imasco which owns Imperial cigarettes. The minister says that he does not want to interfere with the investment policy of the CPP investment board.

Why does the minister not use the power under the act to issue guidelines that would make ethical screening mandatory? Why is it so difficult to say no to smoking, no to polluting and no to child labour? He has the authority. Why does he not do it?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if we were to make any changes it would require an agreement between the federal government and the provinces, in fact a majority of the provinces, because the Canada pension plan is under joint federal-provincial stewardship.

In terms of the basic issue the member is raising, the Minister of Health has already answered it. In fact the government has an extensive program to discourage young people from smoking. It is one that the government fully supports.

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, would the minister show some leadership and inquire of the provinces whether or not they would support some ethical screening for the CPP investment fund?

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I have a list of several public pension plans in the United States which ban investments in tobacco and cigarette industries, including the New York state teachers retirement fund and the Florida state pension fund

If they can make these ethical investments, why does the minister not take the lead, consult with the provinces and make sure we do the same thing in this country and ban investment in cigarette and tobacco companies?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I am certainly prepared to raise any reasonable issue with my colleagues. As the member knows, two of the provinces are headed by governments of his party. One thing I would say is that there is a regular time for review and there will be regular meetings. All these issues can be dealt with.

It is important to understand that what the fund is now doing is not investing in individual stocks. It is investing in the index.

* * *

● (1455)

ROYAL CANADIAN MOUNTED POLICE

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, the RCMP desperately needs proper funding to fight organized crime and sex offenders. This requires greater staffing at forensic laboratories and the inclusion of a DNA databank in the CPIC. This databank addition will cost up to \$38 million in the first five years. Our police forces need this technology, yet the government refuses to commit sufficient money to accomplish the necessary upgrades.

Given the public interest and the necessity to provide the RCMP with the proper tools and technology it needs, why will the minister not commit to the proper funding of the CPIC and the DNA databank?

[Translation]

Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I find it absolutely remarkable that such a question should be asked when, barely one week ago, the Solicitor General of Canada announced \$115 million over the next three years, specifically to develop the system.

[English]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I find it remarkable that we would get such a lame answer from the parliamentary secretary.

As the B.C. attorney general and others plead with the solicitor general and the RCMP for financial aid, the government proudly states that it has allotted \$115 million. Yet, according to internal

RCMP documents, the CPIC needs over \$283 million to be effective. Apparently the staff shortages in the RCMP show that even this is insufficient, given these meagre tolls.

Why is the minister standing idly by while the government destroys our national police force through these harsh budget cuts?

[Translation]

Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, the allegations relating to what is needed to get the system operating are totally unfounded. We must remember, first of all, that \$115 million has been allocated to the CPIC.

We must also remember that the budget, the forecast, for the RCMP has been increased by approximately \$37 million.

We are starting to tire of these unfounded allegations. Let them base their questions on facts and we will answer those facts.

* * *

*[English]***ABORIGINAL AFFAIRS**

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Could the minister update the House on the status of the Lubicon land claim in Alberta?

Hon. Jane Stewart (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the claim of the Lubicon Cree of northern Alberta is a priority for me as minister of Indian affairs.

I recognize that I have received countless letters from Canadians encouraging this resolution and thank so many members of parliament who have written to me in this regard as well.

I can tell the House that there is an active table of negotiations under way as we speak between Canada and the first nation. The province is there. There is good momentum and I am hopeful that we will be able to resolve this long outstanding claim in a very positive fashion.

* * *

JUSTICE

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, yesterday the justice minister told the standing committee that Leonard Peltier was extradited to the United States for the murder of two FBI agents on evidence other than the fraudulent affidavit provided by Myrtle Poor Bear.

Will the minister tell the House what other evidence the justice department relied upon in the extradition of Mr. Peltier to the United States?

Oral Questions

Hon. Anne McLellan (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I cannot today tell the House the nature of that additional evidence.

However I will inform the House, as I informed members of the Standing Committee on Justice and Human Rights yesterday, that I will be releasing my predecessor's review of the Peltier extradition.

The contents of that entire review will be released by me within coming weeks. At that time everybody will be able to see the basis on which Mr. Peltier was extradited from Canada.

The Speaker: I received notification from the hon. member I am about to recognize that she will be signing part of her question today.

* * *

[Translation]

CAPTIONED PROGRAMS

Ms. Caroline St-Hilaire (Longueuil, BQ):

[Editor's Note: Member spoke in sign language as follows:]

Mr. Speaker, the French speaking people who are deaf and hard of hearing in Quebec and Canada do not have access to as many captioned programs as their English speaking counterparts. The main reason for this according to broadcasters is a lack of financial resources.

My question is for the Minister of Canadian Heritage. Does the minister agree that the captioning of programs must be considered a public service and will she therefore undertake to establish a program of support for French language captioning?

• (1500)

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I thank the hon. member for her question. I congratulate the member on her first question as heritage critic.

Everyone looks forward to the return in the very near future of the member for Rimouski—Mitis, and she is in our thoughts.

I would just say that I strongly support captioning in French, English and a number of other languages to make television accessible. I will follow up on the member's request with the CRTC.

* * *

[English]

ABORIGINAL AFFAIRS

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, in 1953 the Primrose bombing range that straddles both Alberta and Saskatchewan was established.

This huge tract of land that was reserved for the DND displaced the aboriginal people from their basic hunting and fishing rights.

The promised economic opportunities have not been beneficial for the people of northwestern Saskatchewan. The issues for the Metis elders and their communities, which have been directly affected by this loss, have not been resolved.

Will the minister responsible for Canada's Metis commit today to expedite a meeting with the Primrose negotiating committee to resolve these injustices?

Hon. Ralph E. Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, I have already had an opportunity to meet with the Primrose Lake air weapons range committee. I have also corresponded with the president of the committee, Mr. Durocher, and the president of the Metis nation of Saskatchewan, Mr. Chartier, to indicate my keen interest in working out a solution to this matter.

I am indeed very interested in working with the Metis people and the Government of Saskatchewan to identify appropriate economic development and other opportunities for Metis communities in the northwestern part of Saskatchewan.

* * *

PUBLISHING INDUSTRY

Mr. Mark Muisse (West Nova, PC): Mr. Speaker, for weeks Canadians have been reading reports about Canada and the U.S. nearing a compromise agreement on Bill C-55.

Not only are Canadians kept in the dark as to what is being sacrificed to appease the Americans, we are not even sure whether negotiations are ongoing, as stated by the Minister for International Trade, or whether they are stalled, as was suggested by the Minister of Canadian Heritage.

Can the Minister of Canadian Heritage tell the House what we are supposed to believe? Will she tell us exactly what has been put on the negotiating table?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I think it is safe to say that we have had some very positive exchanges with our American counterparts. I think they understand that Canadian content is our main preoccupation.

We believe the table has been set for the Americans to make a proposal, if they wish to do so, which would address the question of majority Canadian content. Having the table set does not mean our guests will bring the wine. Unless it is wine from a majority Canadian vineyard, they should take a rain check on dinner.

*Points of Order***BUSINESS OF THE HOUSE**

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I am curious about the legislative calendar for the remainder of this week and next week and whether the government will have time to squeeze in the Nisga'a legislation since the calendar looks so weak. Therefore, I would ask the government House leader and former member of the elusive Butterflies what is the calendar.

• (1505)

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I want to assure you that what the hon. member said was parliamentary. It is the name of a rock group.

First, with respect to the Nisga'a treaty, I gather from his comments that he wants the bill to be adopted rapidly and we will do what we can to accommodate that request.

Today we will continue with the third reading stage of Bill C-71, the budget bill.

Tomorrow we will debate Bill C-66, the housing bill, at third reading. I do not intend to call other legislation tomorrow if the House completes that bill.

On Monday it is our intention to take up the report stage and, as soon as possible thereafter, the third reading stage of Bill C-72, the bill to amend the Income Tax Act.

On Tuesday it is our intention to take up Bill C-78, the pension legislation, assuming of course that it has been reported on time, and I think it is scheduled to be reported tomorrow.

On Wednesday we intend to commence the report stage of Bill C-32, which concerns the Canadian Environmental Protection Act.

On Thursday we will return to Bill C-78.

The back-up bills for this week, if we were to finish items very early, would be Bill C-68, the youth justice bill, and Bill C-56. The back-up bill for the end of next week, should our business finish early, would be Bill C-54, concerning electronic commerce, privacy and other matters.

* * *

[Translation]

POINTS OF ORDER

PARLIAMENTARY LANGUAGE

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I must raise a point of order with regard to the language used in this House. A few minutes ago, I

informed the Bloc Québécois whip accordingly, because it concerns words that were used by his leader and others.

I realize that we may not be able to deal with this issue immediately, but I want to raise it nonetheless.

I wish to submit to you that two expressions were used earlier which are not appropriate in this House. First, you will understand that it is unacceptable to refer to a parliamentarian as a "Canadien français de service", a token French Canadian. I simply want to point this out without fanfare because I am a French Canadian myself and I am sure, Mr. Speaker, that you will understand what I mean.

The second expression refers to something that is clearly mentioned in Beauchesne's list of unparliamentary expressions. It was used during oral question period. The term *collabo*, or collaborationist, was used in reference to the Prime Minister. A *collabo* was a sympathizer of the Nazi regime in France, during World War II.

As you know, Mr. Speaker, under Beauchesne's rules, which were established by your predecessors, citation 489 provides that the word *Nazi* is unacceptable. That ruling was made on February 22, 1962. One of your predecessors also ruled, on June 25, 1964, that *Canadian Mussolini*, which refers to another form of nazism, is also unacceptable in reference to a parliamentarian.

We just heard a third expression relating to nazism or to Nazi sympathizers in reference to a parliamentarian. I submit that it is no more acceptable in this House than the other two expressions that were deemed unparliamentary many years ago.

The Speaker: The hon. government House leader did not name any member in particular. He heard these words. He knows where they came from. I would ask him who used them, and perhaps to think about it.

I see the Bloc Québécois whip is here now and wants to add something regarding this point of order.

• (1510)

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I will wait for the government House leader to identify who said what, but in the meantime I would ask him to note that the member for Bourassa referred to members of the Bloc Québécois as *collabos de Parizeau*.

The Speaker: The member for Bourassa is said to have used the word *collabos*. I did not hear it, but the member for Bourassa is here and can answer if he wants.

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I am not afraid to call a spade a spade. If the member says he heard things, he must have heard them, but if he wants us to identify every

member who called somebody names as the member for Saint-Hyacinthe—Bagot and most members who are here did, we can do it. But we should not start playing that kind of game, we could be here a long time.

The Speaker: Today, during Oral Question Period there was what I would call a lot of noise. Words such as emmerdant and emmerdé fused from both sides of the House. I believe we can use other words than those in the House of Commons, surely. Once it starts on one side, the other one follows. I would ask all members to be very judicious in their choice of words.

If indeed such words were used—I asked the hon. leader of the Government in the House to identify who did, but he did not name any member in particular—I would ask all members to please refrain from using them in the House of Commons from now on. Sometimes, even, members get very loud.

[*English*]

When we are in question period I would appeal to members not to use terms which just inflame us.

I did not hear the words. Members were not named. We will let it sit there. However, we come here every day for question period and it is up to us to conduct ourselves in such a way that these words are not even thought of being used. I would encourage members to do that.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1999

The House resumed consideration of the motion that Bill C-71, an act to implement certain provisions of the budget tabled in parliament on February 16, 1999, be read the third time and passed.

Mr. Jake E. Hooppner (Portage—Lisgar, Ref.): Mr. Speaker, it is a pleasure to rise in the House. I will start my debate with a sentence that mentions Reform. I am sure my colleagues on the other side will listen.

We in the Reform Party have been after the government since 1993 to develop some foresight, identify some of the inevitable changes to agriculture and develop a plan to prepare our industry to meet these challenges head on and safeguard our farmers. Instead we got foot-dragging and inaction.

We pushed the government on its 1993 red book promise to decrease input costs and implement a whole farm income stabilization program. However, like so many Liberal promises, it was forgotten on election night.

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This past fall the government even denied that an income crisis existed in agriculture and pointed to the NISA program as a suitable safety net for any disaster. Farmers know that NISA is just not designed for the type of crisis we experienced. By the time the Liberals acknowledged their mistake, it not only cost farmers severely but we lost a whole bunch of young farmers.

• (1515)

The Liberals stalled in coming up with a program and when they finally did come up with something, it was totally inadequate. They went through the motions of listening to people in the industry. Then they came up with something nobody asked for.

The AIDA program is poorly designed, costly to apply for and will not target the producers who need the compensation the most. What is more, when it was announced, the key details of the plan were missing. The government had enough time to study the problem and consult but it launched its program with no consensus with the provinces or farmers on how to implement it. It did not do its homework. It is widely recognized as a failure. It is not bankable, it is not providing relief.

Many farmers in my riding are not even bothering to fill out the application because it will not benefit them. The accountants tell them the cost of completing the form is going to be more than they will obtain from the AIDA program. That is how much Liberals care about westerners.

Look at the comparison when foreign governments were over-fishing in Canadian waters. The Liberal minister at that time chased those foreign boats across the high seas and even fired a few guns. But when foreign governments attack our Canadian farmers with tens of billions of dollars in unfair subsidies, we get inaction and useless rhetoric.

Recently the Liberals struck a committee to travel in the west to try to understand why westerners will not vote for them. They do not understand that the answer lies in their own record.

This lack of foresight is so evident in our trade negotiations. One of the reasons for the agriculture income crisis is that the Liberal government dropped the ball in the last round of international trade negotiations.

Our negotiators agreed to a 15% reduction in subsidies to farmers, which is what everyone else was supposed to follow, but we reduced our subsidies by 85%. While the U.S. maintained 24% of its subsidies in a green box program, Canada only maintained 8%. Today European subsidies are providing farmers with an average of \$175 an acre to grow a crop plus a \$2 per bushel export subsidy in the event of a surplus. We created an unlevel playing field that is financially breaking every farmer in western Canada.

This is just a lack of anticipation and planning and this Liberal government has to take responsibility for it. That is why farmers

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will not vote Liberal. Farmers have no money left to tax. I heard the hon. member for Medicine Hat so appropriately recite that poem about taxation and it fits perfectly the bill of the western farmer.

On the whole, the government's high tax policy has undermined the productivity of the Canadian economy which in turn has reduced our standard of living. We have seen devastating results from the wrong-headed policies of this Liberal government and the Tories before it.

In 1970 Canada ranked number four in the world in terms of per capita income. In 1995 after 25 years of overtaxation and overspending our per capita income global rating fell to 12. Next year the average Canadian family will be paying \$5,000 more in taxes than they were in 1993, and they were already overtaxed then.

Our finance critic has pointed out that our standard of living has fallen behind those of the poorest states in the U.S., such as Alabama and Mississippi. The downward spiral seems to be well established and there is an urgent need for a policy that will regain our standard of living and the stability of our economy.

• (1520)

Unfortunately the current government seems unwilling or unable to meet this challenge. The bill we are speaking to today is a prime example of how the government continues to overspend and still not reduce taxes.

I have heard a lot of complaints today about taxation and overspending. A lot of blame has been pointed in different directions, at provincial governments and federal governments.

We are getting to the point where we will finally have to blame Christopher Columbus for all the problems. The impression is that he was a Liberal. Why was Christopher Columbus accused of being a Liberal? When he started off from Spain, he did not know where he was going; when he got to North America, he did not know where he was and he did it on borrowed money.

Maybe that is where the fault lies because we do not seem to understand in this House that it lies with previous federal governments.

I remind taxpayers that an election is coming. Reform is on the move. No matter what the opposition says, we will be there in the next government and we will fix things properly.

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, it is with a sense of duty that I rise in this House today to speak to Bill C-71. I am not doing it with pleasure because the measures contained in the budget being implemented through this bill are not very positive, particularly for Quebec, but I feel it is my job and my duty, as parliamentarian, to express my views on this issue.

Not much has changed since the tabling of the budget in this House, since the budget debate in this House and since the beginning of the debate on the bill before us today. It makes us wonder if anyone in government is paying any attention to the views expressed here by parliamentarians from Canada and Quebec, which views reflect the concerns, fears and expectations of the people.

For example, on the night the budget was tabled, I brought together in my riding office a number of socio-economic stakeholders from my riding to hear their preliminary reactions. Then, not wanting to limit this exercise to preliminary reactions, I invited these people to share with me, in writing, their concerns, their expectations and what caught their attention in the federal budget.

I take this opportunity to thank the socio-economic stakeholders who went to the trouble of spending a few hours in my riding office to listen to the budget speech and share their views with me on the impact of the budget's content. I also wish to thank socio-economic stakeholders who later went to the trouble of sending us their comments and suggestions on the budget.

If I may, I would like to list the following people: representatives of the Voluntary Self-Help Centre of Saint-Amable; representatives of the Chamber of Commerce and Industry of Varennes and of L'Envolée, the Voluntary Action Centre of Sainte-Julie, among others.

This being said, I would like to express some concerns I have been told of. After that, I will make my own personal comments, which are mostly based not only on my personal perception and my own analysis of the federal budget and on my political expertise, but also on the analysis done by my fellow citizens which have expressed their own views, namely through socioeconomic stakeholders who took part in the consultations in my riding.

• (1525)

We noted, among other things, the lack of measures and funds to support the community. We are well aware that the budget cuts made by the Liberal government since its election in 1993 have had a severe impact on provincial budgets, since there have been cuts to transfers for health, social programs and post-secondary education.

Consequently, provinces were also forced to make cuts. Finally, a part of the social mission of the Canadian state and the Quebec state has been passed on to community organizations in our respective communities, without giving them, as a counterpart, any financial or material or human resources that would have allowed them to cope with the increased workload governments forced on them because of federal cuts to provincial transfers.

Some concerns have also been expressed regarding the increase in the estimates for national defence. Some would argue that the

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living conditions of our military personnel made it necessary to index the estimates, to increase them substantially. It is amazing to see the government coming back after years of drastic cuts, particularly in the defence budget, and saying "our military personnel have atrocious living conditions and something has to be done to improve their standard of living".

If the national defence budget had not been cut so drastically, perhaps the government would not have had to increase it again a few years later. There seems to be some inconsistency in what the government says.

I shall now make a few comments, if I may, on the measures announced in the budget for transfers to the provinces. As far as health care is concerned, I would like to read part of an article which speaks for itself. This article, written by Manon Cornellier, was published in *Le Devoir* Saturday, March 4, 1995. I quote:

"Ottawa is not planning on spreading the social program money based only on the demographic weight of each province" said Minister Marcel Massé during an interview. "It would be the worst possible situation for Quebec, so much so that it makes absolutely no sense to me that this could be the solution" said the minister.

There is also another interesting article that appeared as well on March 4, 1995, this time in *La Presse*. It was written by Philippe Dubuisson. I quote:

A new formula is supposed to be established for the distribution of federal funds between the provinces. The Minister of Finance, Jean Campeau, said the worst case scenario would be the distribution of social transfer payments on a per capita basis. . . But the federal minister, Marcel Massé, clearly indicated this formula would not be used, because it would penalize poorer provinces, to the benefit of Ontario, Alberta and British Columbia.

In view of these very clear and precise assurances given by the minister, we would have believed the government would maintain this position and would not have changed the formula to calculate social transfers to the provinces.

And yet, without warning, the government decided, during the months following this fine statement from the minister, to change the formula in such a way as to adapt at least 50% of provincial transfers on a per capita basis, to calculate them according to population.

• (1530)

This new formula was to be established over a period of 5 years. Provincial governments, including of course Quebec, prepared their budgets according to these announcements and to this policy the federal government had put forward.

However, in the last budget, the Minister of Finance suddenly announced he was unilaterally changing the formula. The government has announced that, instead of 50%, all of the social transfers will now be granted on an equal per capita basis and that not only

will the new formula be applied to 100% of the transfers, but the transition will be made over three years instead of five.

This is totally unacceptable to Quebec, especially since the provinces that stand to benefit from the federal government's generosity are the ones identified four years ago by the President of the Treasury Board as the ones that would benefit from this new formula, namely Ontario, Alberta and B.C.

I just want to point out that, under this new formula, the have provinces of Canada will get the following amounts in addition to the transfers they would have normally received. Ontario will get close to a \$1 billion increase in transfers, B.C. almost \$400 million, and Alberta some \$300 million a year, while Quebec, the second most populated province of Canada, will get a mere \$150 million increase in transfers.

This is totally unacceptable. We saw the consequences yesterday in the budget brought down by the Government of Ontario. It is obvious that all the benefits coming from the federal government allowed the Ontario government to further reduce its taxes, thereby widening the existing gap between the current taxation levels in Quebec and Ontario. In turn, this will accentuate the difference in the rate of economic development between the two provinces.

In the best of cases, we could have understood the decision to use the per capita formula for health and education. But how can one explain the use of the same formula for welfare?

It seems to me that the transfer levels for welfare should have been based on needs, not on the number of inhabitants in each province. The number of welfare recipients should have been taken into account in the calculation of the transfer payments. But even in this respect, the federal government chose to use the per capita formula, putting Quebec at a great disadvantage because, as we know, Quebec has a proportionately higher number of welfare recipients than Ontario.

They would have us believe that a transfer payment of \$1.4 billion, which is supposed to compensate for the current shortfall due to the new calculation formula, is a good deal for Quebec.

The comparison is biased. They are comparing apples and oranges. First, richer provinces like Ontario, Alberta and BC, will receive these additional amounts every year, while the \$1.4 billion will not be a recurring payment. It will be paid only once, this year.

• (1535)

Moreover, it should be pointed out that this \$1.4 billion is not a gift. It is only an adjustment on amounts owed to Quebec in the last few years. These amounts were owed to the Government of Quebec anyway, but so far the government has not been able to rely on this money to fulfil its obligations.

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A few years later, the federal government pays up and says "This is compensation for money given to the more affluent provinces". It is not compensation, it is money owed by the federal government. This shows, beyond any comparison, that Quebec is maintained in a state of economic subordination within this federal system, where economic development programs are, of course, far more generous for provinces such as Ontario than they are for Quebec; the federal government is generous with Quebec only when it comes to social welfare.

Let us talk about the per capita question. If we were to apply the same logic to structuring programs, to wealth-creating programs, to economic development programs, to job-creating programs, we would have a completely different picture.

Quebec, with almost 25% of Canada's population, receives only 15% to 17% of federal government research and development spending, goods and services procurement, and capital assets.

Had Quebec received its fair share of productive spending, it would probably not be receiving equalization payments, but making them to the have-not provinces. Whence my earlier conclusion that Quebec is obviously being kept in a state of economic dependence within Canada.

I now wish to address the issue of health. Among the blatant illusions held out by the Minister of Finance's last budget, the one about health was certainly, to my way of thinking, the biggest and the most insidious.

In fact, the public is hard hit by the major cuts to the health care system resulting from the federal government's cuts to provincial transfer payments. By the way, 80% of the cuts made in Quebec's health care system by the Government of Quebec were a direct result of cuts in provincial transfer payments by the federal government.

The public is therefore only too delighted at the announcement, or the illusion being held out, that more money is going to be put into the health care system. And this is where the problem lies, because the budget in fact does not reinvest a cent in the health network. In fact, they announced, nobody dreamt it, an additional \$11.5 billion in health transfers to the provinces over five years, including \$2 billion in 1999-00 and \$9 billion between now and 2004.

This increase in transfers the federal government is dangling before the provinces is nothing more than a reduction in the amount of the cuts planned. Instead of absorbing cuts of \$42 billion between 1994 and 2003, the provinces will have only \$33 billion drawn off. And they are expected to be grateful for that.

What is more, this announcement of \$2 billion for all of Canada in 1999-00, is barely the amount Quebec alone is deprived of annually and barely a third of the \$6.3 billion the provinces had sought annually from the federal government in order to nullify the

effects of its cuts. However, the government remained deaf to these requests.

• (1540)

It has chosen to accumulate huge surpluses, which it hides in its budget activities, on the backs of the particularly disadvantaged, the sick, the unemployed, the workers and the provinces.

This is a lazy government that has made others carry its responsibilities. Barely 11% of federal cuts were made in its own operating programs and budgets. The rest were imposed on transfers to the provinces and on employment insurance.

This budget, which the bill before us is to implement, is discriminatory, unacceptable and unfair to the public, and we must oppose it vigorously.

[English]

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I listened attentively and I have again come to the same conclusion: Bloc members continually pit one against the other and continue to pit Quebec against the rest of Canada. That is their mission. Since that is why they are here, what else can one expect?

The member also talked about how, when we moved to the equal per capita formula, Ontario somehow benefited more than Quebec and that B.C. and Alberta somehow benefited more than Quebec. I point out to the hon. member that Quebec did in fact balance its provincial budget when it received a \$1.4 billion increase in equalization payments.

I want to remind the hon. member that the province of Quebec also benefited from an increase in equalization payments. The province of Quebec receives 34% of transfers from the federal government. It has, as the hon. member mentioned in his speech, just under 25% of the population. One has some difficulty understanding how a Bloc member can continue to stand up and say that somehow the rest of Canada is being so unfair to the province of Quebec.

He asked why we had moved to the equal per capita? Is the hon. member actually saying that in the eyes of the federal government—and there are a number of people sitting in the gallery today—some Canadians are more equal than others depending upon which province they live in?

We inherited a system which was a cap on cap. When we were able to find the resources, we moved to an equal per capita so that every Canadian, regardless of what province they lived in, would receive an equal amount of money in transfers that go to the provinces for health care services and education. I do not understand how the hon. member can say that we are being unfair to Quebec because we are moving to an equal per capita system for all Canadians.

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The member also talked about economic dependency. Has the hon. member ever thought that perhaps the economic dependency that he is talking about is really triggered by the consistent push by the Bloc for separation? That underlying theme does have an impact on Quebec's economic development each and every day.

I guess the bottom line is that they have nothing to add to the debate so they will just pit the rest of Canada against Quebec and say, "oh, my God, we are being unfair again".

As a member of parliament, he should at least have the decency to say that there are things the federal government offers to the province of Quebec and to all Canadians, regardless of where they live, that are of benefit. There is a reason to be part of this great country and that is to ensure that we all move into the next millennium in a way that we are able to prosper together.

[*Translation*]

Mr. Stéphane Bergeron: Mr. Speaker, the parliamentary secretary might have benefited from listening to my presentation, since it contained a number of the responses he is seeking. I will, however, be pleased to remind him of a number of things.

First of all, yes, of course, the Bloc Québécois is a sovereigntist party, because we consider, and have numerous occasions to demonstrate, that the federal regime penalizes and disadvantages Quebec, and that Quebec would have a better chance to develop if it were not part of the Canadian federation.

• (1545)

In fact, Quebec and Canada would be in a far better position to look to their own development, in partnership with each other, if they agreed to acknowledge that they are indeed two distinct countries, completely different one from the other.

Our mission in the meantime, however, also involves defending the interests of Quebecers to the best of our ability. I cannot therefore accept the argument put forth by the parliamentary secretary that we are here for the sole purpose of denigrating everything the federal government might do. There is no doubt that the recent budget, which provides that the transfer payments will now be calculated on a per capita basis, is totally unacceptable and detrimental to Quebec.

It is not I nor the Bloc Québécois saying that, it is the President of the Treasury Board. I will quote him again, since the parliamentary secretary did not listen. In 1995, the President of the Treasury Board said "This would be the worst possible situation for Quebec. It would be so bad that, in my opinion, it does not make sense that this could be the solution". After all, it is not the sovereigntists who decided that. Yet, this is the solution chosen by the government.

Where were the Liberal ministers and members from Quebec when this per capita formula for transfers to the provinces was adopted at Quebec's expense? What did these people do? Why did they remain silent, instead of protecting the interests of the Quebecers who elected them?

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I want to congratulate the hon. member for Verchères—Les-Partriotes, who found the right words to describe an unfair situation.

I am convinced that our fellow Quebecers who listened to him will share his views. Why is it that we, sovereigntists, really want to have our own country, while they do not want us to leave this country? The government claims that it gives a lot and that it is fair. As for us, we say that something is not working. Even in the budget, one can see that the regions are not getting anything. The government collects a lot of money from the unemployed, but it does not give them back that money.

I have a question for my colleague. What would he call a situation like this, where the poor are getting poorer, where 1.5 million children do not have enough to eat, and where the government keeps saying that everything is just fine? What would the hon. member call such a situation?

Mr. Stéphane Bergeron: Mr. Speaker, I thank the member for Matapédia—Matane for his excellent question.

I would tend to call it blindness. They refuse to see reality as it is, to acknowledge that this formula puts Quebec at a disadvantage, so much so that Liberal members of Quebec have voted for the budget and will probably vote for the bill we are now debating. In doing so they will go against what the President of the Treasury Board said four years ago about that formula.

I heard the secretary parliamentary trot out the rhetoric that the government has been spouting in recent months, saying, for instance, that without the \$1.4 billion, Quebec could not have balanced its budget.

I wish to say at the outset that without the cuts the government put in place two, three and even four years ago, the Quebec government would have balanced its budget and eliminated its deficit. The federal government, by its unfair reduction of provincial transfers, delayed by four years fiscal balance in Quebec. This was my first point.

Second, I believe I clearly explained earlier that the \$1.4 billion is in no way a gift to Quebec. This money was owed to Quebec according to the federal government's own calculations. The federal government had not paid this amount and waited until this year to do so. Therefore, that payment is in no way exceptional. This was money Quebec was supposed to have in any case to draw up its budget.

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• (1550)

Incidentally, I mention to the parliamentary secretary, for his own personal information, that for this year the Government of Quebec announced a surplus of \$2.9 billion in its budget.

This means that even without the \$1.4 billion in equalization payments the Canadian government brags about giving Quebec, which allegedly allowed it to balance its budget, the government of Quebec would have reached a balanced budget on any case, in spite of all the obstacles put in its way by the federal government.

[English]

Mr. Derrek Konrad (Prince Albert, Ref.): Mr. Speaker, I am pleased to make some remarks on Bill C-71, an act to implement certain provisions of the budget. Throughout the debate so far, and this includes what I have heard in my riding, one clear theme has emerged: if we want tax reform, vote Reform. That is the first message.

I will take a few minutes to talk about the government's no tax relief tax policies as shown in Bill C-71 and the effects they are having on Canadians. I want to talk about Canadians who live in the Prince Albert riding, not Canadians in general.

We are having difficulty retaining our youth and our talent. I recognize that they are not always the same, that talent is talent at every age but youth is confined to youth. This phenomenon affects our ability to engage in entrepreneurship and takes away our young people with talent, older people who have been trained in the university system, in the arts and technologies, and our business people.

These people are leaving Canada. Patriotism and pride are not enough to keep them. Patriotism and pride do not feed them or their children. They do not pay the mortgage. They do not make the car payments. They do not pay for fuel and they do not pay the taxes. People are voting with their feet and with their moving vans. That is what is happening in the country under the Liberal government and its high tax policies.

A person may well ask who are the beneficiaries of the high policy. It is the foreign recruiters and moving companies. Very few other people, if any, are benefiting from high taxes aside from possibly tax collectors.

I also want to talk about the negative effect high taxes are having on the protection and maintenance of health care and social services not only in Canada but in Saskatchewan in particular. In that regard I have a letter that I wrote to my constituents which has been copied by another hon. member of the House. It shows the effect of high taxes on Canadians.

What are the Liberals calling this budget? They are calling it the health reinvestment budget or the health budget, but as usual their numbers do not add up. We can just take a look at what the Liberal

government's so-called reinvestment in health care amounts to in this budget as evidenced in the details.

In 1993 when the Liberals took power the Canada health and social transfer was \$1,453 per taxpayer. When we take into account the latest budget the amount will be \$1,005. That is quite a decrease, \$448 to be exact or a 31% drop compared with 1993. In 1993 it was \$18.8 billion in total. This restores it to \$14.5 billion, which is still \$4.3 billion less than when the Liberals came into power.

To put this into further context, we should not forget the six years of bracket creep when people had inflationary raises. Also inflation reduces the power of those who have not even managed to get a so-called inflationary increase in their wages. We begin to see the effects this is having on individual Canadians.

The Liberals will be putting back \$11.5 billion over the next five years. Big deal. They are taking three dollars from the system for every dollar they put back in. The hon. member for Macleod illustrated this very effectively with a blood bag and a syringe to show how much less is in that blood bank after the Liberal budget of this spring.

The government will raise the income threshold at which the Canada child tax benefit begins to be phased out by \$9,590 from its current level of \$25,921. When it was announced in the 1998 budget and implemented in July, replacing it with the working implement supplement, the new Canada child tax benefit began clawing back benefits at lower levels of income than the existing system. When it was announced in 1998 the clawback began when a family's after tax income exceeded \$25,921.

• (1555)

What effects are Liberal high tax policies having on Canadians with no tax relief in sight? Let me give one example that happened to me recently. I had a request from a family who wanted to see me in my office. In came a young father, his wife and their little child. What did they say? The man was completely mad; he was really upset. The wife was near tears and the child was just plain cute and did not know what she was growing up into.

They are both working trying to put their lives together and to maintain a lifestyle that is suitable for a married family. It turns out with two incomes they are unable to make ends meet. They are looking at possibly losing their car. If he loses his car, he loses his job.

What was he complaining about? He was not complaining about the gross amount of his salary. He was complaining about high taxes, high Canada pension plan premiums and high employment insurance premiums.

The employment insurance surplus was \$19.1 billion at the end of 1998. The public accounts indicate that the surplus is considerably larger. We know there is nothing less than that in the account. The premiums were reduced all the way from \$2.70 per \$100 of

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insurable earnings to \$2.55 per \$100 of insurable earnings. These are nickels and dimes. These people are going under and they are crying out for relief from those kinds of things.

The Canada pension plan contribution rate increased to 7% from 6.4% in January 1999, which is an annual increase of \$1.4 billion taken out of the pockets of Canadian taxpayers, whether they are business owners and their businesses are having to pay their portion or people who are actually on the frontline doing the work. The Canada pension plan rate has increased every year during the Liberal tenure. It started at 5% in 1993. By the end of 2003 it will rise to 9.9%, which is a 98% increase.

Personal income tax increased through bracket creep. It was never eliminated and it was not mitigated in this budget. We will see another \$900 million taken out of the pockets of Canadians through bracket creep.

The tax pain is causing the brain drain. What good is it for the government to promise good health care when the effect that high taxes have over time is to actually diminish the tax base required to support the health care and social services Canadians desire?

I want to turn to how high taxes contribute to an overall depleting effect on our tax base. It does this by driving away our youth and our talent. That is a sad reality. John Roth, chief executive officer at Nortel, stated just last week:

Taxation is testing the allegiance of some of Canada's best and brightest.

That results in a reduced tax base. Peter Foster in yesterday's *Financial Post* wrote:

Taxes must come down if we want long term revenues generated by economic activity to increase.

Does the Prime Minister not know this? Surely he must. Maybe he just does not care. We wonder what his answer would be. He seems to think that high taxes are part of the Canadian way of life. If he really thinks that, he is living in a dream and it is not the Canadian dream. The rest of them are living in a nightmare.

The Prime Minister might think that high taxes are just part of the Canadian way of life, but he knows they cannot keep increasing. The tolerance threshold has been reached and surpassed this year. The government continues to ignore the actual effects of high taxes on society as we began to see in the past few years. We are watching our youth and our talent go elsewhere.

Those of us who travel back and forth to western Canada or other parts of Canada talk to young people who have been recruited by foreign firms. They are going to find out what improvements are available to them in other tax regimes and they are not looking

back. They are not only going south. They are going in other directions. I want to paraphrase a letter that was written to my constituents, and borrowed by another member. The so-called brain drain phenomenon is created by high taxes and is a growing cross-generational problem. Many Canadians think of the brain drain primarily in terms of the younger generation who are heading south to more favourable tax and employment conditions. However, events taking place in northeast Saskatchewan this month highlight a new reality. The brain drain is not limited to youth. It is a serious problem that crosses generational boundaries.

• (1600)

Consider first the recent commentary from influential Canadian entrepreneurs Paul Desmarais and Jim Pattison concerning the insidious effects the high taxation policies of successive Liberal governments, including the Mulroney Conservatives, are starting to have on our country.

Montreal's Paul Desmarais calls Canadian taxes exorbitant and a drain of potential income for Canada. "When the government is too greedy", he says, "people find other solutions".

Jim Pattison, also a self-made billionaire from Vancouver, calls high taxes the number one issue for every senior executive in the country. Although he remains in Canada out of a sense of loyalty, he says he does not blame those who leave in favour of lower taxes and a stronger dollar.

One could argue that the opinions of wealthy businessmen are irrelevant to the debate over taxation of the broad Canadian population. However, it is not only boomer billionaires who are speaking out, people at all income levels are raising their voices in protest, including those whom we assume are the meat and potato beneficiaries of our current tax system, our professionals.

This fact was reinforced to me as I prepared to sponsor a forum on health care in my riding involving my colleague, the member for Macleod, who is the Reform Party's health critic.

In the course of conversations with physicians, other health care professionals and concerned constituents, I was surprised at the interest shown in discussing, not health care, but the havoc the Liberal government tax policy is wreaking on our society.

In a letter and subsequent telephone conversation, one doctor, whose name is being withheld at his request, was invited to discuss health care. He said:

As a physician working in this country for 24 years, I now discover that I have no alternative but to leave this country. . .over the past five years I have seen friends and colleagues leave this country in disgust due to the brutal levels of personal income taxes. . .I now pay 54% in taxes and contributions to government. . .and could not afford

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to ever retire if I remain in this country. . . it is obvious that the governments of the day have no interest in meaningfully reducing personal income taxes.

He went on to say that he and at least two of his colleagues were planning to move within the next few months.

This poses a further, more immediate problem. Who will practice medicine in Saskatchewan? How can Saskatchewan, already facing a shortage of rural doctors, ensure a quality health care system when its doctors say they are being taxed out of the country?

The brain drain is neither a phenomenon of youth nor a minor issue. It is a symptom of stress and the predictable result of a bad tax system. We must take it seriously by providing sustainable tax relief or suffer the crippling long term effects into the new millennium.

What I see from this is that the doctor was not even looking for more money. He was not looking for better working conditions or a new place to go. He was not asking for a new hospital, a new office or new operating equipment. He wanted to live a life commensurate with his actual income which is taxed to the point where it is not the income he thought he would have and not enough for him to retire on without being required to work the rest of his life to try to turn his practice over to someone else.

Social science has identified at least one fundamental characteristic of human motivation and that is that humans are motivated to avoid pain. If one is to be motivated to avoid pain then one moves away from it. If the Canadian tax system is causing taxpayers pain they will move away from the tax system, and that is to other countries where the tax regime is not so onerous.

It is easy to understand why our youth and talent are leaving Canada for the U.S. and, I might add, for other places. It is to avoid the pain of paying high taxes here.

Neither loyalty to Canada, nor our good lifestyle, nor the natural beauty of our country is enough to keep them if they cannot make a living. That is a base need of all people.

• (1605)

I also want to mention that we are paying a lot more but getting a lot less. It is the impact that taxes are having on services. We see this dismal aspect in the budget every time we think about the services that Canadians are getting for the taxes that they are paying.

As I pointed out, despite the increase to the health and social transfer, which was not very much, we should remember it was the

Liberals who gutted and savaged these things. We have to question their priorities.

I want to talk about an issue that arose in my riding as a result of what the government would call tax cuts or tax savings, which I think is poor spending. The government will open a joint office with the Saskatchewan government, ostensibly to save money. This office will serve a very large rural area with a lot of aboriginal people who use that as their service base.

We will no longer have a federal presence in the town I come from, which has a population of around 5,000 people. To go from there to the next town where there is an employment insurance office takes one hour each way.

These people come into town to use the services, to buy their groceries, to visit the doctor, to visit the dentist, to visit the lawyer, to do their dry cleaner and maybe even their laundry. Whatever services they needed they could get in that town. All of a sudden, those who most need employment insurance services will be forced to drive at least another hour one way to access those services. That means those Canadians who may now be off the government's tax roll, thank goodness, are all of a sudden having to pay their own way.

I have to wonder what the net benefit will be of this. Businesses in my home town will be losing business because these people will drive right by. There is another negative effect of the system, but do they get their tax dollars back? Nothing doing.

How does the government find creative ways to spend the money it says it is saving? We will now have two people driving out a couple of times a week to sit in an office. They will both probably need to have laptops because desktop computers no longer do the job. We all know laptops are more expensive.

They will probably need a vehicle to drive. I have heard a rumour, but I would not doubt it, that they will be driving a Jeep Cherokee to get there. They will be paid overtime for travel. As the weather in northeast Saskatchewan is notoriously unpredictable, more often than not, they will have to stay overnight, in which case they will probably be paid right through the night. They will be on overtime for the rest of the week. They will have their hotel and meals bills paid. What kind of a saving is that going to be?

Consequently, I think we are definitely paying more. We keep on paying more and we keep on getting less under this regime. It is so frustrating for the people in my riding. I had to say these things on their behalf because they have had it.

The young family that came into my office to express their despair at the situation in which they find themselves, both working, paying for child care, paying high taxes, paying high employment insurance premiums and paying high Canada pension

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plan premiums, where do they find themselves? They are going to lose everything because this Liberal government is simply continuing to collect taxes and Canadians are getting fewer and fewer services for the money they are putting in.

The last two things they asked me was how they could get politically involved and how they could fight the system. I gave them a name and it sure was not the name of the Liberal organizer in my riding. I do not think they would have wanted it even if I had given it to them. They agree with what I said when I started at the top of my speech if Canadians want tax reform, vote Reform.

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, as the House of Commons moves to a final vote on the 1999 budget, I would like to take this opportunity to talk about responsible government.

The theory of responsible government is at the heart and soul of how democracy functions. It is at the heart and soul of our parliamentary system. It is the foundation of Canada. The government is democratically elected and it is expected to fulfil its mandate on behalf of all the people in the country. Members of parliament are elected as democratic representatives of all constituents.

• (1610)

In the old days there were feudal lords and robber barons but democracy changed that. It is thanks to democracy that Canada is year after year chosen as one of the better countries in the world in which to live.

As the member of parliament for Ottawa—Vanier, I happen to represent some of the very richest people in Canada and some of the poorest people in Canada. What I am going to say may be more popular with one group than the other, but upon reflection they will hopefully all agree.

Several corporate leaders in the past few weeks have somehow come to the conclusion that the government should ignore the democratic mandate on which it was elected. They have this notion that they set the political agenda and the fiscal agenda of the governments. Some have even tried issuing veiled threats to coerce the Government of Canada into providing lower tax rates for high income earners.

Absolutely corporate leaders have an important role to play in consulting with the government and making their views heard. However, in this country it is one person, one vote and not the size of our chequebook that determines our democratic rights.

Part of responsible government also means conducting responsible debate. That means playing straight up with the basic facts. The

Business Council on National Issues, the BCNI, purports to speak on behalf of the chief executive officers of Canada's 150 largest corporations.

Two weeks ago the president of the BCNI criticized the Minister of Finance saying "enough is enough" and added, "what we are asking the minister to do is to demonstrate his commitment to the importance of bringing down personal taxes as a priority". What an absurdly unfair comment for such a business leader to make.

The Liberal government has already provided tax relief in this and in last year's budget. We have taken 600,000 poor Canadians off the tax rolls altogether. Families trying to raise two kids on \$30,000 will no longer have to pay income tax. Families with incomes of \$45,000 will have their taxes reduced by at least 10% this year alone. Middle to high income earners, and yes, even every millionaire in the country, has had their 3% surtax removed in this year's budget. The government has made reducing taxes a priority. It is just that we have been responsible about it.

In considering the BCNI's call for lower tax rates, I will point out some facts. The average compensation for CEOs of Canada's top 100 companies was \$3.4 million last year. That was up 26% from the year before; a 26% increase in one year. I am not begrudging those people what they have earned. That would be up to their shareholders. I merely mention it to keep things in perspective.

There are thousands of public servants in my riding whose pay was frozen while the government attacked and eventually eliminated the federal deficit, as we said we would do. These public servants have now received pay increases averaging 2% to 3% after years of being frozen. Not a 26% increase.

Public servants, who are so often criticized, know that their sacrifices have made a huge difference. They know that the Government of Canada balanced the books. They know that the cost of borrowing in Canada is far lower today than it has been for years. It is even lower than in the United States. They know that inflation has been virtually wiped out. They know that we have put the recession far behind us. They know that Canada creates jobs at a healthier clip than most of the European democracies.

When the government received its second majority in June 1997, it made a contract with the people. That is what the principle of responsibility is all about. It contracted to devote half of the budget surpluses to debt reduction and tax relief and half to pressing social needs like child poverty, health care, education and investments in research for our collective long term benefit. That was the principal mandate on which we were elected. As a responsible government we must fulfill that mandate. That is responsible government in its traditional form.

There is also responsible government in the sense of acting responsibly for the future. What certain corporate leaders seem to

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be suggesting is that we should ignore everything else and give them a tax break. I suppose the Minister of Finance could have acted differently. He could have borrowed to pay for tax cuts. However, the Minister of Finance said "No, we will not do that. We will provide tax relief the responsible way after we have eliminated the deficit". That is exactly what we have done.

• (1615)

That still leaves us with a \$580 billion debt in Canada, a debt which was built up during the lifetime of every adult alive in the country, a debt which costs Canadian taxpayers in excess of \$40 billion annually in interest charges. The only responsible course of action is to continue to take chunks of any budgetary surplus and pay off some of that debt, as we said we would do.

We must reduce the debt. We have no right to pass that debt untouched to our grandchildren. To do so would be to exercise greed today at the expense of our kids tomorrow. As citizens and as parliamentarians we cannot wash our hands of our responsibility in this matter. I do not often agree with columnist Andrew Coyne of the *National Post* who said of the growing call for irresponsible tax cuts, "I suppose we ought to be ashamed of ourselves".

Debt reduction is structural and its benefits permanent. People who became wealthy over the last 30 years as the country accumulated debt ought to understand that reality.

On team Canada missions abroad, business leaders rightly talk about Canadian values. They talk about safe streets, our health care, our ability to sustain linguistic duality, our ethnic diversity, our public infrastructure, our transportation and communications systems, our commitment to the elderly, our commitment to human rights, our commitment to fairness. They point out that Canada is not a polarized society with unseemly disparities of wealth or incomes. They point out that this is why Canada is a safe place to invest. They are right when they say that abroad. I would just like to hear them say it more often at home.

To talk of Canada and the United States strictly in terms of tax rates is to imply that our nations, our values, our cultures are otherwise interchangeable. I would suggest that if people really believe that, they should try to get elected to parliament on that platform. If the president of BCNI really believes that, he should try to get elected on that platform.

This government has balanced fiscal prudence and the upgrading of social programs at the same time. We have balanced debt reduction with tax relief. The tax relief has gone for the most part to the people in our country with the least money who needed it more. If someone thinks that people with the most money should be the first ones to get tax cuts, let them run for parliament on that platform.

As the governor of the Bank of Canada indicated a few days ago, Canada is on the right course and tax differences with the United

States are not the cause of Canada's problems. If someone thinks that the governor of the Bank of Canada is wrong, let them run for parliament on that platform.

Responsible government means representing all the citizens who live in Canada. Responsible government also means protecting the interest of Canadians who have yet to attain the age where they too can participate in the election of their government. Responsible government means balancing the interest of taxpayers with the interest of the common good. For all of us that is what the 1999 budget achieves.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, congratulations to the member opposite. I listened carefully to his speech.

I wonder if the member shares my disquiet about the recent comments from one particular corporation operating in this city. I am referring to Nortel. I am old enough to remember that Nortel was once Northern Telecommunications which was a Canadian crown corporation. In his comments he talked about the wealth that has been generated for individuals over the last 30 years. I wonder if the present board of directors of Nortel appreciate that the investments that were made by Canadian taxpayers and the Canadian public over the years have helped to put Nortel in the position that it is in today. The wealth that it is generating has come from the public and in fact there is some obligation that is owed back to this country. Would the hon. member care to comment?

Mr. Mauril Bélanger: Mr. Speaker, there is no doubt that the enviable position of Nortel today is due in part to the benefits from government programs in the past. It is due in part to the benefits of government purchases of the systems and equipment which that company produces. It is due in great part to the benefits of having a well educated labour force to draw upon. All of those conditions have been created with public support.

• (1620)

There is no doubt in my mind. I think that others at Nortel, other than the executive vice-president, have tried to correct the impression left and there is indeed a great deal of allegiance from the company toward the country. I suspect that a majority of the board of directors of Nortel also feel this way.

This is just one of the examples we have heard about in recent days of what I call corporate leaders trying to set this agenda that at all costs we must provide immediate tax relief and so forth. I have argued that to do so and to forget the debt we are carrying is to not act in a responsible manner.

This government campaigned on applying half of the surpluses to debt and tax relief and half to social and economic programs that were very much needed. Over the course of our mandate it is my fondest hope that we will achieve that commitment.

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From listening to some of the comments of some of our corporate leaders, they would forgo too rapidly the benefits of spending some money in some very needed areas such as health care as we did in the last budget.

I am here representing a riding that has some of the richest people and some of the poorest people in the country. I would not be comfortable with myself if I had not made the comments I made today. To not take care and reduce the debt somewhat would be irresponsible. I would not be prepared to support such a notion.

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, I would like to pose some questions to the member opposite and point out some facts about this budget, about what it has done to Canadians and about what this government has done to Canadians since it came to power in 1993.

I wonder if he would like to talk a little about bracket creep and the amount of money that has been taken out of Canadians' pockets, out of the pockets of families. That has hindered families from making ends meet. Each Canadian taxpayer is paying \$2,000 more in taxes now than they did in 1993. Canadian taxpayers overall will pay \$42.1 billion more in 1999 than they did in 1993.

The issue of disposable income should be hard to argue. Between 1993 and 1997 disposable income for Canadians fell by over \$2,000. That is right out of the pockets of every Canadian. It takes food off the table and clothes off of kids' backs.

Would he not agree that Canadian taxpayers are getting \$448 less each in health care dollars from this federal government than they got in 1993? Overall the health care budget is \$4.3 billion less. There are almost 200,000 people in this country on waiting lists for health care. We get calls every day, as I am sure the member does, from people who are waiting for health care. There are 200,000 people in Canada waiting for health care.

Would the member like to comment on some of those issues?

Mr. Mauril Bélanger: Mr. Speaker, I certainly would like to comment.

The budgets of this year and last year propose essentially to provide some relief that does away with the phenomena of tax bracket creep mentioned by the member opposite. I will not get into a precise number argument because we could be at it all day. The cuts over the next three years are certainly more substantial than the bracket creep the member mentions. If he did his homework he would have to agree with that. There is real tax relief in this budget after bracket creep, as he mentions.

I am a little perplexed with the attitude of some of the members opposite who do not seem to care about the level of debt we have accumulated over the past decades. We should be serious about tackling that.

• (1625)

If the hon. member is serious, then he should be applauding this government's success in eliminating a \$42 billion deficit in less than five years, for the first time in three decades paying off some debt and therefore reducing on a permanent basis some of the carrying charges. He should be applauding the government for not having borrowed money to effect tax cuts.

That is a very responsible approach to government. That is what this government has done and continues to do in its budget.

The Acting Speaker (Mr. McClelland): It is my duty to inform the House that we have now arrived at the point in our debate at which there are 10 minutes for debate with no questions and no comments.

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, it is a pleasure to be here in the House today to speak on the budget and Bill C-71, an act to implement provisions of the budget.

We will hear different comments over the course of the day in regard to the budget, the value of the budget, \$150 billion or whatever it is, \$130 billion last year. These kinds of figures are thrown around but to average Canadians sitting in their homes, in their small businesses or on their farms, we are talking about figures that they find very hard to comprehend.

Even I find it hard to comprehend some of these gigantic figures we deal with in the House. These figures are backed up by the work, sweat and toil of all Canadians who provide this parliament with the money we are budgeting and spending. It is absolutely incumbent upon us to do that wisely and to get our priorities straight when we go about spending the money we collect from taxpayers.

The question of how much in taxes we should be taking from the people is probably one of the predominant questions we are dealing with in this day and age. The consensus around the country and certainly in Manitoba and my riding of Selkirk—Interlake is that too much money is being taken away from taxpayers.

The Acting Speaker (Mr. McClelland): Forgive me, but I must interrupt the hon. member. It seems we made a little mistake and got a little ahead of ourselves. In fact, there is another hour in this debate before we get to the 10 minute portion of the debate.

The hon. member for Selkirk—Interlake does have a full slot. He will have 20 minutes with 10 minutes for questions and comments.

Mr. Howard Hilstrom: Thank you, Mr. Speaker, for those words on the progress of this debate and how it will be carried out and when it will end.

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Certainly in talking about the time to debate these issues, the more time the better. The more fully they are explored by all parties and the more ideas that come in, the greater the benefit is to the government of the day as to where its priorities should lie and how it should handle the money taken from the taxpaying public.

Earlier on, an hon. member discussed a figure from the past. I believe it was the fellow who discovered America, Columbus. The member suggested that he was kind of lost. He related that to the government of the day.

What we have is more like Dr. Livingstone in Africa. It is a government that is wandering around in the bush, in the forest and the jungle, not really knowing which way is out. The only way the government is able to survive is to have a gigantic increased flow of taxes. By having this gigantic increase in taxes, it can wander around the jungle and continue to survive. Hopefully at some future date, which could be referred to as election day, someone from the Reform Party would come along and show the government the way out of the jungle.

• (1630)

In any event, we will talk about the jungle of taxation in this budget. It is not unlike a jungle because it is very difficult to comprehend the whole thing at once. I will touch on some of the highlights. We will see where the budget has some strengths and where it has some weaknesses that could have been improved.

Its is expected to be a balanced budget, something that is absolutely vital to any small business and to any government. We never learned in the past the lesson that we have to pay our bills, that if we borrow money we have to pay it back. The situation we find ourselves in now is having a balanced budget and having to pay it back.

The budget was balanced on the backs of Canadians. There is only one taxpayer, the average Canadian who earns an income in the business world or on the farm. The balanced budget indicates an underlying surplus of some \$3 billion for 1998-99. By subtracting the \$3 billion contingency fund, the budget balance, the surplus, is expected to be zero for this year and future years. There is some dispute in the financial world between the finance minister and the private sector. The two do not seem to jive. One is saying there is a budget surplus while the other is saying in essence that it is barely a balanced budget at zero.

With the high spending levels of the government we cannot stand any bit of a downturn in the Canadian economy. The surplus of funds which keeps the government in operation would start to dry up and be much smaller. Without a corresponding reduction in spending we would end up borrowing and going deeper into debt.

The time to start reducing spending is not once the downturn comes. The time to start spending reductions is when we have a

vibrant, strong economy. One of the big failings of the budget is the big reductions in spending that should be happening. The government would still end up with more tax dollars to spend because it is going from roughly a \$130 billion to a \$156 billion budget.

This kind of thinking is what we in the opposition parties are trying to put across to the government to ensure that it looks at it, not as a high spending money grows on trees type government but as some prudent common sense average citizen would handle his or her business affairs.

The budget announced \$7.7 billion in cumulative tax reductions over the next three years which sounds good. Excluding the employment insurance rate reduction of \$1.54 billion in 1999-2000, \$2.81 billion in 2000-01 and \$3.4 billion in 2001-02, in reality taxes will increase by just over \$2 billion in the next three years.

I always get interviewed in my home riding after a budget comes out. People ask me if it is a good budget for them or a poor budget. My advice to them is always very simple. When a budget is in place and has been implemented for six months or a year they should keep track of their paycheques to see if at the end of the day they have more money. That is the bottom line for the average Canadian. The figures being thrown around by the government often do not tell the whole story.

I talked about how some of this budget money is used.

• (1635)

I would like to talk for a moment about the millennium scholarship fund which was raised at an agriculture committee meeting I attended this morning. Five deans and presidents of universities gave presentations. They talked of more funding for research and more funding for the operations of their universities.

I took the liberty of asking one of the presenters if the \$2.5 billion that will go into these scholarships was the best way to move that money into the education system. Having good graces, these people did not criticize the government straight out and say that this was about the worst way we could fund education. However they certainly made it well known that their wishes, their desires, their way of funding education, would be to have that \$2.5 billion go directly to the universities for all students to have an opportunity to get the highest possible levels of education.

It is a good example of the prioritization being right, that money is needed in education, but the vehicle by which the government decided to do it was wrong. I assessed it on behalf of my constituents. By giving the money directly to universities the government would not receive the accolades and the votes it would get from buying individual voters, individual people who would receive these scholarships.

More or less if you vote for me we will give you a scholarship. It would not be that direct, but the suggestion would be that the

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government had done something great for the person getting a scholarship and he or she should feel indebted to the government and vote the right way the next time. That is a very poor way. I felt a bit reinforced in my thinking on this subject by these university professors and leaders in education.

When we talk about prioritizing spending, once again a lot of the spending that is not being properly prioritized should be rethought by the government. Agriculture is one area that could use some additional spending by the federal government. The reason I say that is not so much that it should give subsidies straight to farmers, but the prioritization of spending on agriculture should have greater emphasis.

We know that agriculture creates tremendous wealth for the country by bringing in hard offshore currency. Many internal domestic industries simply recirculate cash inside the country. When we see something that is a real big export dollar earner, that sector deserves strong government support.

When we take away the \$900 million AIDA package we end up with government support of agriculture to the tune of \$600 million or certainly less than \$700 million from the federal government. That is insufficient for such an important industry.

Some will ask for ideas on where to find some of that money. I do not intend to go through everything today, but certainly CBC television is one area that could be handled very well by the private sector. As Canadians we spend a lot of money on it every year.

• (1640)

We need a bit of gun control in terms of handguns but we do not to spend upward of \$1 billion over the next year to register lawfully possessed private property like rifles and shotguns.

I ranch and have a hired man. I will have to pay not only for me to have all these permits but I will have to pay for his training. That adds an absolutely unnecessary cost on to a business.

The rural development secretariat working in the health care field, which I raised in committee and bears repeating again in public, is trying to find doctors for remote areas and that sort of thing. In each province across the country the health care system is working very hard and spending millions of dollars to find doctors for remote areas. We are wasting money duplicating what is a provincial responsibility. They are doing the best job that can be done. This is something that could be repriorized by the government and the money used for something else.

The transitional jobs fund is one of those programs which has good projects and bad ones. A small remote town in my riding received a health care facility which was partially paid for by money from the jobs fund. People no longer have to travel close to

100 miles to visit relatives who have Alzheimer's disease, for instance.

The structure of the program is like the structure of the millennium scholarship fund. It has a built-in opportunity for the government of the day to abuse it. I think we saw some of this abuse with regard to hotels in Montreal having a strong connection to the government and to the Prime Minister himself. According to my last accounting some \$1 million went into that particular transitional jobs fund project, which I can only refer to as a patronage, slush fund type payment.

I have a final comment to make on where money could be saved rather than wasted. Newspapers indicated today and yesterday that \$83,000 had been paid for an assistant to the justice minister to deal with the CHST, the Canada health and social transfers system. The government should repriorize its spending.

Canada health and social transfers have been cut drastically over past years. With the government's announcement in the past budget we see that money has been put back into the health and social transfers. That will only bring it up to the 1993 level of funding, which is clearly insufficient for the health care needs of today.

Once again I encourage people to contact their members of parliament and ask them for more details on the budget, on the funding, on the spending and on the priorities. It must get message out to Canadians on what the budget is about. In closing, I can only say that by having an informed Canadian public we can have better government.

• (1645)

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, I am pleased to rise to speak to the 1999 budget and to address some of the concerns which the government has failed to address.

The principal issue that I want to address is that there has not been meaningful, broad based tax reduction, which the country desperately needs to grow our economy in order that we can be more competitive and, yes, more productive. As has been pointed out in the last number of days and weeks, Canada indeed has a productivity problem, which is largely due to the fact that our society is overtaxed.

It may come as a shock to Liberal members that personal income tax as a percentage of our gross domestic product is 18% higher in Canada than in the United States. Corporate taxes are 17% higher than they are in the United States. And we wonder why growth in our economy is stifled compared to what we see in the United States.

There is another price that this country pays for its high tax regime. More and more often our best and our brightest, the best young minds that we have in the country, are faced with a shocking fact. They are likely to finish an undergraduate degree owing

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\$25,000 to \$30,000. They are faced with decisions. Where do they seek opportunity? Where will they get paid more? Where will they get taxed less? Where can they have the best quality of life?

I am very proud to say that I still believe the best quality of life is found within the borders of this great country that we call Canada. However, we are going to lose more of our best and our brightest if we do not provide them with a tax regime which makes it competitive enough for them to stay here. I am saying, quite simply, that we need to lower taxes to end the brain drain.

I also want to point out what small business has pointed out time and time again. I would like to refer to a document from the Canadian Federation of Independent Business which indicates where small business feels their concerns were missed in terms of the excessive, extraordinary payroll taxes that we pay in this country. This government takes in over \$6 billion more annually through the EI fund than the program actually consumes. That money belongs in the pockets of the Canadian taxpayers. It is plain and simple.

The CFIB also indicated where the concerns of the younger generation have been missed. As a younger person and a younger member of the House, I can say that the younger generation is very concerned about this. We have a \$600 billion national debt which has been run up over the last 30 years. Now we are asking the younger generation to bear the burden of that debt. We owe it as parliamentarians on all sides of the House to make prudent investments to begin to pay down the national debt. It is our moral obligation.

There are other reasons for us to pay down the debt. As long as we have an enormous debt, as we do today, we will pay over \$45 billion annually to service the debt. We will always be threatened with high taxes. We can never lower taxes unless we eliminate the causes of high taxes, and the principal cause is the national debt.

We need broad based tax reduction. Government members stand in question period, day in and day out, and say "We have lowered taxes". I know people who are capable of lowering taxes. If there has been any growth in this country over the last decade it has been largely due to our export driven economy. Why is that? Where did that growth come from? It came from the free trade agreement of 1988, which was expanded by the NAFTA in 1993, which the Liberal Party opposed.

• (1650)

The government likes to take credit for balancing the budget. I would like to make it very clear that it was the Canadian taxpayers who made sacrifice upon sacrifice in the last number of years to get our fiscal house in order. It has been quite an ordeal. It has been a 15-year work in progress. I applaud Canadian taxpayers because they made the sacrifices to balance the budget.

Getting our fiscal house in order and once again having growth in the economy of this country is largely due to the Ontario

government of Mike Harris. Since its election in 1995 it has lowered taxes and has made a commitment to balance its budget by the year 2001. If Mike Harris and Ernie Eves had not started the economic engine of this country again, that being the province of Ontario, nobody would have balanced the budget, not even this finance minister. That is very clear.

I would also like to point out where the real fiscal leadership in this country came from. From the political perspective, it clearly came from the provinces, first and foremost. I know it hurts, but it was the Progressive Conservative Government of the province of Alberta, led by Ralph Klein, which made a very firm commitment to pay down the debt because it believed it was wrong to burden the younger generation with it.

Gary Filmon, the Progressive Conservative Premier of Manitoba, also brought forward initiatives to balance the budget. He is the senior statesman of the provincial premiers in terms of the balanced budget legislation that he brought forth.

Again it comes down to the growth that has been created by the province of Ontario, which has been driven by the export sector and the lower tax regime.

I would also like to pay tribute to the government which was in power between 1984 and 1993 in terms of the tax reform which it initiated. If it was so wrong, why has the government not changed it? If free trade was so wrong, why has the government not changed it? Mr. Speaker, I know that you know the answer, being the very learned gentleman that you are. The reason the government has not changed it is simply because it works.

I believe it is imperative that we take some initiatives to invest in the future of the country.

It was a sin for the government to get its fiscal house in order by hacking transfer payments by more than 30%. Those transfers pay for our priority programs, such as health care, post-secondary education and social services. The government is not going to do anything. It is passing the burden of the problems to the provinces. I am very happy to say that the provinces met the challenge.

There are some investments to be made. I want to highlight one priority, the student debt level. It is a sin for an undergraduate to finish a degree today with a debt of \$25,000 to \$30,000. Why is that? Because the government slashed transfer payments by over 30%—

Mr. Norman Doyle: It was 35%.

Mr. John Herron: It was actually 35%, the learned member from St. John's East has pointed out to me.

If there is one investment that the government needs to make it is to ensure that we put more money into post-secondary education so that our best and our brightest can go to school. I have talked to the

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member from Compton—Stanstead about this on numerous occasions and I know that he shares the same sentiment. He is very fearful that some of our best and brightest will choose to not even go to university. I am extremely concerned about that.

• (1655)

The government has no plan, in terms of health care, to attract doctors or nurses; nor does it have a visionary concept to attract doctors to rural Canada. That is very important to the residents in my riding of Fundy—Royal.

The government takes credit for putting money back into health care through the transfer payments, the CHST. However, the province of New Brunswick was getting less money. It was getting \$11 million less because of the 1998 budget. This year it is actually getting a little more. The government is playing a bit of a shell game with our health care dollars. I find that to be a travesty.

I will sum up by indicating what this government missed in the 1999 budget.

There should have been a prudent, serious commitment to paying down the \$600 billion national debt. It should have sent a signal to Canadians that it was the right step.

It should have provided Canadians with the broad based tax relief which they rightfully deserve. Doing that would have given our economy the injection it needs so that we could become the country we know we can be.

I want to ensure that the government puts money into priority programs, not silly programs like the transitional jobs fund. We need to put money into priority spending areas, such as health care. I am particularly concerned about rural health care. We also have to ensure that our best and brightest have access to affordable post-secondary education.

As the environment critic for our party, I would point out that the finance minister is a former environment critic, yet the environment department is still one of the most underfunded departments in this government. That is a shame.

To set the record straight, it was the provincial governments which actually provided the political leadership in terms of fiscal responsibility, primarily the Progressive Conservative governments of Manitoba, Ontario and Alberta.

We also need to pay tribute to the people on the front lines of this debt and deficit debate, the Canadian taxpayers who sacrificed to get the job done.

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, I want to ask a question of the member. It is nice to see him in the House today, wound up like he is. I sit on the environment committee with him and this is quite unusual. He must be speaking from the heart.

We have an accumulated debt in this country of \$580 billion. In the projections of this government for the next three years that will not go down one nickel. If it says that it is paying down the debt, it is not.

What part of the national debt should be paid down first, the part this government ran up or the part his government ran up? Should we use the GST money to do that? When his government was selling the GST it said that it would use that money to pay down the debt. I would like him to explain what happened.

Mr. John Herron: Mr. Speaker, it is my honour to have the opportunity to address such a very constructive question. I know that was the intent of my hon. friend from the environment committee.

First we have to look at the GST, which is a tax itself. No one likes taxes, but the GST was a replacement tax for a hidden federal manufacturing tax. It was a good thing to do, according to this government. Otherwise, it would have changed it. It was such a good thing that the minister of heritage decided to run twice on the very same issue.

When it comes to the national debt and which part of the debt we should pay down, we need to take a very serious look at the debt issue itself. There is a partisan swing there, but the overall impression is this. The past government lowered the debt as a percentage of GDP.

• (1700)

To be quite honest, more should have been done and more needed to be done. We need to continue to use our export driven economy, our access to the American market to keep our economy growing and pay down the debt in a very serious deliberate way so Canadians know we are making investments in that. We have a moral obligation to do it. We have a reason to do it from a productivity perspective.

I will be very pleased to answer any questions.

I thank my hon. friend and colleague from the environment committee for his interest in this particular issue.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I cannot help but object to the member's comments welcoming debate on paying down the debt.

As my hon. colleague for Lethbridge has pointed out, the cumulative debt stands at \$580 billion which has saddled this country into low productivity. Year after year after year Michael Wilson and Brian Mulroney told us that this debt was going to go. I remember it well.

In 1984 Mr. Mulroney campaigned and indicated that we were \$170 billion in debt courtesy of the Liberal Party and this was going to sink us under a whole margin of debt. Mr. Mulroney's government was going to fix this when it took office. From 1984 to

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1993 the Mulroney government ran up the debt from \$170 billion to approximately \$450 billion. The Liberals continued on and ran it up to \$580 billion. It was the Reform Party coming over the horizon and saying that if things did not change we would take over this place that caused the Liberal Party and that rump down at the far end, the Progressive Conservative Party, to change their minds.

The member says he wants to enter into a debate about the national debt. Let us remember what two parties created the national debt. It was the Reform Party that came here and caused them to change.

The member talks about the GST replacing a hidden tax. The manufacturers sales tax did not affect me much as a consumer but the GST hits me in the pocket every time I go to the cash register. People do not like it. It was brought in over the protestations of every Canadian. The Liberals kept it even though they promised to get rid of it.

I want to know what the member is going to do about the GST and high taxes. There are \$40 billion in interest payments every year because of the national debt.

Mr. John Herron: Mr. Speaker, it is my pleasure to respond to my hon. colleague's question. I want to set the record straight on a couple of issues as well. Let us think this through.

In 1987 the Reform Party was formed. Its members would have us believe that they wanted to get our fiscal house in order because they were worried about the direction in which the country was going. There is a little bit of history. As a younger person I find it very uncomfortable lecturing some of the more senior members in that regard.

In 1984 the deficit was approximately \$40 billion. In 1987 the deficit was around \$17 billion or \$21 billion. The government was headed in a much more prudent fiscal direction in that regard. That was the Progressive Conservative government of the day. For Reform members to say that they became a party because they were concerned about the fiscal element within this country is a faux pas. I am very sad to say that.

When Reform decided to become a party it was headed in a positive direction. Instead of encouraging the government and jumping on side to make investments, Reform decided to have a party to split the right. Now Reform is saying perhaps it was not a good thing to do and we should all cuddle up and try it all over again.

• (1705)

I want to talk about very serious issues. The partisanship is not important. What is important is we have a \$600 billion national debt. We have the capacity to show the Canadian taxpayer that we are serious in addressing it and that we want to pay down the debt with very measurable targets.

That is the commitment Canadians want to hear, not the partisan rhetoric. They want to hear that we want to pay down the national debt in a very real way in terms of our debt to GDP ratio and in a very real way as compared to EU nations. That is what we want to do. We want to make that commitment.

Mr. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, the Tories do not have any credibility when they talk about debt and deficit. They have left a record debt and a record deficit.

The hon. member used the example of Mike Harris. For the record, under Mike Harris we have sent thousands and thousands of nurses out of the province of Ontario. We have slashed spending on education and research. We have slashed the social programs. If the hon. member is going to hold that person up as an example of the kind of government he aspires to, I can only say that he is dead wrong.

Mr. John Herron: Mr. Speaker, I was hoping we would have a question that would be a little difficult. This one is a bit of a lame duck.

In any event, the reason the province of Ontario had to make some tough decisions on health care and education was that this government cut transfer payments for health care and education by over 35%. Whoops, I guess the hon. member actually forgot that. What Mike Harris has been able to do by growing the economy of Ontario, and I can point out growing the economy of this country, is the government of Mike Harris is investing more in health care, more in education than ever before by any government that has ever governed the province of Ontario.

Next time hopefully I will get a tougher question.

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, I know there are a couple more members who would like to participate in the debate. If you would please indicate when 10 minutes are up.

The Acting Speaker (Mr. McClelland): The Chair is of the opinion that there are not any members other than yourself who have indicated their desire to speak.

The hon. member for Palliser has 20 minutes for debate, plus 10 minutes questions and comments.

Mr. Dick Proctor: Mr. Speaker, I am pleased to rise today to talk about the implementation of the 1999 budget. I want to make several points, but since it has been dubbed the health care budget I will start with that.

Perhaps just as an aside to the member for Fundy—Royal, and I do not want to get into a big debate about this, but the record will show that the first provincial government that eliminated its deficit was not Mr. Klein's in Alberta or Mr. Filmon's in Manitoba. It was in fact the Romanow government in Saskatchewan.

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All across Canada the years of federal neglect and cutbacks have taken their toll. The fact that the Liberal government felt compelled to come up with a health budget is a credit to the thousands of Canadians, some of whom may be actually watching, who have written, or faxed or phoned their members of parliament in recent months.

We do not forget on this side of the House that the government only a few months before the introduction of the budget refused to admit that the health system needed an infusion or a transfusion of cash. It is only with constant public and political pressure together with a relentless stream of individual horror stories that the government was forced to put some money back into our ailing health care system.

What is striking about this budget when we strip away the hype is that it really does not offer very much at all. It is really a lesson in underachievement. It may abet the Liberals' political crisis but it does not come close to solving the larger health care crisis. If there was ever an opportunity to have taken dramatic steps to set things right, we had it in this budget.

• (1710)

The deficit was gone and there appeared to be enough surplus money to make a difference, but by holding back, Canadians will actually have to wait for several more years before the money that has gone out of the system is put back into our health care system. I remind the House that the Liberals with the introduction of the Canada health and social transfer back in 1995 cut more than \$21.5 billion out of health and social funding.

More than half of that \$21.5 billion was in the health care funding. This year the budget put back only \$2 billion, not quite the cause for celebration that some on the other side would have us believe. Members of the government keep repeating \$11.5 billion. We heard it this afternoon. That is what they want us and Canadians to remember about the budget. What they want us to forget is that the \$11.5 billion is spread out over five years.

It gets worse. We do not get the ongoing benefit of that \$11.5 billion because it is not cumulative. By the end of the next five years only \$2.5 billion will have been permanently added to the transfer, \$15 billion per year, up from the current \$12.5 billion. It is like a wage bonus instead of a wage increase. It is a one time fix that leaves us no further ahead.

More important, the federal share of health spending is not going to change significantly either. When medicare began, the federal-provincial ratio rate was 50:50 funding. When the Liberals came to power in 1993 the federal share had dropped all the way to 18%. Now it is down to about 11%. In the next five years it is going to go up only 1.5% to about 12.5%. How much clout will 12.5% buy us

when some provinces would like to slide into a two tier American style health care system?

Our look at the federal budget has helped us realize that much work lies ahead for all Canadians who care about our public health care system. New Democrats certainly do. We cannot count on the government. It is now obvious that only continued public pressure will keep the government from backsliding on its commitment to health care. Will next year's budget just be another corporate affair?

There has been some conversation in this debate about the previous prime minister. It was interesting to see not long ago that Mr. Mulroney was congratulating the current Prime Minister for his success in implementing the Progressive Conservative agenda for Canada. I remember the former prime minister used to say that in 20 years we would not recognize this country. After nine years of Mr. Mulroney and now six years of the Liberal administration we do scarcely recognize our country.

We saw it again today in the House of Commons during question period. The Prime Minister and the Minister of Finance gave us happy talk about all the good things that are happening across the country, how the dollar is strengthening, the deficit has been eliminated, and the debt is being managed. That is not what they are saying behind closed doors.

The other day I read an economic summary of a report written for the use of federal deputy ministers. This report discovered what most of us already know from our very personal and family experiences. That is that the average income of Canadian households has declined in the 1990s. In fact in 1996 family income was a full 6% less than it was seven years previously. This is the legacy of the government: falling incomes, rising uncertainty, and fear about the future.

Members may ask why this is happening. The report I referred to says that this decline was mainly due to loss in market income, in other words, income from employment. Remember this was a report done for deputy ministers of the government. The authors warned of their growing fear that after 15 to 20 years, income inequality is now very much on the rise. The stage is set for a growing gap between the affluent and the poor in our society. There is plenty of evidence around to suggest that it is already happening.

I do not have to tell the House of Commons or the folks who live in many Canadian cities of the homelessness and the lack of affordable housing and the crisis proportions this has resulted in. What I found most interesting in talking with an economist about this recently was the observation that if it had not been for Canada's social programs, the decline in household income would have been much greater than it was between the 1989 and 1996 period.

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• (1715)

If it were not for programs such as health care and social assistance, as wounded as these programs currently are, the inequality among the rich and other Canadians would be much greater.

At the same time this economist told me that there have been what he calls massive increases in the economic insecurity being experienced by Canadians because of deliberate cutbacks the government had made to employment insurance, health care and other programs.

Canadians know, for example, that if they lose their jobs it is difficult if not next to impossible for them these days to get employment insurance. That is not the way it used to be, but that is the way it is now since the government has changed the rules so severely.

Health care is under attack, as I have said, and people know that if they get sick they have to pay for many of the services that used to be provided from tax revenues.

With regard to employment insurance as it is now known, or unemployment insurance as it used to be known, the government has raided the employment insurance fund. It was at \$26 billion at the end of March. The government has placed the surplus in the employment insurance fund as a nest egg to spend as it pleases, rather than provide adequate benefits to workers, increase the benefits, or help more people to utilize the fund.

In the city of Regina where I live only one unemployed person in five is now eligible or actually receiving any form of employment insurance. In fact, the two cities of Regina and Ottawa share the distinction of having the lowest percentage of unemployed receiving employment insurance benefits.

This is clearly a deliberate government policy. The result is insecurity and hardship for thousands of individuals and families, and the loss of millions of dollars to small businesses that the unemployed can no longer afford to patronize by purchasing groceries, gas or children's clothing.

These policies are callous and unacceptable. People do matter. They pay into employment insurance and when they lose their jobs it has to be there for them. Our caucus has made this issue a priority and we will push hard for improvement.

We have talked in the House in recent days about Bill C-78. I believe it was before the committee today. It is another \$30 billion tax grab that the government wishes to take out of the pension plans. Last week we heard the parliamentary secretary talk about the fact that the government was responsible for losses and therefore should enjoy the benefits of the surplus. He said in his response that the government had dipped into the plan by some \$13 billion, which therefore justified it being able to take out \$30 billion.

We simply do not buy that. We have talked to the retirees. We have talked to the current employees. They are not saying that the \$30 billion all belongs to them, but they are saying that it needs to be shared. That is a message the government is not interested in hearing whatsoever.

On homelessness, Canadians know only too well that the government has done little or nothing for the homeless in our country and very little for the poor. The United Nations last fall published an in depth study which was not at all flattering to Canada.

Although it was referred to earlier that the United Nations has said that Canada is the best country in the world in which to live, this study said that in addressing budget deficits the federal government had not paid attention to adverse effects for the population in general. In other words, the government had balanced its books on the backs of ordinary families and those hurt most were those most at risk.

The committee says that homelessness in Canada is an area of grave concern. The report states that it is of grave concern that little or no progress has been made to improve the lot of aboriginal peoples, especially in the areas of housing, unemployment and safe drinking water.

The world's poor is also worthy of some attention in this budget address. The Liberal government has demonstrated a lack of concern for the poor not only in this country but the most vulnerable in many other countries. The budget introduced in February provided only a modest increase of \$50 million for development assistance. This amounts to a mere 0.2% of our gross domestic product.

In the 1960s a more generous Liberal government set a target of 0.7% of GDP.

• (1720)

We are providing about one-third of what we actually promised more than 30 years ago in developmental assistance to the third world, despite the fact that Canada remains one of the richest countries in the world.

Stephen Lewis, a former Canadian High Commissioner to the United Nations and a social justice advocate at the international level, said last year the fact that Canada was not meeting even this modest 0.7% of its GDP was an international tragedy. This overseas development assistance, according to Mr. Lewis, is used for health systems, nutrition, education, water and sanitation, the things we cannot get private sector investment to undertake.

Along much the same line, I was disappointed that the finance minister was silent in the budget about any commitment to forgive the debt owed to our government by some of the world's poorest countries. Many thousands of Canadians are involved in the Jubilee 2000 campaign to cancel the bilateral debt owed to Canada

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by 50 of the world's poorest countries. These countries are so indebted that they will probably never be able to repay us.

Our gesture in forgiving that debt would have both generous and symbolic importance. Leaders of the Jubilee 2000 campaign met with the minister last fall. They felt he was sympathetic. They came away encouraged, but they and the poorest of the world's poor came up empty handed when the budget came down.

In conclusion, we are very concerned about the direction the country is going in. We will be watching vigilantly human development and continuing to ensure that Canadians are protected against sickness, against unemployment and against poverty.

We are certainly in favour of creating wealth but we want to see that wealth shared in a fair and equitable manner. Too many of the Liberal government's policies in Ottawa are both callous and unacceptable. People matter and we on this side of the House are prepared to work with Canadians to fight for things that matter most to them and to their families.

[*Translation*]

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, I listened very carefully to the hon. member. I know one of his concerns is agriculture. He talked a lot about social housing and health care, but I would also have liked him to deal with agriculture. I have a question for him on this.

When the Liberals came to power, the Department of Agriculture had a \$2.2 billion budget. For fiscal 2001-02, it is forecast to be \$1.1 billion, a cut and a shortfall in the order of 48%.

Moreover, during the same period the government, through the Department of Agriculture, has started charging farmers fees in at least 42 areas where, previously, services were provided free of charge.

I would like to know what the member thinks of this situation and how our farmers are going to be able to remain competitive in such an environment.

[*English*]

Mr. Dick Proctor: Mr. Speaker, the member's comments are very accurate in terms of the drop in financing for agriculture.

We are in a very real dilemma in agriculture, particularly on the prairies where grain prices and world commodity prices have dropped precipitously. Input costs are going up. We thought we got the government's attention last fall when it made a commitment toward an agricultural income disaster assistance plan.

The plan came into effect or the details were announced in February and they are not at all promising. Most farmers with whom I have spoken feel that they will not benefit very much, if at all, from this AIDA program.

• (1725)

There are some real concerns. Members on all sides of the House will recognize the important role agriculture has played, especially in recent years as we have begun to grapple with the debt and deficit and to improve our balance of payments.

Agriculture is now the seventh leading sector in Canada. Yet I fear that we will throw out the goose that laid the golden egg by simply grabbing everything we can and leaving our farmers impoverished, to the point where many of them will have to walk away from their agricultural responsibilities or opportunities, those things which they love to do most, simply because the government is either unable or unwilling to give them the protection they need so that they can compete effectively with their counterparts, farmers, producers and ranchers in the United States and Europe and in other countries around the world.

The member has raised a very important issue which the government will need to address in the days and months to come.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I see it is coming close to the end of the day. Whether I want to start another speech or ask another question is a moot point so I will just ask a question at the moment of my hon. colleague who represents the New Democratic Party.

That party always seems to be more in favour of regulation and programs. It always wants to come up with another way to help people through more taxes and more programs.

We are dealing with the Budget Implementation Act. The Minister of Finance is sitting on a bundle of cash augmented by \$30 billion the government will take out of the civil service pension plan. Putting that aside, he is now sitting on substantial amounts of cash courtesy of Canadian taxpayers because taxes have not been cut yet.

As a member of the New Democratic Party, does the member for Palliser feel that we have some leeway with deciding whether we will reduce taxes or have more programs? Is it more beneficial that we have tax relief for Canadians right across the board so everybody can start breathing more easily and have some money in their pockets to pay their bills? Or, does he believe that we take it now that we have it and use it for some other program?

Mr. Dick Proctor: Mr. Speaker, we need a balanced approach, in answer to the member for St. Albert. Certainly there are areas where we need tax relief. I remember back to the Carter commission in the 1960s when we talked about tax reform. It has never happened in the last 30 odd years. We do need that but we also need good social programs.

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I would say Canadians are a bit schizophrenic. Some people say that Canada wants a Scandinavian social program paid on an American tax base. We clearly cannot do that, but we need some direction from Canadians about which they want more.

The Acting Speaker (Mr. McClelland): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. McClelland): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. McClelland): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. McClelland): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. McClelland): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. McClelland): Call in the members.

And the bells having rung:

• (1730)

The Acting Speaker (Mr. McClelland): The vote is deferred.

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]

CANADA ENDANGERED SPECIES PROTECTION ACT

Hon. Charles Caccia (Davenport, Lib.) moved that Bill C-441, an act respecting the protection of wildlife species in Canada from extirpation or extinction, be read the second time and referred to a committee.

He said: Mr. Speaker, I will share my time with the member for Lac-Saint-Louis.

[English]

The Acting Speaker (Mr. McClelland): During Private Members' Business the unanimous consent of the House is required for a member to split his time.

The hon. member for Davenport has requested the unanimous consent of the House to split his time in Private Members' Business. Does the House give its unanimous consent?

Some hon. members: Agreed.

Hon. Charles Caccia: Mr. Speaker, perhaps we might start this debate by asking ourselves the following questions: Why are we in this predicament? Why does Canada have some 300 species which have been identified as being at risk?

Part of the answer may be found in a study by Donald Ludwig, Ray Hilborn and Carl Walters recently produced at the University of British Columbia and entitled "Uncertainty, resource exploitation and conservation: Lessons from history".

They conclude first that scientific certainty can rarely be achieved especially in answer to the question of how long our resources will last. If we delay and wait for a definite answer, the only certainty will be to find that we are likely to run out or will run out of fish, forest, certain animals and plants.

Their second conclusion is that humans are often motivated by greed in exploiting natural resources.

There is a need therefore to act in a way that compensates for the two realities they have identified. That is why we need endangered species legislation with certain characteristics.

Who should decide? It seems to me that the role of scientists ought to be defined as to who would determine which species is threatened, vulnerable or endangered. Scientists, therefore, would, through a special committee, have the power to determine which species need protection, and then find ways of ensuring the recovery of the species. The scientists would work at arm's length from government. Once they determine a species is in trouble, the procedure leading to protection would also be set into motion.

The next question is: How do we protect the living spaces of endangered species? It seems quite clear by now that they must be protected. It means that to protect a species at risk without protecting the land and water that the species depends on is not possible. To protect an owl without also protecting the area that provides it with food and nesting material will not do. It does little to protect a large carnivore like the polar bear, which has been listed as vulnerable since 1991, without ensuring its territory and ensuring that it is not devastated by human activities, including mining operations. The same arguments apply for the many animals lower on the food chain, as well as plants, that are at risk in Canada.

• (1735)

How to proceed in the federal system is a difficult question to answer. It is often said that strong legislation is not possible because we are a federation. The possible answer to that is mirror legislation, which would work in the following way: When a province decides to protect endangered species within its territories, it would ask the Government of Canada to sign an agreement that once that province has equivalent protections in place for the species, then the federal law would not be enforced in that particular province. It would be a coming together between two jurisdictions with the same kind of approach for the purpose of protecting the endangered species.

This approach is necessary because species do not know the meaning of borders. If their extinction is to be prevented, there cannot be a patchwork of protections from province to province with no protection at all in some, weak protection in others and so on.

The other reason we have to move with this particular type of legislation is our international commitments. In 1992 in Rio, Canada was the first nation to sign the convention on biological diversity. The Government of Canada made a commitment to conserve our biological heritage for future generations. Other countries are beginning to take note of our lack of progress on this front. It has been seven years since we signed the convention and we still have no law protecting species at risk.

Protecting species also means protecting a part of the global commons; the resources that belong to everybody, to the global community. Therefore, when damage is done to one species, every other species somehow suffers and is affected by that.

Some people fear that an endangered species legislation would threaten private property. There is no need to panic, because a solution can be found for this particular concern.

The emphasis should not be on what individuals can do to protect the global commons. The emphasis should be on finding solutions and establishing roles for the individual and for the communities in order to arrive at a solution, rather than identifying the obstacles whereby we should not be acting. When it comes to the issue of private property, the tendency has been to magnify that particular issue rather than in developing approaches that would, in the end, result in a solution to that particular problem.

This kind of legislation is now becoming very urgent. The Canadian public is certainly very keen. It has responded very favourably to every initiative made by parliamentarians in alerting the government to the need for moving in this direction.

I hope this bill will serve the purpose that it was originally intended to serve, namely to provide a benchmark for the Government of Canada to possibly adopt in its fullness so that we can have

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an effective piece of legislation that will be functioning properly in a federal system and that will be adequately removed from political pressures.

I would be glad now to defer to my colleague from Lac-Saint-Louis.

[*Translation*]

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, I was born on Mauritius, a small island in the Indian Ocean. Before colonization, it had 29 species of fauna that were unique in the world. Today, only three remain. The other 26 have disappeared, including the legendary dodo.

• (1740)

The three species left are the Mauritius kestrel, the echo parakeet and the pink pigeon.

A few years ago, all that remained were nine of one species, three or four of the other, the kestrels, and 20 pink pigeons. The Durrell Foundation in New Jersey captured these three threatened species and raised them in captivity in New Jersey.

Now, thanks to a conservation and recovery program, these three species are living in nature on Mauritius.

[*English*]

Three years ago I visited Mauritius where I was born. For the first time in my life, a long life so far, I was able to see a pair of kestrels myself. This was something I had heard of and read about in books and there it was in front of me. I found it a very moving time because it was part of my natural heritage, something that as a kid I could not enjoy. Today, thanks to the Durrell Foundation, we have managed to save the three species but twenty-six others have disappeared.

Learned people, like Professor Wilson of Harvard University, have counted the number of extinct species in this century alone at possibly one million. Jacques Cousteau, the great explorer, told how, on visiting the Amazon, he thought of a beautiful cathedral going back into centuries or a magnificent library of the most precious books. He wrote that losing the species in the Amazon was tantamount to a cathedral or a wonderful library of precious books burning to the ground because we can never replace them.

This is why I am extremely grateful to my colleague from Davenport for having brought this bill forward to protect what really makes species live: the habitat and the ecosystem. Without habitat and the ecosystem there are no species and species disappear. If we clear cut there can be no birds and no wildlife because there is no place for them to live.

This is what has been happening. We have been destroying the habitats and the ecosystems. There are 300 species at risk in this wonderful country of Canada.

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This is why this bill is so precious to us. It gives us the ability to protect the habitat. Let us protect the habitat and the species at risk right across Canada. If we must, let us give equivalence to the provinces which have a prime right in many ways if they can show that they have equivalent legislation for them to act. The bill also provides for automatic listing at arm's length of species at risk, another essential element of any such legislation.

I hope these three elements will be found in any legislation that the government brings forward later on. The bill is clear. It is strong. It is logical. It is going to prevent extinction by addressing the root causes of extinction; that is, habitat conservation and preservation.

I will finish my speech with the same analogy I started with. On my own native island of Mauritius there is a little 375 acre island way out in the blue called Round Island. Of all the places in the world, it was the one that contained the most species of plants and wildlife unique to any one place anywhere in the world. They were innumerable on Round Island. Today we can count them on the fingers of one hand. The famous hurricane palm has only one specimen left in the world and it is on Round Island. Thanks again to the Durrell Foundation, they are trying to preserve that unique tree, hoping that in the future they might reproduce it in larger numbers.

I have seen so many species in my own lifetime disappear from my eyes on this tropical island where there is so much wonderful wildlife. I see it happening in Canada as we cut our forests and we toxify our streams and rivers. We must stop it. This is why Bill C-441 is so important. It sends a message, and sets a model for us.

I congratulate my colleague. I think he has done us a great turn by bringing this bill before parliament so that it can serve as an example for possible legislation to follow. This is my fondest wish.

• (1745)

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, it gives me great pleasure to debate the merits of Bill C-441, an act respecting endangered species protection.

The sponsor of the bill, the member for Davenport and the chairman of the Standing Committee on the Environment and Sustainable Development, is a learned man and a man committed to a cause. He puts his heart and his soul into environmental protection and is not reluctant to speak out, even against his government many times.

However there are times when I disagree with my colleague on the means that should be used to accomplish the end. I come from a background that promotes smaller, less invasive government, a government that does not overwhelm its citizens with mind numbing layers of bureaucracy. I am a firm believer in motivating people to take action through positive incentives, not through the threat of heavy handed government action.

It is because of these distinctions that the member for Davenport and I sit on opposite sides of the House. However, I am grateful that when we have differences of opinion we can engage in a public debate and let our positions be judged on the merits of our arguments.

Wildlife is an intrinsic part of the Canadian identity. From the days when native peoples roamed the lands to the days when the first European settlers arrived and today when Canadians spend over \$11 billion in their nature pursuits, Canada's rugged beauty has captivated our souls.

We value nature and its wildlife for many reasons. We depend on a healthy environment for food and raw materials. We value the medicinal and health benefits we receive. A vibrant ecosystem cleans our air, purifies our water and nourishes our farm lands.

The economic spin-offs that come from recreational nature pursuits or from sustainable harvesting of our natural resources are a significant part of our national economy. Most important, we believe that we are given the duty of stewardship by our creator. We have a duty and an obligation to ensure that our environment is preserved for future generations.

This deep respect for nature and wildlife has created an international reputation of goodwill for Canada. This respect led Canada to make international commitments to protect its biological diversity. Canada was one of the first countries to ratify the UN Convention on Biological Diversity which committed Canada to a path of sustainable development. This convention also committed Canada to pursue an agenda of sustainable development and bound Canada to develop or maintain necessary legislation and/or other regulatory provisions for the protection of threatened species and populations.

In spite of being home to almost 20% of the world's wildlife, Canada is failing to live up to these international obligations. Canada's wildlife is only protected through a piecemeal approach of federal and provincial legislation. This legislation while protecting some species does not adequately protect Canada's wildlife at risk.

In my role as the chief environment critic for the Reform Party I have repeatedly asked the government when it would be fulfilling its obligations by introducing responsible endangered species legislation. Despite my efforts I still have no answers.

In response to a letter that I wrote in March 1998 the environment minister promised that she would be introducing endangered species legislation before the end of that year. That target has passed and now the latest target date promised by the minister is quickly approaching. The minister recently promised to introduce legislation before the summer recess, but it is doubtful that she will even meet that target.

The Reform Party supports developing responsible endangered species legislation. It is even given specific mention in our blue book. Members of our party realize the important role that the federal government can play in protecting our wildlife at risk. We realize that the typical method of government intervention is outdated and ineffective. The command and the control authority that the government so dearly clings to do more harm than good.

One need only look to our southern neighbours to see the results of top down command and control, heavy handed government regulation. The United States endangered species act has been a complete failure. Billions of dollars have been spent on bureaucratic paper shuffling while not one endangered species has been delisted because of a successful recovery.

The hostile climate that this bill has created between private property owners and the federal government has done more harm to the cause of endangered species protection than having no legislation at all. The complete disregard for private property rights and absence of any positive stewardship incentives have virtually destroyed any spirit of co-operation between the government and landowners.

• (1750)

The government practice of seizing private lands without providing fair compensation has led to the so-called shoot, shovel and shut up syndrome where landowners would rather eliminate a resident endangered species on their land than run the risk of government seizure. This is perhaps the most telling statistic of this law's complete failure to recover one single species despite spending over \$13 billion since its inception in 1973.

I fear for the well-being of the country when I hear calls for Canada to develop legislation based on this draconian example. This is not the protection that Canada's wildlife at risk needs. Canadian endangered species legislation should be driven by those people who are intimately connected with Canada's wildlife. Instead of being driven by invasive government actions regulated by a far removed bureaucracy, a bureaucracy that has no idea of the subtle nuances of the local endangered species, protection should start on the ground with those who will be directly affected.

On crown lands means fish and wildlife officers, wildlife experts, conservation groups and land users. "On private lands" means the farmers, ranchers and resource sector employees. These individuals should be our first line of defence. Stewardship of the land has a long tradition in Canada among those who depend on it for their livelihood. These responsible land users realize that if they treat the land with respect it will continue to sustain them with its bounty and goodness.

However it has not been the tradition of the government to give the proper respect to private property landowners. The last attempt by the Liberals to introduce endangered species legislation

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trampled the rights of landowners, granting the government the authority to arbitrarily seize lands without adequate compensation. It ignored stewardship initiatives in favour of government programs. It expected landowners to bear a disproportionate financial burden simply because they own the land.

Unfortunately I see this tradition continued in the bill we are debating today. The bill broadsides the rights of private property owners. Although the act applies to all lands there is no mention made of compensation for affected landowners. It pits neighbour against neighbour, allowing endangered species protection actions to be launched without even waiting for an investigation. If the government investigation clears an anonymously accused individual, the report does not require that the name of the accuser be made public, creating an environment of suspicion and hostility between neighbours.

In true Liberal fashion over half of the bill pertains to enforcement and punishment measures, while giving only cursory mention to recognizing private stewardship initiatives. The bill is about control. It is about giving unfettered power to the central government.

Landowners should be our first line of defence in the fight to protect endangered species. This means working with landowners instead of working against them. It means including them in decisions affecting their lands. It means educating them and assisting them in working with recovery plans. It means offering them compensation if their land is affected.

Responsible landowners who display proper land management practices, who have actively sought to protect and nurture endangered species, deserve to be recognized. Incentives can be used by the government to encourage and reward responsible stewardship practices. Responsible legislation will recognize this need and will provide for a process where governments and landowners can reach a mutually compatible, voluntary contractual agreement that protects wildlife at risk and respects private property rights.

My time is short but I would like to close with a few comments that I hope the member and his minister take under advisement. Science should be kept above politics by all means. Recommendations for species at risk should be made by an independent body based on scientifically sound evidence. However, the final decision must rest with parliament, for it alone has a democratic mandate which entitles it to balance the competing interests of economic and environmental needs. Although the bill rejects the concept of balancing economic and environmental needs, we cannot have a healthy environment without a healthy economy.

Finally, and I think I can say above all, I ask the minister to bear this in mind as she develops her own legislation. Environmental policies which emanate from liberty are the most successful. Our chosen environment is liberty and is the central organizing principle of Canada. There is a direct and positive relationship between

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free market societies and the healthiness, cleanliness and safety of the environment. Free people work to improve the environment and liberty is the energy behind environmental progress.

• (1755)

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to rise today to speak to Bill C-441, an act respecting the protection of wildlife species in Canada from extirpation or extinction.

This bill is almost identical to Bill C-65, which died on the Order Paper. Some changes were made regarding the role of provinces, but the bill still does not respect provincial jurisdictions.

The purpose of this bill is to protect wildlife species at risk. It provides for the establishment of a list of designated species as well as a recovery process. The designation of species, the scientific criteria used to include a species on the list and the recovery plans will be among the responsibilities of the Committee on the Status of Endangered Wildlife in Canada, or COSEWIC. There will be a complete restructuring of this organization from its current form. It will be made up of nine members appointed by the Minister of the Environment, and they will be paid.

Bill C-441 will apply to the so-called federal species such as migratory birds and aquatic species. It also deals with transboundary species as well as all species found on federal lands, and their habitats.

This bill prohibits anyone from killing, harming, disturbing, harassing, capturing or taking an individual of a species at risk as defined in the bill. Also, no person shall destroy its residence, its den or its nest. Those who contravene the act will face heavy fines and penalties.

Bill C-441 directly threatens the provinces' jurisdiction in environmental matters. In fact, on the pretext of meeting the requirements of the international convention on biodiversity, the bill introduced by the hon. member for Davenport interferes in areas under provincial jurisdiction.

Bill C-441 does not respect the constitutional division of powers with regard to the environment because it is based on a much too broad interpretation of the definition of territory and because it does not respect the joint responsibility of the federal government and the provinces with regard to certain species.

The bill gives the Minister of the Environment broad discretionary powers, in particular regarding appointment of the COSEWIC members, listing by COSEWIC of threatened or endangered species and the authority to implement or not recovery plans, etc.

It should be noted that even if there is an amendment to section 5(3) regarding admission criteria, our concerns remain basically

unanswered. The Minister of the Environment still has discretionary power.

One fundamental fact we must remember is that, since 1989, Quebec has had legislation on this and that the legislation works well and has had good results. We should avoid creating more bureaucracy and useless duplication—I am sure the member for Davenport will agree on that—and we should also use our energy for what we believe is important, that is the fate of threatened species.

This bill, rather than allowing provinces to participate in the designation and recovery process of threatened or endangered species, excludes them.

In its preamble, the bill tries to demonstrate that the protection of biological diversity is a fundamental issue, so important that it is a national concern. Hence, the bill introduced by the member for Davenport tries to grant the federal government powers that would allow it to interfere in what is clearly provincial jurisdiction, by putting forward the necessity to abide by the biodiversity convention. The bill validates interference by federal government.

• (1800)

In our view, the federal government cannot justify such interference by putting forward the necessity to abide by a convention, because it is the provinces that have to implement the convention on their own territory.

I would also like to raise another point and that has to do with the definition of federal land. I have a problem with that, because the definition in the bill is much too general. It defines federal land as land, including any water, that belongs to Her Majesty, and the air above that land, the internal waters of Canada as determined by the Territorial Sea and Fishing Zones Act, including the seabed and subsoil below and the airspace above those waters, and any other lands that are set apart under the Indian Act.

You will understand why I cannot subscribe to such a broad definition which implies that the seabed, the subsoil, and the airspace above internal fresh waters, which normally come under provincial jurisdiction, will be managed by Bill C-441. The definition of federal land refers to other legislative texts giving jurisdiction to the federal government over the fisheries and shipping on internal waters.

As a result, this bill gives the federal government much greater and broader authority over everything connected with these lands, including the protection of endangered species.

I want to clarify by describing in greater detail the division of powers regarding the protection of the environment, especially wildlife, under the Constitution. As could be expected, the protection of wildlife and its habitat is not provided for in the Constitutional Act of 1867.

However, under this act, the provinces have jurisdiction over the management of public lands, they belong to the provinces—subsection 92(5), property and civil rights—subsection 92(13), and generally all matters of a merely local or private nature—subsection 92(16). These powers are specific enough and broad enough to allow the provinces to legislate with regard to wildlife on provincial public lands as well as on private properties.

The use of the term “federal species” is confusing because this notion does not take into account the territory where those species are found. Under Bill C-441, migratory birds are considered federal species, even though they have always been recognized as a joint responsibility of the federal government and the provinces.

The bill states that, under the Constitution Act, 1867, the federal government has jurisdiction over sea coast and inland fisheries—section 91, paragraph 12—and may therefore appropriate any power with regard to the protection of fish, marine mammals and marine flora found in Canada’s territorial sea and internal waters, including the subsoil below and the air above. Nothing less. Similarly, this bill gives the federal government jurisdiction over the habitat of migratory birds, whether the said habitat is on provincial land or not.

Combined with the definition of “federal land” and with section 35, which deals with transboundary species, this is certainly one of the most questionable provisions of this bill.

So the bill gives the federal government the power to intervene with wildlife species and their habitat, aquatic species and their habitat and migratory birds.

I would have added a lot more things, but I can only congratulate the member for Davenport for having introduced this bill to the House. I know how interested he is in everything that concerns the protection of species at risk and the environment.

The Bloc Québécois criticizes this bill primarily because it totally changes the rules of the game by not establishing a species’ territory and confirms direct meddling in areas of provincial jurisdiction.

• (1805)

[English]

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, I rise this evening to speak to Bill C-441, an act respecting the protection of wildlife species in Canada from extirpation or extinction.

I would like to thank the member for Davenport for an excellent bill. His wisdom, vision and leadership are appreciated. His efforts to improve the protection of the environment for this and future generations are evident in his position as chair of the House of

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Commons Standing Committee on the Environment and Sustainable Development.

The bill before us reflects the hon. member’s vision. Canadians can only hope that the environment minister’s proposed species at risk legislation will be as well written to ensure the protection and recovery of species at risk in this country.

Canadians have told the government to act. The Prime Minister received a letter signed by 638 Canadian scientists, calling for specific action to be taken on the scientific listings of endangered species and the explicit need for national habitat protection for transboundary species.

Two letters from the scientific community, dated February 1997 and October 1995, stated explicitly that one cannot protect species at risk without protecting their habitats, the places where species feed, breed, rear their young, and so on, which are critical to their survival and recovery. The letters stated that habitats can be geographically dispersed and are not confined within political boundaries, but must each be effectively protected to ensure a species’ well-being.

Regarding the scientific listing of endangered species, the letter to the Prime Minister is quite pointed. It reads:

Identifying and listing species at risk is the foundation of endangered species protection. Your government recognized this in its 1995 legislative proposal, and agreed that species at risk should be identified and listed by COSEWIC—an independent committee of scientists drawn mainly from government and academia—and that mandatory listing should follow COSEWIC’s determinations.

Since then, your government has abandoned this principle in two ways. First, the federal environment minister recently decided to strip most of COSEWIC’s non-governmental scientists of their voting rights. This change (which was made without public notice) weakens COSEWIC’s independence by opening the door to political interference in species listings.

The Prime Minister’s letter also refers to this government’s effort to give cabinet the power to override the scientifically based list of species at risk. As I mentioned at the outset, we Canadians can only hope that the environment minister’s proposed legislation will be on par with Bill C-441.

I encourage all members to read the summary of this very sound legislation. It states:

The purpose of this enactment is to prevent Canadian wildlife species from becoming extirpated or extinct and to provide for the recovery of those that are extirpated, endangered or threatened as a result of human activity.

This is a vision which has protection and recovery as its purpose. We need a sincere, non-partisan approach to address the crisis that faces Canada’s biodiversity today.

The bill’s preamble presents an outline for a working framework between all jurisdictions. There is a specific reference to the conservation efforts of individual Canadians and communities that should be encouraged and supported and their interests should be

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considered in developing and implementing recovery measures. This is a specific reference to the role of citizens and communities.

There is also a specific reference to the role of aboriginal people and of the wildlife management boards established under aboriginal land claims. I thank the hon. member for his continued diligence in traditional aboriginal ecological knowledge and the important role that this presents for Canada and future generations.

Throughout the interpretation section the definitions are good. The definition for residence is especially important, as it notes the basic facts that wildlife is mobile and is affected by seasons. A bird does not spend its entire life in a nest and the caribou feed and calve in different areas.

Prevention of species loss and species recovery provides the basis for this bill. I do not believe the minister will be able to match this principle due to politics.

• (1810)

I have not seen the Prime Minister's leadership and vision for proactive environmental initiatives, so I fear there is a strong probability that these basic principles will be missing from the current government's legislation.

Bill C-441 sets a standard for the responsibilities of ministers and the delegation of responsibilities between departments and jurisdictions to ensure this legislation works. Consultations with stakeholders are ensured. Funding requirements are outlined in section 9. These references include specific management and fiscal responsibilities. It is refreshing to see legislation where accountability for a minister's action is defined.

The hon. member for Davenport includes an excellent proposal for a specific Canadian endangered species conservation council. With specific reference to the Prime Minister, I hope the wildlife species listing process described in Bill C-441 will be included in whatever legislation the government assembles for this crucial issue.

The basis for the Committee on the Status of Endangered Wildlife in Canada, COSEWIC, would address the scientific, academic, non-governmental organizations and overall concerns for effective legislation. This means effective protection, prevention and recovery. Otherwise, why waste the trees to print a meaningless and toothless biased law?

It is unfortunate that the government is setting a dangerous precedent in the Canadian Environmental Protection Act, CEPA, which is about to enter the House. We can expect the government to throw out the democratic committee process once again with CEPA next week. We fully expect industry bias and that the industry and natural resources ministers will overrule the environment and

health ministers. Canadians can only hope that this government will attempt to reverse the current trend toward environmental devolution and degradation with a well written endangered species act.

The proposed recovery and management plans are based on realistic terms. They represent a conscientious approach that includes the necessity for public buy-in. There is a requirement for landowners' needs and concerns to be addressed and considered.

On the international stage Canada is falling behind. It is well reported that our North American neighbours have effective endangered species legislation. The United States has had this legislation for 25 years. As signatories to the Rio biodiversity accord, Canadians can only expect that this government will finally act.

I will read some comments from a publication I received while I was at the United Nations in New York recently:

Currently, a grizzly bear can lumber across the border from the American state of Montana, where it is protected by law, and die quite legally in a hail of hunters' bullets in the Canadian province of Alberta. Similarly, wetlands and forests critical to creatures like the whooping crane and the spotted owl enjoy virtually no protection in Canada, though they are rigorously policed by the U.S. . . . which is why the American conservation groups. . . have gotten in on the issue. . . they are attempting to use a 30-year-old American fishing law to pressure Canada to conform to a 55-year-old convention on wildlife by passing a species law.

The mechanism they plan to use is the Pelly amendment to the Fisherman's Protective Act of 1967. Their filing of a petition under this amendment would require the U.S. Secretary of the Interior to evaluate Canada's efforts to comply with international programs to protect endangered species.

Not only are Canadians knocking on this government's door, international neighbours and the world community is also looking at Canada to take leadership and to make a move on protecting our species.

The publication sums up our current status, which is why Bill C-441 is necessary for the protection and recovery of species at risk.

I thank the hon. member for bringing a worthwhile bill into this House and I ask all members to vote in favour of it.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, it is with great pleasure that I rise to speak to Bill C-441, an act to protect wildlife species in Canada from extinction. Ninety-four per cent of Canadians, an overwhelming majority, support protection for endangered species. Estimates of extinction range from two to three species a day to three to four species an hour.

• (1815)

In 1992 Canada signed the International Convention on Biodiversity. Under the terms of the convention Canada made a commitment to protect threatened species and habitats. Under article 8(k) it had to develop the necessary legislation to provide that protec-

tion. Sadly, six years later we were without any legislation. It is soon to be seven years.

In October 1996 Canada's 10 provinces and two territories and the federal government all signed a national accord for the protection of species at risk. It committed each jurisdiction to establish an effective endangered species program. To date, four Canadian provinces have laws in place that specifically protect species at risk. They are Ontario, New Brunswick, Quebec and Manitoba.

While only a few provinces currently have plans in place, most notably a federal plan remains outstanding. We wonder why it is taking so long. The solution is simple. The federal government has to introduce a bill that identifies species needing help, that does not allow for them to be killed, that gives them a home and helps them recover. Bill C-441 proves it can be done. Any bill introduced by the minister should follow its lead and achieve at least the following goals.

Ideally a Canadian law should apply to all federal lands with complementary legislation from the provinces. It should have a specific listing of the species at risk and the habitat required for survival. It should automatically prohibit the destruction of the species and its critical habitat. It should require a recovery plan within one year for endangered species, two years for threatened species and three years for vulnerable species from the time of listing. This will prevent what I call the 911 approach to species protection.

If we invest in the earlier years when species are vulnerable, we can actually protect them from entering the more costly stage when they become endangered and we may not have the resources or the time to address the issue.

We also must require protection for critical habitat and require the advance review of projects that may adversely affect the protection or recovery of an endangered or threatened species or its critical habitat.

The federal government already had a chance to put forward a bill that could have accomplished these basic goals. To date it has failed to do so.

The government introduced Bill C-65 during its past mandate but it was widely criticized for several key weaknesses. It protected species on federal lands only. It protected them from direct harm, or harm to the nest or den only, which was known as a residence. The bill required recovery and management plans but never required them to be implemented. Cabinet, not scientists, was given the authority to list a species as endangered. That was a tragedy. It required action only after the species had hit a crisis situation, again the famous 911 approach.

Nonetheless the bill was sent to committee for a lengthy review process. I know firsthand about lengthy review processes of a bill.

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We just endured six months of reviewing the Canadian Environmental Protection Act.

The bill that returned from the committee was significantly stronger but it still had key weaknesses. The bill still only covered federal lands and waters and cabinet still only did the listing of endangered species.

Due to many problems identified by both industry and environmental NGOs, Bill C-65 was allowed to die on the Order Paper at the dissolution of parliament in 1997. Since then the Liberal government has been promising a new bill that will hopefully address these concerns.

Bill C-441 certainly does. It addresses the crucial weaknesses identified in Bill C-65 and meets all the ideal criteria for a new federal law. Although it has not been deemed votable, I can assure members that Bill C-441 is the standard against which any future federal legislation should be measured.

The goal of any endangered species legislation should be to create an atmosphere where the landowner will act in a way that positively contributes to habitat protection. Allow me to say it again. The goal of any endangered species legislation should be to create an atmosphere where the landowner will act in a way that positively contributes to habitat protection so that existing endangered species are protected and future endangered species are prevented.

• (1820)

This does not necessarily mean taking over land management of private property. If an endangered species is found on private land, then the landowner must be doing something right and should be encouraged to continue.

Encouraging stewardship programs will create an atmosphere where the benefits of biodiversity are valued and recognized. This is the approach the Canadian Nature Federation has taken. It ensures that landowners, industry and environmental NGOs are actually advancing in a common cause the best, well balanced piece of legislation possible. The work that Sarah Dover has been doing on behalf of the Canadian Nature Federation and the coalition should indeed be acknowledged.

Legislation that recognizes the rights and responsibilities of landowners and resource users is the most effective way to achieve co-operation. Without the co-operation of the provinces, landowners and resource users, the most stringent criteria of an effective endangered species act will be impossible.

Legislation should implement stewardship, including recognition and compensation programs across the country to ensure that

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landowners and resource users would consider land management practices that protect species.

Critical to the success of the upcoming bill the government plans on introducing is it should not be restricted to the residence of a species. It should include its core habitat. Survival of a species depends on its having a place to sleep, eat and breed.

The vast majority of Canadians want the federal government to implement strong endangered species legislation. It will set a standard for the provinces to achieve.

Information sharing is also critical. It is essential to species recovery. Effective species recovery is not only dictated by limited resources but also by limited knowledge. Endangered species protection legislation must focus on encouraging the use of information to protect species. Imperfect information can result in underestimating or overestimating the value of a habitat and will result in negative net benefits.

Information from the scientific community, traditional knowledge and landowner concerns must be considered when deciding how an endangered species will be protected.

Information sharing should also be used to alleviate the fears of landowners who will lose their property rights should they become involved in the recovery of a species. The wildlife department must show that all of society will bear the cost of endangered species protection.

We also need to ensure that we are rewarding stewardship activities. It is far more effective than outright control of private property. Simply purchasing land in most cases is not the most effective method of protecting species. The economic benefit brought from the land is lost and other unforeseen problems can arise. But there is a moral hazard in purchasing land because the landowner benefits while the rest of society pays.

In the time remaining, I would like to outline some of the other initiatives which have been done around the world.

American legislation is known as command and control approach legislation. It is largely ineffective and does not have the support of the resource users or landowners. It does actually promote the shoot, shovel and smile approach which we do not necessarily want to advocate. We want all of society to show leadership in protecting species at risk.

The British legislation actually has some innovative approaches in terms of having land preservation or specific areas where a species is provided a core habitat. It is something that should be included.

In conclusion, regardless of which plan the government decides to introduce, it is imperative that the legislation work. The

American law is strong but ineffective. We do not want the same thing to happen in Canada.

The Deputy Speaker: I regret to interrupt the hon. member, but his time has expired.

If the hon. member for Davenport wishes to exercise his five minute right of reply, he may do so now. I should advise the House that when he speaks, he will close the debate.

● (1825)

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, allow me to express my words of thanks to the hon. members who participated in this debate and provided their comments, views, suggestions and criticisms.

It is unfortunate to hear the Reform Party expressing its lack of belief in the role of government and its belief in the fact that somehow society should find a way to solve its own problems by way of some mysterious activity which is not the result of the decision of society to govern itself by way of established rules that come about when we decide to have a government.

The Reform approach is one that would lead to very few decisions being made in the name of society at large. I suspect that we would not have social security or programs that bind society and distribute wealth if we were to fully bring to its ultimate consequence the philosophy of the Reform Party.

With respect to this bill it is very doubtful that we would ever be able to protect endangered species and come to some tangible results if it were left to the enterprise of individuals, as well intended as they may be, to come to some initiatives that would ensure protection of the species.

I was struck by the comments made by the hon. member from the Bloc Quebecois who spent much time describing the issue in terms of federal and provincial species. This is an interesting political point of view and an interesting way of dividing the fauna surrounding us. However the fact remains that birds and animals do not understand political jurisdictions.

We would not want to have a system whereby a bird landing on a provincial stone would be out of luck because the particular province did not have specific legislation to protect birds. However, if the same bird were to land on a federal stone it might have some degree of protection.

Surely this is not what the hon. member intended to imply as the ultimate consequence of her logic. It seems to me that she is on a very dangerous slippery slope if she tries to judge legislation on the basis of jurisdiction that is of a political and human made nature and does not take into account the reality of the fact that animals move. There are not only migratory birds that she generously attributes to federal jurisdiction. There are also animals that do not respect provincial boundaries.

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There is a consensus among all participants on the recognition of the absolute necessity of protecting habitat. Habitat is the key to the legislation which ought to have some impact and ensure the protection of endangered species.

It seems we have a consensus that is rather encouraging. I hope it will give the Government of Canada sufficient material on which to build interesting legislation. It is quite obvious that without habitat there cannot be adequate protection of endangered species.

In this sense I hope the hour we have spent on this bill has been a productive one and one that can be used for the design of good and lasting legislation.

[*Translation*]

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired, and the order is dropped from the order paper.

[*English*]

It being 6.30 p.m. this House stands adjourned until tomorrow at ten o'clock a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

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