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OFFICIAL REPORT
(HANSARD)

Wednesday, March 1, 2000

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, March 1, 2000

The House met at 2 p.m.

Prayers

• (1400)

The Speaker: As is our practice on Wednesday we will now sing O Canada.

[Editor's Note: Members sang the national anthem]

STATEMENTS BY MEMBERS

[English]

LEARNING DISABILITIES

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, this month the Learning Disabilities Association of Canada and several other volunteer organizations from coast to coast are hosting a variety of activities and events to raise public awareness about learning disabilities.

Approximately three million Canadians of all ages—children, youth and adults—are challenged with learning disabilities. My 20 year career as a teacher taught me that learning disabilities are not limited or confined to classrooms. Learning disabilities affect all aspects of human and social functioning.

Students with learning disabilities are twice as likely to drop out of high school than their non-disabled peers. Studies have also shown links between learning disabilities and the rates of adolescent suicide, young offenders, adult inmates and teenage mothers.

As we move into the new millennium it is vital that all Canadians obtain appropriate learning skills and we thank all those involved in this very worthwhile endeavour.

DIANA KRALL

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, it gives me great pleasure to rise today to offer congratulations to one of Canada's stars, my favourite jazz musician, Diana Krall.

Diana, a native of Nanaimo, B.C., was recently nominated for three Grammys, including album of the year. On February 23 Diana won her first Grammy for best jazz vocal performance for her album *When I Look in Your Eyes*. This is an amazing achievement and a welcome acknowledgement of her talent.

Just listen to how the critics sing her praises: "A rapidly emerging jazz artist". "She swings, she flirts, she makes you want to cry".

Diana has the first ever certified platinum jazz album in Canada and six albums to date. She has made the often hard journey to jazz stardom and yet combines the inspiration of a child with the voice of experience.

Growing up in Nanaimo she was influenced by her father and family's love for music. Her music has taken her around the world but she has not forgotten her Nanaimo roots.

I congratulate Diana. We are all very proud of her.

* * *

STRAUSS COMMUNICATIONS

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, I rise in the House today to congratulate a fine young company from Winnipeg which has been nominated to receive the Canadian Event Industry Award for best conference.

Strauss Communications has been nominated for this award for its efforts in organizing the Manitoba "Place to be, Place to Stay" conference.

The conference brought together over 350 students and 59 guidance counsellors to hear from 48 senior business leaders of Manitoba based companies. The idea was that Manitoba business leaders could best provide today's students with valuable information regarding the tremendous opportunities that exist within Manitoba, and that the future is there.

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I stand to offer my congratulations to the entire team at Strauss Communications and to remind hon. members that Manitoba is the place to be.

* * *

2008 SUMMER OLYMPIC AND PARALYMPIC GAMES

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, it is my honour to rise today to congratulate the federal government for its decision to support Toronto's bid to host the 2008 Summer Olympic and Paralympic Games.

These games are an occasion where athletes come together in the spirit of sportsmanship to compete for the title of the world's best. The Olympic Games would give Toronto the opportunity to host a celebration of world sport and culture in 2008 and create a legacy for our future.

The 10,000 athletes, 5,000 coaches and staff, 50,000 volunteers and an additional 50,000 sponsors and guests create a force for Toronto's bid which is undeniable.

With the strength of our team, the success of this bid would showcase our leading edge expertise, technology, creativity and innovation on the world stage. This would foster the excellence of Canadian talent and integrate our heritage and cultural achievements into all aspects of the vision of the games.

The engagement of Toronto's communities, neighbourhoods and residents would allow us to celebrate our athletes, city and country with the world. It is time to share Canada's best kept secret, the city of Toronto, with the rest of the world.

* * *

[Translation]

EDUCATIONAL LEVEL

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, on February 22, a report by the Council of Ministers of Education, Canada revealed that the educational level in Canada, which already enjoys a very decent standing among the member countries of the Organization for Economic Co-operation and Development, the OECD, has risen considerably over the last decade.

In 1990, 43% of Canadians between the ages of 25 and 54 had completed post-secondary education, while in 1998 this figure had risen to 54%. The percentage of Canadians who had completed post-secondary education in 1996 was 48%, while the average in member countries was 23%.

The Canadian government is involved in the development and training of our youth. Whether through training or placement programs, we are aware of the importance of focusing energies and resources on equipping Canada for the challenges of the 2000s.

[English]

AIRLINE INDUSTRY

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, I rise on behalf of the people of Okanagan—Coquihalla who are concerned that the federal Liberal government is not protecting consumers in light of the impending changes to the airline industry.

• (1405)

The merger of Air Canada and Canadian has resulted in significant reductions in service to the Penticton Regional Airport. Today Canadian Regional has given notice that it intends to eliminate Dash 8 service. That means more than 100 seats a day will no longer be available.

The Penticton Regional Airport is vital to the economy of the whole South Okanagan. It provides a direct link to our busy convention centre, agri-tourism industry and expanding high technology sector. When Dash 8 service is eliminated there will not even be enough seats servicing the region to meet current demand.

Air Canada made a commitment to the federal government that it would maintain air service to small communities for a minimum of three years. The people of the South Okanagan expect the Minister of Transport to enforce this commitment. The economy of the South Okanagan depends on it.

* * *

[Translation]

THE BUDGET

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, the federal budget is spectacular; that is not too strong a word to describe the tax cuts.

Our government is re-indexing personal income tax—a considerable departure from the policies and decisions of the previous Conservative government. This measure will protect Canadian taxpayers against inflation as far as taxation is concerned.

To give some examples of the impact of the tax measures contained in this latest budget, a typical four person family with one wage earner and a total income of \$35,000 will not pay any net federal tax, while a typical four person family with an income of \$40,000 will pay at least \$1,623 less net federal tax, or 48% less.

The cuts made in our last three budgets, coupled with those in the five year plan, will bring down income tax for all Canadians by at least 22% by the year 2004. Families with children will benefit even more.

These are measures that will benefit Canadian families.

THE BUDGET

Mr. Odina Desrochers (Lotbinière, BQ): Mr. Speaker, in his budget, the Minister of Finance finally announced reductions in income tax.

What reductions? This year? No, next year. Such election opportunism. However, the federal government had all the manoeuvring room it needed to introduce it this year.

What about the unemployed? Nothing, no change.

Will it be this year for regional development or the long awaited municipal infrastructures program? No, not before 2001, and with a budget of only \$100 million. The rest will come later.

But this government does not need coaxing to establish new programs or new foundations, including in the area of the environment.

It even dared to give the Minister of Human Resources Development new responsibilities.

Whether in the case of this department or elsewhere, this government is clearly leaving the door open to political camouflage and patronage.

* * *

[English]

THE BUDGET

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the budget continued federal support for higher education and research. Two thousand research chairs and increased funding for the CFI will help colleges and universities across Canada. The tax break for student scholarship income was most welcome.

The sustainable development technology fund, the Foundation for Climate Research and the green municipal investment fund will help researchers and our environment.

Further support for the Canadian Institutes of Health Research will focus research on health in the national interest.

I urge the government to follow through in its support of basic research, especially social science research. I also urge continued support for the NRC, a flagship of federal science and an invigorated commitment to research in the north.

* * *

CORRECTIONAL SERVICE CANADA

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, this week's lesson for the solicitor general focuses on a required attitude adjustment of one of his departments, which seems to have grown beyond his control. Once again Correctional Service Canada has been criticized by one its friends, the Elizabeth Fry Society, for being arrogant and unaccountable.

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In its 1999 annual report it describes Correctional Service Canada as—

—very insular, insecure yet self-righteously arrogant governmental department, where prisoners or anyone who questions CSC's actions are similarly relegated to the margins and classified as unimportant and misinformed, regardless of the seriousness and implications of the matters raised. All energies seemed to be focused upon efforts to (confuse) the issues, discredit any perceived detractors and continue on with business as usual.

This analysis comes from an organization that works extensively with CSC. These attitudes come straight from the very top. The commissioner thinks he is untouchable. It is up to the solicitor general to show this man who is the boss.

* * *

● (1410)

THE BUDGET

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, the tax reduction plan proposed in the budget delivers immediate and growing tax relief for all Canadians. In five years taxes will have been cut by at least \$58 billion. Personal income taxes will be reduced by an average of 15% annually.

Members of the other side have been silenced by this budget, so let us hear what Canadians have to say, like Sherry Cooper, Nesbitt Burns' chief economist:

The middle class is the big winner. . . particularly middle class families with children—

Ken Battle of the Caledon Institute said:

Families with kids are the big winners in this budget.

They are right. This budget demonstrates our commitment to restore the nation's finances and build a stronger, more innovative economy.

* * *

HEALTH CARE

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, the NDP has not been silenced by this budget. In fact, Nova Scotians, like all Canadians, are distressed that the Liberal budget ignored their number one concern: health care.

People from every region of the country called on the government to fix the health care system in this budget. Canadians from coast to coast and all the premiers, including the only Liberal one left, Brian Tobin, have condemned the budget for failing to address health care.

For every dollar in tax cuts there are two cents for health care transfers.

Nova Scotians will receive barely enough to cover the cost of health care in the province for three days, and it will do nothing to reduce waiting lists and lineups in emergency rooms.

Oral Questions

Nova Scotians and Canadians can, however, rest assured that the NDP will not give one inch in its fight to defend health care from Liberal, Tory and Reform policies of downsizing and privatization.

* * *

[Translation]

SOCIAL HOUSING

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, in the latest budget, the Minister of Finance is ignoring the basic right of 1.7 million Quebec and Canadian families to affordable housing. These people are obliged to spend over 30% of their meagre income on rent.

By refusing to invest in social housing, this government is negating the major international agreements it is signatory to such as the international covenant on economic, social and cultural rights.

I add my voice to those of the hundreds of thousands of women, men and children who must do without food every day in order to pay for miserable housing. I want to make known my distress at the Liberal government's refusal to consider the problems of people with housing problems a national emergency.

A study by FRAPRU reveals that one woman in four spends 50% of her income on housing, when she is the main income earner. Worse yet, families in Shawinigan have the lowest income in Quebec.

We have to assume that the Prime Minister is more interested in making his political friends rich than in relieving human suffering.

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[English]

INTERNATIONAL WOMEN'S DAY

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, next Wednesday, March 8, is International Women's Day. The theme for this year's celebration is "Women Taking Action to Make a Difference".

To commemorate International Women's Day, on March 8 I will be hosting a breakfast to acknowledge the accomplishments of women in my riding. On this day I will be honouring and celebrating six local women who have not only taken action, but who have truly made a difference. My special guests will include Anne-Marie Gardner, executive director of the Redwood Shelter; Alexina Louie, composer in residence at the Canadian Opera Company and winner of the Jules Leger Prize for music; Madeleine McDowell, heritage advocate, educator, social and environmental activist; Alicja Pietrus, president of the Toronto branch of the

Canadian Polish Congress; Piera Pugliese, owner of Vesuvio's Pizzeria and Spaghetti House; and Anne Wright-Howard, producer of CBC television's *Undercurrents*.

This is an occasion to reflect on the progress made to advance women's equality. But more importantly, it is a day to celebrate the lives of ordinary women as makers of history.

* * *

TRANS-CANADA HIGHWAY

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, today Premier Bernard Lord of New Brunswick announced that tolls are to be removed from the New Brunswick section of the Trans-Canada Highway, just as he promised months ago. The previous Liberal government created this toll highway and established legislation forcing all trucks from Prince Edward Island, Nova Scotia and Newfoundland through the tolls, effectively transferring money from all the other provinces into New Brunswick.

Although it is a New Brunswick toll highway, the tolls affected all of the Atlantic provinces, and I would personally like to compliment the member for St. John's East for his tireless efforts to seek fair treatment for the citizens of Newfoundland and its industries. As well, the member for Beauséjour—Petitcodiac was very much involved with this lengthy debate.

This now puts the focus on the only section of the Trans-Canada Highway in Canada that has a toll charge left, and that is the section through Nova Scotia. Again, a former Liberal government established this toll highway and it is now left to others to find a way to eliminate the last Trans-Canada toll highway.

ORAL QUESTION PERIOD

• (1415)

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, for weeks now the Prime Minister has been saying that there is nothing wrong with how the government handles grants and contributions.

However, as of today there are two RCMP investigations and a forensic audit under way in the Prime Minister's riding alone. They are not there investigating parking violations. They are investigating the misuse and misappropriation of public funds.

If the RCMP thinks there is a problem with grants and contributions, why does the Minister of Human Resources Development not?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the hon. member is referring to two or three matters out of some

Oral Questions

30,000 applications. We do not treat the matter lightly. We want to see things looked into thoroughly. We want to see action taken on any problems.

When the Leader of the Opposition gets up like this without a word about the budget, not a question, not a criticism and not a concern, what an endorsement and what a vote of confidence. He may actually vote on our side on the budget speech. Thanks for the endorsement of our wonderful budget.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the misspending of taxpayer dollars is precisely what HRD did with our taxes.

These two or three little investigations are taking place in the Prime Minister's riding.

I suppose we should not be surprised, given how many people close to the Prime Minister are involved in manipulating the grant handling process; people like Denise Tremblay and René Fugère.

How many RCMP investigations does it take before the Prime Minister takes some responsibility?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Prime Minister and all of us have taken responsibility for identifying problems and moving promptly to correct them.

The hon. member's misuse of the rules of the House to create unwarranted insinuations and innuendoes is not only demeaning him the parliamentary process, but above all, himself and his declining Reform Party.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the hon. member has been here too long. He is concerned about misuse of the rules of the House. People are concerned about the misuse of taxpayer dollars.

Let us recap. We have René Fugère, a man who claimed to be acting on behalf of the Prime Minister, under investigation for illegal lobbying. We have CITEC under investigation for misusing public funds. We have a forensic audit into a textile factory that moved from Montreal to the Prime Minister's riding without any business reason. The list goes on and on.

How can the Prime Minister continue to claim that he is only doing his job as an MP when so much of what he touches attracts the RCMP?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, at least one of these investigations is under way because the Prime Minister's office asked the RCMP to look into the matter. This shows that the Prime Minister and his staff are doing their jobs in the appropriate way and that the Prime Minister, his staff and all of us are concerned about the proper use of taxpayer money.

The Reform Party leader, in trying to deflect attention from the trouble he is having keeping his own job, keeping his party in place and not being able to criticize the budget, is acting in a desperate way.

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, I can see the Liberals' campaign slogan "Calling all cars: We need help here".

Last spring we asked the Prime Minister time after time about the several questionable grants and contributions to his own riding. Even though these grants involved individuals with chequered pasts—we know they had personal business dealings with the Prime Minister—he claimed he was only doing the work of a good MP.

How is it that doing the work of good little MPs results in RCMP investigations in their ridings?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is making reference to a few projects that we are handling with the appropriate authorities. There are thousands of projects that are making a difference in the lives of Canadians.

What is absolutely clear by the questions being asked by that party is that they do not believe that the Government of Canada can support individuals. They talk about briefs. What we know to be true is that this is money that will help Canadians with disabilities, young people and people who do not have a chance for a job. We on this side of the House believe in those investments.

• (1420)

Miss Deborah Grey (Edmonton North, Ref.): Mr. Speaker, she talks about a few projects. Pretty soon so much will come to light that there will not be enough police in the country to do the investigations.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Edmonton North.

Miss Deborah Grey: Let me quote from *Hansard*:

As long as he keeps silent on this issue, he gives every Canadian...the impression that he himself, the Prime Minister, is there to help his friends, the friends who helped him.

That was not someone from the official opposition. That was this heritage minister back in the days when she believed that prime ministers should be accountable.

How can the Prime Minister brag that this little six point plan can fix everything—

The Speaker: The hon. Deputy Prime Minister.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, this six point plan has been approved and endorsed by an officer of

Oral Questions

the House, the auditor general, who is also carrying out his own inquiry. Is the hon. member saying that the auditor general is also wrong and does not know what he is talking about?

No wonder the hon. member in her previous question said that we need help. Yes, the Reform Party needs lots of help. It is going down the drain, as proven by the fact that it has not had one question, one quarrel, one comment adverse to our great budget. Thanks again for the endorsement.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister says that no project was transferred to the riding of Saint-Maurice, that the file remained in Montreal and that no jobs were created in the riding.

If the Prime Minister's statement is accurate, if it is true that no money was invested in the ridings of Saint-Maurice or Rosemont, could the minister tell us where the money went?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is aware that we have an outside forensic audit team looking at this particular file. We will report to the House when we have information.

When we look at the province of Quebec and find that the majority of grants and contributions are in Bloc ridings, we know that there is no intention here to do anything except to support the people of that province who need help.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, help is needed in Rosemont but they send the project to Saint-Maurice. This is some logic.

The deputy minister informed us that a lease had been signed between Mr. Perreault and Mr. Goldberger in Saint-Élie-de-Caxton because, supposedly, no facilities were available in Rosemont. Based on the deputy minister's version, jobs would therefore have been created in Saint-Maurice.

Under these conditions, how can the minister tell us that she does not know where the money is?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I am not going to comment further on the details in this program until I have the information that will allow me to do so.

I again remind the hon. member and his party that in every transitional jobs fund and Canada jobs fund program the province of Quebec, headquarters for the Bloc Québécois, approved of the project, including—

The Speaker: The hon. member for Rosemont.

[Translation]

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, the minister is telling us she does not know that five jobs were created. This is what she seems to be telling us. Yet, when she spoke to me last Thursday, her deputy minister seemed perfectly aware of the creation of these five jobs in Saint-Élie-de-Caxton.

Still, could the minister tell us if an amount of \$165,984 normally helps create only five jobs?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, what is normal is that I will wait to comment on the details of this program until I have the appropriate information.

Let us be clear that the ridings represented by these members of parliament have benefited tremendously by the help of the Government of Canada and the people of Canada because we know that there are opportunities for us to help them.

[Translation]

Mr. Bernard Bigras (Rosemont, BQ): Mr. Speaker, the minister still refuses to answer our questions after all these days. Yet the number of coincidences keeps going up.

• (1425)

Maurice Perreault, who benefited from the creation of the five jobs, praises the Prime Minister in his March 1997 leaflet. Mr. Goldberger transferred the jobs from Rosemont to Saint-Maurice and this situation is of concern to the deputy minister. It is there in black and white.

Does the government, which knows everything that happens in opposition ridings, know what is going on in the Prime Minister's riding?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, we will make information available on this file as the right information becomes available.

What is really interesting is that in the week the budget has been presented that party also chooses to ignore it. I gather that it too—

The Speaker: Order, please. The hon. minister still has time if she wishes to use it.

* * *

HEALTH CARE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, this budget does not get the job done in health care. Either these Liberals are so out of touch that they do not know there is a crisis in health care or they just refuse to take responsibility to solve it.

Oral Questions

Whichever it is, it is just as good as handing a licence to the Mike Harris' and the Ralph Kleins of this world to shred medicare.

Why will this government not put health care first?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, it will take two things to resolve the problems in health care: One is money and the other is ideas and hard work.

In terms of money, over the last two years we have increased the cash transfers to the provinces for health by 25%. In terms of ideas and hard work, I have an open invitation to ministers of health to meet with me next week, if they can, to talk about where we go from here, working together to resolve the issues in medicare. That is federal leadership.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, if the health minister wants to talk money then let us talk money. The fact is that in this budget for every dollar in tax cuts two cents goes to cash transfers to health care. That is the reality and those are the facts.

My question is very straightforward. How bad does the health care crisis have to get before the government takes any action to solve it?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I am grateful for the member's two cents worth but the reality is far different from what she suggests.

Public spending on health will be \$60 billion next year; \$20 billion of that will be financed by the Government of Canada. One-third of public spending on health next year will be financed by Ottawa. That has increased a lot over the last couple of years.

In the future, as circumstances permit, we will do more but it will take money and hard work. We are offering both. We want to work with the provinces to make sure we keep medicare and make it serve Canadians well.

* * *

HUMAN RESOURCES DEVELOPMENT

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, yesterday the Prime Minister informed the House that on February 2 he asked the RCMP to investigate the \$2.5 million HRDC grant to CITEC in his riding.

Based on his actions and answers, the Prime Minister obviously knew that the RCMP were investigating this potentially illegal grant on February 2.

How could he stand in the House on February 9 and tell Canadians that only \$251.50 of HRDC funds were unaccounted for? Where has truth and accountability in government gone?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, it is my understanding that the Prime Minister was talking about the 37 cases out of the some 400 in the initial audit that had been referred for further investigation. He gave information based on his understanding of the results of the audit up to that point.

• (1430)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): It must be selective memory, Mr. Speaker, because on February 9 the Prime Minister stated that only \$251.50 was problematic. Yet six months ago the RCMP began an investigation into PLI Environmental and its \$1.6 million grant and wage subsidies package from HRDC.

How in good faith and good conscience could the Prime Minister stand in the House and tell Canadians that only \$251.50 was questionable when six months previous he knew the RCMP were already investigating a potential fraud of millions of dollars?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is mixing apples and oranges.

Some hon. members: Oh, oh.

The Speaker: Order, please. When a question is asked, surely we want to hear the answer.

Hon. Jane Stewart: The Prime Minister was absolutely right when he looked at the internal audit and identified that there were 37 projects out of that audit that needed closer review.

We identified overpayments in the area of \$5,900, and I am pleased to inform the House that the majority of that has now been returned to the government.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, in this case obviously the Prime Minister was not telling the House the entire truth about the situation.

Some hon. members: Oh, oh.

The Speaker: Order, please. I ask members to please stay away from statements like that. It would help us all.

Mr. Monte Solberg: Mr. Speaker, the Prime Minister was not telling Canadians the entire story. We had a situation where on February 2 he said that he contacted the RCMP about this investigation. On February 9 he denied that there were problems except for \$251.

How can Canadians have any confidence at all in the Prime Minister and what he says when he withholds his story about an RCMP investigation in his riding that could have an implication on millions of dollars of taxpayer money?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I can only say that this member, led by the king of Stornoway—

Oral Questions

Some hon. members: Oh, oh.

The Speaker: Order, please. I think we should call ourselves by our proper titles and not get into nicknames.

Hon. Jane Stewart: Of course you are right, Mr. Speaker, my point being they are completely out of touch with the people.

Canadians understand what this issue is about. They have separated the politics from the substance. They know that it is not about waste. They know where the money is, and Canadians are wondering why that party over there is not spending time on the issues.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, obviously the minister is very desperate. We have a situation where we have two separate criminal investigations in the Prime Minister's riding, a forensic audit.

Now we see that the Prime Minister has completely contradicted himself saying on February 2 that he contacted the RCMP about a serious situation and on February 9 in the House saying that there was absolutely no problem, it was only \$251. Why would the Prime Minister tell Canadians something in the House which was exactly the wrong story, exactly not the case?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the person who is telling the wrong story is the finance critic for the Reform Party because the Prime Minister was referring to the progress on the further inquiry into the 37 cases, cases for further inquiry taken from the 459 in the sample audit.

• (1435)

The case the hon. member is referring to is not one of those 37 cases. They are two separate matters, and the hon. member should admit it or agree that he does not know what he is talking about on this and on anything else. No wonder he does not have any questions on the budget. He does not know what he is talking about on that either.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I believe there are limits to what the government and the minister ought to do.

The Prime Minister claims not to know Mr. Perreault, despite the fact that he was in the PM's 1997 household. The Prime Minister says the file was not transferred to Saint-Maurice, but the Deputy Minister confirms that it was transferred on April 9, 1998 and the grant paid out on April 14, 1998.

How can the minister not be aware of this?

[*English*]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, what I want to ensure is that I have all

the correct facts, and before I make further comment on this file I will have the correct facts.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the Deputy Minister has confirmed that there are invoices from the company for the creation of five jobs.

No matter how the calculation is done, there is no justification for subsidizing the creation of five jobs for \$165,984, or \$33,000 per job.

Can the minister tell us where this money went?

[*English*]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I say again that we are looking into this file and we will have the appropriate facts; but let us not forget that as a result of this program, supported by the Government of Quebec, we have made a real difference in the lives of Quebecers in all the Bloc ridings, whether it be through general grants and contributions or whether it be through the transitional jobs fund and the Canada jobs fund.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, even the sketchy list of grants the HRD minister finally released last week has serious gaps in reliability. Fortunately we had a complete list for one of the programs obtained before the audit came to light and the government went into damage control mode.

When we compared the two a number of troubling discrepancies came to light. In several cases projects showed up in different ridings and some had even been deleted. Could the minister explain why her list does not square with the one provided under an act of parliament?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, as was made abundantly clear when we issued the 10,000 projects so that members of parliament could know where the investments were being made in their ridings, this list was not a master list because there was never a master list. We have brought information from seven different data bases in order to comply with a request from members.

When we look at these lists we do find projects in the ridings of this member and the members in that party. I would like to know, when they talk about waste, which of those projects they would have cancelled.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, surely the minister is not suggesting that her lists are so unreliable that they cannot be depended on when she hands them out. Here is just one example.

The list we obtained under access legislation shows that three projects received grants in the riding of Madawaska—Restigouche held by the Liberals at the time, but the minister's list assigns these

Oral Questions

same projects to other ridings even though they are still in Madawaska—Restigouche. One is a college. Are the minister's lists simply unreliable, or have they been deliberately tampered with?

Some hon. members: Oh, oh.

The Speaker: That question, as it is phrased, is in order and I am going to permit the minister to answer.

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I reject the allegations made by the hon. member. If she has particular questions on the list we will be glad to answer them, as we have always said.

Let us look at some of the projects in the city of Calgary.

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. Minister of Human Resources Development.

Hon. Jane Stewart: Mr. Speaker, that party talks about these projects being wasteful. Does the hon. member think that it was a waste to support the United Farmers of Alberta so that they could have a young person helping them and working with them on important projects? Does she think it was a waste to support the Developmental Disabilities Resource Centre of Calgary with a computer literacy training project assisted by a—

• (1440)

Some hon. members: Oh, oh.

The Speaker: Order, please. Just as members have the right to pose questions, ministers have a right to answer and they will be heard. The hon. Minister of Human Resources Development, if she wishes to proceed.

Hon. Jane Stewart: Yes, Mr. Speaker. I have a very long list of questions that I would ask. Does the hon. member think that money to the Society for the Treatment of Autism where we had a summer program counsellor employed is the wrong thing to do, or perhaps with the Interfaith Youth and Family Services Society where a social worker was employed to help citizens?

There is a very long list here. They should tell us if they want to go to these organizations and tell them that what they are doing is a waste of money.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, in 1988, the Prime Minister bought a golf course for the sum of \$1 from Consolidated Bathurst. In 1996, he sold a parcel of this land for the sum of \$525,000 to Claude Gauthier who, in turn, received a CIDA contract worth \$6 million and a \$1.2 million grant from Human Resources Development Canada.

Are the Prime Minister's financial successes due to his talents as a real estate agent or to his contacts in the departments?

[*English*]

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, first, we do not give grants. We work with companies that do work for CIDA in developing countries. I do not have the name of this particular company. I will look into it and give her the answer.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, let us be clear. Claude Gauthier received \$6 million from CIDA. The affair is controversial. Claude Gauthier received \$1.2 million from Human Resources Development Canada, and the affair is still controversial. In both cases, the person responsible was the present Minister for International Trade.

Does the Deputy Prime Minister not think that the Minister for International Trade should stop hiding and answer for his administration both at CIDA and at Human Resources Development Canada?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the member opposite knows the rules of the House, as do her leader and the other members. We all know that a minister may not be questioned about a department for which he is not responsible.

The members opposite must respect the rules of this House.

Some hon. members: Oh, oh.

The Speaker: Order, please. It is true that questions are asked of the government and any minister may reply if he or she wishes.

[*English*]

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, the minister's grant list released last week has major discrepancies from the list that we received under access to information.

The minister asked for some specifics. Here are a few for her. Progress Homes in St. John's got \$2 million. Howmet Cercast in Bourassa got \$700,000. International Projects in Grand Falls got \$570,000. Amazingly all these companies were left off the minister's list. This list is obviously totally flawed. How could anyone believe any of the information that the minister is giving?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, again I would refer the hon. member to the notes that accompanied these lists. As we have said all along, programs can change.

The lists are prepared in response to direct questions by those asking for information, but I can confirm that this information is as current as was available when we printed the list. I would say to the hon. member that if he has specific questions to bring them forward and we will respond to them.

Oral Questions

• (1445)

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, the list changes on a daily basis and the minister has a different answer from question to question.

Here are some more specifics for her. Reversomatic in South Shore received \$360,000. Survival Systems in Pictou—Antigonish—Guysborough received \$350,000. CDM Laminés in Drummond received \$300,000. These companies were left off the list.

How can anybody possibly believe any of the information the minister is giving us when the information changes daily?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, indeed programs are approved daily and so we have changes in the list every single day. Recognizing this we included with these lists information and direct lines. Members of parliament can call an MP hot line. They can use e-mail. They can raise questions here and I can follow up on them so that we can continue to provide members of the House with the most current information.

* * *

[Translation]

MINISTER FOR INTERNATIONAL TRADE

Mr. Richard Marceau (Charlesbourg, BQ): Mr. Speaker, there is a devastating report on CIDA. There is a scandal at Human Resources Development Canada.

Disasters, in both instances, and the current Minister for International Trade has been the head of both organizations. Now, this same minister is responsible for the huge Export Development Corporation portfolio.

Since the corporation is beyond the reach of access to information, does the minister realize that his incompetence makes us nervous, at the very least?

Hon. Pierre S. Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I have had very good conversations with my deputy minister in recent weeks. I have every confidence that all the files in my department, in international trade, are in order. I want to reassure this House that the situation at international trade is perfect.

The Export Development Corporation has announced earnings of \$118 million this year, which helped to create thousands upon thousands of small Canadian businesses, including businesses in Quebec, which truly appreciate the Export Development Corporation.

* * *

[English]

INFRASTRUCTURE PROGRAM

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

In light of the budget announcement regarding a new infrastructure program and considering that many local communities in my riding and across Canada are eager to participate, could the minister detail her timeframe to negotiate agreements with the provinces to make this program a reality?

Hon. Lucienne Robillard (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, first I would like to thank my colleague from Oxford for his question.

The Minister of Finance has announced a \$2.6 billion infrastructure program. It includes green municipal infrastructure, affordable housing and highways to answer the needs of rural and urban communities in our country. Now that the financial parameters are known, I intend to start negotiations with our partners in April and hope to sign an agreement by the end of this year, as we said in the Speech from the Throne.

* * *

HUMAN RESOURCES DEVELOPMENT

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, as the saga continues, maybe the number the minister is talking about is 1-800-C-O-V-E-R-U-P.

The Atlantic Yarn company of Atholville, New Brunswick received a \$2 million TJF grant. The paperwork released by the HRDC minister last week states the project was approved in December 1998. However, in response to an access to information request that we made we were informed that there was no paperwork on file.

How can the HRDC minister claim that this project created 96 jobs when there is no paperwork on the file?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, members of that party can raise individual circumstances. They can talk about this but we know they are not interested in our work, in improving the administration of my department.

• (1450)

What we know is true is that they do not believe that the Government of Canada should assist in areas like Atlantic Canada and the Acadian Peninsula to help men and women who do not have the opportunity to work. What we know is that they would cut \$15 billion out of social programs because they think everyone should be able to look after themselves. What we know is that they call these programs wasteful when indeed we know they make a difference in the lives of Canadians.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, the minister has it wrong. We are very interested.

This particular grant was two million tax dollars. Canadians are interested in two million tax dollars, I can tell her that. This is two million tax dollars from the minister's own special reserve fund.

Oral Questions

Under access to information the law states that the minister must provide this information. Either the minister awarded \$2 million without keeping records or she is refusing to release the information.

Why is the minister making claims about job creation in the House when her own department says that there is no paperwork?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, what Canadians are interested in is ensuring that we do fix the problem in my department so that there is appropriate paperwork that confirms the important decisions that we make on their behalf. What Canadians are interested in is separating the politics on this issue from the substance and getting on with the important business of this country. What Canadians are interested in is ensuring that the Government of Canada is there when they need it and as long as we are in power, it will be.

* * *

[Translation]

HEALTH

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Minister of Finance.

The minister is leaving nothing but crumbs from his tax banquet for health care, only two cents for health for every dollar of tax cuts.

Does the minister have a new definition of justice, a new definition of equity in this country? There were only two cents for health for every dollar of tax cuts.

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, it will take two things to consolidate our health care system: first, more money, and we have increased transfers by 5% over the next two years and second, work and ideas on improving health care services.

I am open to working with my provincial counterparts to develop a health care system providing quality care for all Canadians.

* * *

[English]

THE BUDGET

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I am back to the budget.

My province of Saskatchewan is getting an extra \$80 million over four years for health. That will pay for the health system for just three days in four years. On the other hand, the minister is giving big tax breaks to large corporations and millionaires.

I want to ask the minister one more time, where is the balance? What is his definition of fairness? Is this a new Reform definition

of fairness where health only gets a couple of cents and millionaires get big tax breaks?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if we look at what the government has done over the course of the last four years, as the Minister of Health has indicated, in every single budget in the last four years there have been increases to the transfers to the provinces for health care.

The hon. member wants to talk about taxes. Perhaps he objects to indexation so that poor and medium size families can get the GST credit. Perhaps he objects to the cut in the middle income tax rate so that farmers in Saskatchewan and small shopkeepers in Saskatchewan can have a better life. Perhaps he objects to the fact that there is \$58 billion in tax cuts and \$40 billion are personal income taxes—

The Speaker: The hon. member for Madawaska—Restigouche.

* * *

[Translation]

HUMAN RESOURCES DEVELOPMENT

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, by adding PLI Environmental to our list of companies being investigated by the RCMP, we now have four grants totaling \$6.2 million that are currently under investigation. This is a far cry from the original amount of \$251.50.

Could the Minister of Human Resources Development tell us if, as of today, there are more than four grants under investigation by the RCMP?

• (1455)

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member on a number of occasions has spoken out positively about the work of the government and its grants and contributions. He knows how important it is that we fix the administrative deficiencies in my department so that the programs that have made such a vast difference in his riding can be continued and can be continued well.

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, I will try again for an answer.

On August 3, 1998 Opitciwan sawmill advised HRDC in writing that it had hired René Fugère, the same René Fugère who is being investigated by the RCMP for being an unregistered lobbyist. He is still not a registered lobbyist.

Has the HRDC minister asked the RCMP to investigate his latest lobbying efforts with the department?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member makes reference to the Opitciwan sawmill. As I did yesterday, I want to again confirm to

Oral Questions

the House that this project is making a real difference in a part of the country where unemployment was over 30%. We expected to create 62 jobs and we have created 66. Ninety-two per cent of those employed are aboriginals.

Is the hon. member saying that it was wrong for us to support this program?

* * *

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the government has introduced legislation to protect transboundary waters. At present the Minister of the Environment is trying to protect Canada's water resources through a federal-provincial accord aimed at prohibiting bulk water removal from drainage basins.

Can the Minister of the Environment tell the House whether he has reached an agreement with all provinces and territories?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, we do not yet have agreement of all provinces to the accord. However, since last reporting to the House, Manitoba has introduced legislation which is entirely consistent with the accord. In addition, it has taken a position with respect to the Devil's Lake diversion in North Dakota which again supports the approach of the accord. I am hoping that province will quickly come aboard with the accord itself, sign on to the accord and that the neighbouring province of Saskatchewan and Alberta will do the same in support of their fellow prairie province.

* * *

HUMAN RESOURCES DEVELOPMENT

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, the minister's own list tells us that Atlantic Yarn Inc., kind of an ironic name when we think about it, received \$1 million from the minister.

We took the minister up on her offer that if we phoned her department we would get more information. Her department says there is no information about this file. But the minister told us that this \$1 million created 96 jobs although there is not a shred of paperwork.

There are only three possibilities. Either there is paperwork which the minister's department is withholding, or this is wishful thinking on the part of the minister, or the numbers are pure fabrications. I ask the minister which is it?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, I will be glad to look into this file on behalf of the hon. member.

I want to clarify again that the undertakings in my department are precisely to improve the management of our files so that we can

confirm without a doubt to Canadians the appropriateness of the investments we make on their behalf. We know where the money in our investments is going. We know that they are making a difference in the lives of Canadians. But we also know that as a result of this continued line of questioning from members of that party that they do not believe the Government of Canada has any role to play in ensuring that Canadians across the country benefit from our good—

The Speaker: The hon. member for Lac-Saint-Jean.

[Translation]

Mr. Stéphan Tremblay (Lac-Saint-Jean, BQ): Mr. Speaker, the Department of Human Resources Development chose Mr. Champagne to act on its behalf as trustee for a \$1.2 million grant, until Placeteco's bankruptcy was settled. It so happens that Mr. Champagne also represents Claude Gauthier, who snapped up the bankrupt company.

Does the minister find it normal for Mr. Champagne to be her trustee and Claude Gauthier's lawyer at the same time?

• (1500)

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, these questions have been asked before in the House and I have responded to them. What I can say about this particular undertaking is that it continues to thrive, it continues to employ Canadians and it has new contracts. The investment we made was supported and approved by the Government of Quebec.

* * *

HEALTH CARE

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, last night I read through the memoirs of Paul Martin, Sr. when he was working on the establishment of hospital insurance, the forerunner of medicare. On the day that it was proclaimed Mr. Malcolm Taylor had this to say: "Paul Martin, like Moses, was denied the opportunity of leading his people into the promised land". Nevertheless, his dream, the founding of hospitalization, the forerunner to medicare, was now a reality.

My question is for the Minister of Finance. In his budget, why is he now allowing Alberta and Ontario to turn his father's dream into something like a two tier health care nightmare? Why is he not following his father's footsteps and actually doing something to assist medicare and health care in this country?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the first thing I would like to do is congratulate the hon. member on his choice of reading material. I would suggest to him that, instead of only looking at the index page, if he read the whole book it would do him an enormous amount of good.

I want to thank the hon. member as well. He has essentially pointed out that health care or medicare is a great heritage of the Liberal Party and we will protect it.

* * *

HUMAN RESOURCES DEVELOPMENT

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, my question is for the Minister of Human Resources Development and it is simple. Will the minister for HRDC tell this House exactly how many HRDC grants are under RCMP investigation?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, what I can say is that out of tens of thousands of projects sponsored by my department, I am currently aware of seven active RCMP investigations and two active police investigations on grants and contributions.

* * *

● (1505)

[Translation]

PRIVILEGE

AMENDMENTS TO BILL C-20

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, you have before you the member for Rimouski—Mitis, who is deeply saddened today.

I want to tell you about an extremely serious situation. I had never ever imagined that such a shameful thing could take place in this archetype of democracy in Canada. Let me explain.

On Tuesday, February 29, 2000, the deputy principal clerk sent a letter to the office of the Bloc Québécois leader, a letter which I am prepared to table, if you ask me to do so. This letter lists various reasons to support the rejection of 700 motions in amendment tabled by the Bloc Québécois, at report stage of Bill C-20.

Two of these 700 amendments had not been sent to the Journals Branch, and this was cited to me an example of reasons to reject amendments. I have these two amendments with me.

Copies of these amendments, which bear reference numbers 5180 and 5163, were given to me by the deputy clerk, and I can also table them. Again, these two amendments were never sent by the Bloc Québécois to the Journals Branch.

Following inquiries by the office of the leader of the Bloc Québécois to obtain clarification and explanation, it was apparently admitted that an administrative error had taken place.

We were told that, because of the large number of amendments tabled, the clerks worked—and this is what it is important that you

Privilege

hear, Mr. Speaker—from the legislative counsel's data bank rather than from the paper copies we tabled.

Given the relationship of confidentiality that must exist between the legislative counsel and the members who ask him to draft amendments—and you know how important this relationship of confidentiality and trust is—this is an unacceptable breach of the rights and privileges of Bloc Québécois members.

I am truly almost speechless, although I still have lots of energy left to protest this serious breach of democracy.

How does one describe such a serious breach in parliament itself, a place that should be the very embodiment of democracy? We are entitled to ask ourselves some very, very serious questions.

Does the explanation lie in the nature of Bill C-20, which, however much the government protests, focuses exclusively on the future of Quebec?

● (1510)

Mr. Speaker, I appeal solemnly to your sense of justice and objectivity. The nature of your function makes you the guardian of the rights and privileges of the House of Commons as an institution and of the members that compose it.

There is no doubt that this is a breach of the fundamental freedom of speech of Bloc Québécois members and of all members of the House. In this regard, I quote from page 261 of Marleau and Montpetit, which says that freedom of speech is:

—a fundamental right without which they would be hampered in the performance of their duties. It permits them to speak in the House without inhibition, to refer to any matter or express any opinion as they see fit, to say what they feel needs in the furtherance of the national interest and the aspirations of their constituents.

This action imperils these rights, which everyone recognizes as fundamental. Rejection of amendments we had not even introduced has infringed upon our most basic right, namely our ability as parliamentarians to choose which amendments we wish to introduce or not to introduce.

But there is more. In accordance with the technical advice received from House staff, we submitted a new list of amendments which were again rejected. This constitutes not only an attack on parliamentary privilege, but also, I would add, contempt of the House, because these acts are of such a nature as to directly or indirectly impede the members of the Bloc Québécois in the performance of their duties.

As Speaker Sauvé stated in a 1980 ruling cited in Marleau and Montpetit, page 67:

While our privileges are defined, contempt of the House has no limits. When new ways are found to interfere with our proceedings, so too will the House, in appropriate cases, be able to find that a contempt of the House has occurred.

Privilege

It is imperative for you to consider that there has been a breach of the privileges of the Bloc Québécois and contempt of this House.

This situation leads me to wonder about the future, particularly in the days to come when we shall be initiating the debate at report stage of Bill C-20, and about what treatment those of us in the Bloc Québécois can expect from the House and its staff.

Should you accept my question of privilege, I am prepared to introduce the appropriate motion for the entire matter to be referred to the Standing Committee on Procedure and House Affairs.

The Speaker: I will first hear the government House leader, but I accept the hon. member's proposal to table these documents.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think the deputy leader of the Bloc Québécois has brought two different matters to the attention of the Chair.

The first is the fact that her party's amendments were rejected. She is relating the fact that the rejected amendments were in draft form only and had been submitted without her approval it seems. The second is that the legislative counsel in the preparation of bills could, apparently, give information to the staff of the Speaker of the House.

I think these are the two matters raised by the member opposite.

If, Mr. Speaker, those who support you, that is the clerks of the House, rejected on your behalf amendments that were apparently not—and I mean “apparently not”, because I have not seen the documents in question—formally introduced, the matter is a dead issue, in my opinion, since, if the members had no intention of formally introducing any amendments, the fact of having them rejected is of no consequence.

• (1515)

Second, we must take a moment in this whole exercise to look at what we are doing to all those who support us so well in this House.

I say this at all levels for the people working for us. We are creating impossible situations for those working in parliament with results that such impossible situations may cause.

To date, there are on the Order Paper, I think, 406 amendments to a bill of no more than a page and a half in length.

Mrs. Pauline Picard: So withdraw it.

Mrs. Monique Guay: That is our privilege.

Hon. Don Boudria: No, no, it is nobody's privilege and I will get back to this later on. Second—

Mr. Paul Crête: We are not in a dictatorship, here.

The Speaker: Order, please. This is a question of privilege that concerns all members and I would like to hear it.

Hon. Don Boudria: Recently, we had a situation where we had to deal with close to 500 amendments. If I am not mistaken, there were 471, but these amendments concerned a bill that had hundreds of pages.

Now, we are faced with the threat of 1,000 amendments to a bill that is one and a half page long. Those who set the rules of this House—and it is not I, but those who came before me—of this Canadian parliamentary democracy opted for the British model, never intended, of course, for you, me or this House, that the purpose of the report stage of a bill would be to stop the legislative process. That was definitely not the intention of those who made these rules.

By creating such situations, we tax the system in this place to the point where parliament is totally paralysed, and we have to live with the result. The result, according to members opposite—and I cannot even know if the allegation is true or false—is that those who support you are so overburdened by the excess work that, according to the accusers, they are unable to do justice to the Chair regarding this issue.

I do not agree with their analysis, but let us not forget the root cause of what is going on in this parliament. What is going on is that some members want to prevent parliament from legislating, by resorting to tools that do not even exist. Those who want to do that are, in my opinion, doing something totally unacceptable. When I say this, I am not imputing any motives.

Mr. Stéphane Bergeron: He is indeed imputing motives, Mr. Speaker.

Hon. Don Boudria: No, I am merely repeating—

The Speaker: Order, please. I wish to hear what the member has to say.

Hon. Don Boudria: Mr. Speaker, I do not believe I am imputing motives and it is up to you to decide, which you will do with your customary wisdom.

What I am saying is that members said in their testimony before parliamentary committees that they intended to introduce amendments in this House with the ultimate goal of bringing parliament to a halt. I am not imputing motives. I am merely repeating what the members who are making accusations against those working for you today in the House have threatened to do. This is the result of the situation we find ourselves in today.

I could table the statements I have just described, Mr. Speaker, to the effect that they intended to bring parliament to a halt by bogging it down with all this work.

Privilege

• (1520)

Mr. Speaker, I submit that you have the support of the House in your work. Those working for you do their jobs not just well, but extremely well. I congratulate them and you on the work you do, which is to represent and lead us well.

The Speaker: I do not wish a debate, but I see that the hon. member for Rimouski—Mitis would like to add something, after which I will recognize the official opposition's House leader.

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, I would like to add a small clarification.

When I said that the bundle of documents we submitted was not used, it is because the clerk who shares space with the legislative counsel consulted the counsel's data base. Therefore, he saw on the legislative counsel's computer, to be more specific, all of the amendments in the data base. It is that data base that was used to deny our amendments, including two that had never been introduced.

That is why I say that there has been contempt of this House. Someone went into a computer, that of the legislative counsel, in whom we have every confidence.

[*English*]

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, it is clear to me that the government House leader is upset with the number of amendments put forward. I know you will deal as best as you can with whether they are in order, how they will be grouped and all that. We have to leave it to you and your staff to do that.

It obvious to me that what has happened here again is that we have the government bringing forward a very controversial bill. It has limited debate in the House of Commons. It went to committee and it limited the debate in committee.

It refused to let the committee travel. It refused to let the committee have a full list of witnesses. At every opportunity it refused to allow the opposition parties, whether for or against the bill, to have ample opportunity to discuss the bill in its entirety, clause by clause, to get a full hearing of it. It disallowed any travel whatsoever.

It is crocodile tears from the government House leader to say that someone is obstructing the business of government when we repeatedly see a record number of time allocation and closure motions by the government. Time after time the government has been stepping in not to interrupt the operations of government but the operations of democracy.

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, there are two matters.

First, I wish to state that, given the speech by the government House leader of a few minutes ago, which was melodramatic to say the least, it is not in any way our intention in this question of privilege to challenge the excellent work of all of the House of Commons staff. That is not the point.

Two questions were raised. The totally inappropriate imputing of motives by the government House leader in his speech just now notwithstanding, there are two issues.

We have a relationship of confidentiality with the legislative counsels. We worked with one of them in drafting a number of amendments. A number of the amendments we had prepared were tabled. I believe it to be the most basic of our privileges to select which ones to table and which not.

We noted something that gives us cause for concern. The government House leader said "They were not tabled, not selected, no problem". The problem is that we now have doubts about the confidentiality of our relationship with the legislative counsels. It appears that the clerks, which ones I cannot say, used the legislative counsels' data base, which ought to be confidential. That is where the problem lies.

• (1525)

The other problem is that the Deputy Principal Clerk pointed out to us that a number of our amendments were rejected for technical reasons. He explained the technical reasons for the rejection of these amendments. We relied on what he said and not on the remarks of the legislative counsel, as the government House leader intimated. We relied on what the Deputy Principal Clerk had to say. We followed his recommendations. We reworked the amendments and resubmitted them and they were again rejected. It seems there is a bit of a problem.

I was listening to the government House leader and his remarks oddly enough made me think of those who justified barn burnings as a means to fight against the sovereignist movement. We have to wonder whether the end does not justify the means, in the case of those opposite.

The Speaker: There are two issues here. I will look into the first and come back to the House with a ruling.

As to the second issue on whether amendments are in order, it should be discussed when Bill C-20 is before us. At that point I will listen to all members and make a ruling.

The first thing is very serious for us in parliament, because, next to the members, the clerks are essential to the running of the business of this House. I will therefore look into what I have heard this afternoon and get back to the House.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]***GOVERNMENT RESPONSE TO PETITIONS**

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

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, pursuant to Standing Order 34 I have the honour to present to the House, in both official languages, the report of the Canada-Japan Interparliamentary Group.

The delegation participated in the eighth annual meeting of the Asia-Pacific Parliamentary Forum in Canberra, Australia, from January 9 to 14, 2000.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Orders 133(3) and 140 I have the honour to present the 18th report of the Standing Committee on Procedure and House Affairs regarding the first report of the examiner of petitions for private bills presented to the House on February 7 concerning Bill S-14, an act to amend the act of incorporation of the board of elders of the Canadian district of the Moravian Church in America.

If the House gives its consent, I intend to move concurrence in the 18th report later this day.

* * *

CANADA NATIONAL PARKS ACT

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.) moved for leave to introduce Bill C-27, an act respecting the national parks of Canada.

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

* * *

● (1530)

ACCESS TO INFORMATION ACT

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.) moved for leave to introduce Bill C-448, an act to amend the Access to Information Act (Crown corporations).

He said: Mr. Speaker, I am pleased to reintroduce my private member's bill, an act to amend the Access to Information Act, which would include all crown corporations.

Clearly, Canadians want an open and accountable government and access to information ensures that the government is as transparent as is reasonably possible. Yet some crown corporations, not all, such as CBC and Canada Post, which are funded by public money, are exempt from access to information.

Crown corporations must be open, accessible and accountable to all the taxpayers because we pay the bills.

What my bill would do is open all crown corporations to public scrutiny and ensure that the corporations are open to honesty, integrity and openness. In other words, all corporations would be available to access to information.

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

* * *

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Peter Goldring (Edmonton East, Ref.) moved for leave to introduce Bill C-449, an act to change the name of the electoral district of Edmonton East.

He said: Mr. Speaker, I wish to introduce the bill to call for a change to the name of the riding of Edmonton East to better reflect the community that it serves.

The Edmonton East riding as presently known also includes the city centre portion, the Alberta Legislative Centre, as well as the city hall. It is my belief that a preferred name for this riding would be Edmonton Centre East. This would reflect the fact that a sizeable portion of people do live within the city centre core and properly identify with it in that fashion.

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

* * *

PETITIONS

CHILD POVERTY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present a petition on behalf of a number of Canadians, including from my own riding of Mississauga South, on the issue of child poverty.

The petitioners would like to draw to the attention of the House that one in five Canadian children do live in poverty; that also on November 24, 1989, the House of Commons passed a resolution to seek to eliminate child poverty by the year 2000; and also that Canada's number of poor children has increased by 60%.

Routine Proceedings

The petitioners therefore call on parliament, in the 2000 budget, to introduce a multi-year plan to improve the well-being of Canada's children, and the government has done just that.

[English]

CHILD PORNOGRAPHY

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, it is my pleasure to rise today in the House to present two petitions.

The first petition is from 168 people in my riding and across Vancouver Island who are very concerned about the lack of a law in the Province of British Columbia regarding child pornography.

They are asking that parliament override the B.C. Court of Appeal decision, reinstate the clauses in the criminal code that make possession of child pornography in B.C. illegal and that this be done as soon as possible.

NATUROPATHIC PRACTITIONERS

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, the second petition has been signed by 175 people on Vancouver Island who are asking that parliament pass legislation recognizing naturopathic practitioners as equal to members of the Royal College of Physicians and Surgeons. They would thereby be eligible for coverage in government medical insurance.

• (1535)

IMMIGRATION

Mr. Dennis Gruending (Saskatoon—Rosetown—Biggar, NDP): Mr. Speaker, I have a number of petitions containing hundreds of names, most of them people from Saskatoon, Saskatchewan. I might add that I have had many letters from these people and have also met with a good number of them.

These people are petitioning and calling on parliament to immediately rescind the so-called head tax on immigrants and refugees.

In the budget earlier this week the so-called head tax was rescinded for refugees. I have called my constituents to see if they wanted this matter to rest but they have insisted that the head tax also be rescinded for all immigrants.

I am pleased to present this petition on behalf of many people in Saskatoon.

[Translation]

GENETICALLY MODIFIED FOOD LABELLING

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I am tabling in this House a petition signed by 216 people.

The petitioners call on parliament to quickly pass legislation to make it mandatory to label all foods that are totally or partially genetically modified.

CHILD POVERTY

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, it is my pleasure to rise today to present a petition signed by 130 citizens of Truro, Nova Scotia. It is sponsored by the United Church of Canada, the St. Andrews United Church in Truro and Maggie's Place, also located in Truro.

They call on the government to address the issue of child poverty and, in particular, they have several issues they want to make the House aware of. One is the fact that one in five children now lives in poverty in Canada. They also want to remind the House that in 1989 the House of Commons unanimously resolved to end child poverty in Canada by the year 2000, but since then child poverty has actually increased by more than 60%.

The petitioners call on parliament to use the federal budget of 2000 to introduce a multi-year plan to improve the well-being of Canada's children. They urge parliament to fulfil the promise of 1989 in the House of Commons resolution to end child poverty by the year 2000.

EQUALITY

Mr. Peter Goldring (Edmonton East, Ref.): Mr. Speaker, today I take great pride in presenting a petition put forth by 2,500 concerned Canadians, mostly from the province of Quebec.

These petitioners ask our government to affirm that all Canadians are equal under all circumstances and without exception in the province of Quebec and throughout Canada. They wish to remind our government to only enact legislation that affirms the equality of each and every individual under the laws of Canada.

CHILD PORNOGRAPHY

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I am pleased this afternoon to present a petition on behalf of over 75 people in Dartmouth, Nova Scotia who are horrified by pornography which depicts children and are astounded by legal determinations that possession of such pornography is not criminal.

My constituents would like to see, through the enactment and enforcement of the criminal code, the protection of the most vulnerable members of society. They would like to see parliament take measures to ensure that possession of child pornography remains a serious criminal offence and that federal police forces be directed to give priority to enforcing the laws that protect children.

Routine Proceedings

[Translation]

GENETICALLY MODIFIED FOOD LABELLING

Mr. Yvan Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, BQ): Mr. Speaker, I am tabling in this House a petition signed by nearly 1,000 people from my riding.

The petitioners want to make their position on genetically modified foods known to the government. In this petition, they remind us that Canadian consumers are entitled to relevant information.

They also remind us that, under the federal government's current policy, labelling is only voluntary. They are asking the government to take action on this issue.

[English]

CHILD PORNOGRAPHY

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I cannot resist this. Getting me to stand and not recognizing me for 20 times adds to my much needed exercise regimen, so I thank you for your consideration, Mr. Speaker.

I am very proud today to stand on behalf of constituents, not only in my riding but also in one of the Liberal held ridings in Edmonton, as I recognize these addresses here.

These people are stating to the House that where they place the protection of children at the highest possible priority, they request that parliament take whatever measures are necessary in order to immediately reinstate the criminal code provision which makes the possession of child pornography illegal.

• (1540)

On behalf of the petitioners, I am very pleased to present these 128 names, adding to the over 500,000 now on record on this issue.

ARMED FORCES

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am very pleased and honoured to present a petition signed by almost 1,000 Manitobans and Canadians pertaining to the decision by the government to proceed with court martial proceedings against a citizen of Canada, a resident of Winnipeg and a member of the Canadian Armed Forces who served this country with dedication and distinction.

The petitioners express their concern about the anthrax vaccination and about the government's decision to require members of our armed forces to take this vaccination despite concerns about safety.

They call upon the government to request that the military's court martial of Sergeant Mike Kipling be stopped and a proper impartial investigation into this whole affair be conducted.

CHILD PORNOGRAPHY

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I have a petition from people in the area of Lake Louise, Banff and Canmore calling on the government to do whatever it takes, including invoking the notwithstanding clause, to put an end to this issue regarding child pornography.

I would like to add these names to the already over half a million names on file. I thank these people for submitting it.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following question will be answered today: No. 66.

[Text]

Question No. 66—**Mr. John Williams:**

Regarding page 10.6 of the Public Accounts of Canada 1998-1999, Volume II (ii), under the rubric "Payments of Claims Against the Crown—Department of National Defence—Damage to Personal Property—Holiday Inn Harbour View" in the amount of \$2.123: (a) when did the events happen; (b) were DND personnel at the Holiday Inn Harbour View for a sanctioned DND event or was there another event going on; (c) what was generally damaged; (d) which damaged and/or destroyed items were replaced; (e) were those involved with this case reprimanded and/or terminated; and (f) was the incident reported to any police force, including military police?

Hon. Arthur C. Eggleton (Minister of National Defence, Lib.): (a) September 23, 1998.

(b) A driver from the Department of National Defence, DND, was delivering luggage to DND personnel who were staying at the Holiday Inn Harbour View while on temporary duty in Halifax.

(c) The DND driver backed into the overhang at the front of the hotel.

(d) The overhang was repaired.

(e) The DND driver was verbally reprimanded by his supervisor and placed on remedial training.

(f) No.

[English]

Mr. Derek Lee: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

*The Budget***MOTION FOR PAPERS**

Mr. Derek Lee (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would ask you to be so kind as to call Motion No. P-7.

Motion No. P-7

That an Order of the House do issue for copies of a poll referred to by the Prime Minister during question period on May 5, 1998 in which he stated that "Only 10% of Canadians think the Reform Party members are doing this because they are compassionate but 75% of Canadians think they are doing it for politics."

Mr. Derek Lee: Mr. Speaker, I am pleased to submit a return to that motion.

The Deputy Speaker: Is it the pleasure of the House that Motion No. P-7 for the Production of Papers be deemed to have been adopted?

Some hon. members: Agreed.

(Motion agreed to)

Mr. Derek Lee: Mr. Speaker, I would ask you to be so kind as to call Motion No. P-9.

Motion No. P-9

That an Order of the House do issue for copies of all documents, reports, minutes of meetings, notes, memos, correspondence and invoices relating to the Canadian underground economy, the estimated size of this "non-reported" economy in monetary terms, and the estimated amount of federal tax revenue that the government has not collected due to the underground economy.

Mr. Derek Lee: Mr. Speaker, I am pleased to submit a return to Motion No. P-9.

The Deputy Speaker: Is it the pleasure of the House that of Motion No. P-9 for the Production of Papers be deemed to have been adopted?

Some hon. members: Agreed.

(Motion agreed to)

Mr. Derek Lee: I ask, Mr. Speaker, that the remaining Motions for the Production of Papers stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[*Translation*]

Mr. André Bachand: Mr. Speaker, I rise on a point of order. We know now that consideration at report stage of Bill C-20 will begin this Friday.

On February 17, as indicated in today's order paper, under Notices of Motions for the Production of Papers, I asked, in Motion P-34, that copies of all correspondence between the federal government and the provincial and territorial governments concerning Bill C-20 be tabled in the House.

I would like to make sure, through you, Mr. Speaker, that the parliamentary secretary will table these documents by Friday.

[*English*]

Mr. Derek Lee: Mr. Speaker, if the hon. member is asking for unanimous consent to table, that would not be forthcoming at this time, but a further consultation might advance the file considerably.

The Deputy Speaker: It appears that there will have to be further consultations. It is not a matter for the Chair to make a ruling on it at this point. I am not sure that it is a good point of order, but I think the hon. member for Richmond—Arthabaska has made his point. Everyone's position is clear now.

GOVERNMENT ORDERS

• (1545)

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 29 consideration of the motion that this House approves in general the budgetary policy of the government, and of the amendment, and of the amendment to the amendment.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to join in the debate on budget 2000, a budget which will translate into a better quality of life for all Canadians.

I want to talk about two issues. I want to talk about health care and I want to talk about the specific budget provision on extending maternity and parental leave to a full year which was announced in the budget. It is something I support very much.

Not too long ago the National Forum on Health did a two year comprehensive study. Experts in the health care system of Canada did a study and concluded that there was enough money in the health care system. They also observed that about \$11 billion in the health care system was not being spent wisely. They recommended that we need to spend more prudently and more wisely in terms of our valuable health care dollars.

Ontario Premier Mike Harris has recently gone on a tirade of blaming the federal government. There were cuts which all Canadians took right across the board, including the federal government, and yes there were some cuts in health care. What was the response of Mike Harris? He closed hospitals. He also downsized

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beds in other hospitals. He spent millions of dollars firing nurses. He created a crisis, just like John Snobelen who said, "We have to create a crisis in education. Then we can try to fix it and then we are going to be heroes".

Here it is again. Mike Harris on the front page of the newspapers is blaming the federal government and saying that "If we do not get this fixed, and the federal government does not fix it, what are we going to do? We are going to have user fees just like Ralph Klein".

How is it that in the last budget \$11.5 billion was increased in the CHST to the provinces of which \$3.5 billion was available to the province of Ontario? How much of the \$3.5 billion has Mike Harris taken already that is available to him immediately? Eight hundred million dollars. He still has \$2.7 billion that he has not even drawn down in addition to his share of the \$2.5 billion which has just been advanced in budget 2000.

What else did he say? He said, "We have a crisis in health care. Everything is a problem and it is all the federal government's fault, but what are we going to do? We are going to spend \$4.3 billion on tax cuts and still have a deficit". Deficits are financing tax cuts and everyone knows that health care is a priority.

Given the analysis of Mike Harris maybe we should suggest that he seek some of that health care, mental health care. But I am not going to suggest that. The reason is that he closed down 10 mental health institutions in Ontario since he was elected as premier. He cannot go to a mental health institution.

In fact 35% of the homeless in Toronto and across the country are people who suffer from mental health problems. He is blaming homelessness on the federal government yet he is the one who closed those institutions. He is the one who decided that health care was not a priority in Ontario. He said it was tax cuts. He created a crisis in health care, but the money is there. Today he is saying he needs money. Well, the money is there. Mike Harris, shame.

I will now move on to something a little more constructive, rather than talk about a premier who is doing a disservice to Canada.

The budget provides that the parental and maternity leave benefits under EI be extended, doubled to a full year. This is a subject I have a lot of interest in because I had a private member's bill some time ago on the same issue. I am very pleased. The best outcome for a private member's bill is to have it adopted by the government and implemented quickly along with the other budget provisions. I do not want to talk about the dollars and the cents. I want to talk about why I wanted to see that in the budget.

• (1550)

I had the opportunity to chair a committee on investing in children and valuing our caregivers. I want to share some of the observations and some of the principles which we would like to follow.

Our caregiver policies should be child centred and promote the best interests of children to the greatest extent possible. We thought we should presume that parents are the primary caregivers. They are in the best position to determine the best possible care arrangements for their children.

We also thought policies should be flexible with the right options and choices and make it feasible for either parent to provide care. We also thought they should be inclusive and responsive to the social realities and circumstances of parents and their children. They should be fair and equitable and neither penalize nor compel specific caregiving choices.

The 1996 National Longitudinal Survey of Children and Youth found that 25% of Canada's children are entering adult life with significant emotional, behavioural, academic or social problems. In the words of Dr. Paul Steinhauer of Voices for Children, with one in four children entering adult life significantly handicapped, we can look forward to a society that will be less able to generate the economic base required to supply the social supports and services needed by one in four adults unable to carry their own weight.

I wanted to look at this more, so I found a research study which came out of a White House conference in 1997. One of the principal findings was that the neurological foundations for rational thinking, problem solving and general reasoning appear to be established by age one. It also found that at birth the human brain is far from fully formed and it is estimated that about 80% of the lifetime development of the human brain is complete by age three.

This got me thinking that the early years of childhood development are extremely important. Dr. Fraser Mustard, who appeared before the HRD committee described the first year of human life as being dynamite in terms of neural development.

Breast feeding is also an important implication. I came across a study done in April 1998. Dr. Christopher Ruhm of the University of North Carolina published a research paper entitled "Parental Leave and Child Health". He studied 25 years of population data in nine European countries. He found a 29% reduction in infant mortality where parental leave of at least 50 weeks was taken. This is unbelievable. He is basically saying that when a child gets secure, consistent attachment with an engaged, committed adult during its first year, healthier outcomes do occur.

This was one of the reasons that the committee which I chaired recommended doubling the maternity and parental leave benefits. Parents could then have the option to provide direct parental care during that vital first year.

To follow that up, when we had the debate in the House on taxation of the family, the finance minister asked the finance

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committee to review taxation of the family to determine whether or not there were some areas to cover. I will not go into the details of the report but one of our three principal recommendations was to extend maternity and parental leave to a full year.

Specifically the budget proposes that the time be doubled to one year. Currently there is a two week waiting period, 15 weeks of maternity leave and an optional 10 weeks for parental leave. When this is taken altogether and an additional 35 weeks of optional parental leave is added, it means parents will have the opportunity to have one of them with their child during the vital first year.

The government also took the advice of the finance subcommittee to reduce the number of hours from 700 to 600 of insurable hours to qualify and it said that if the second parent decided to take some of that time off, the two week waiting period would be waived. This is even more of a benefit.

I was looking at some numbers. People have said to me that they cannot afford to live if they withdraw from their jobs. They cannot afford to receive just the benefits with a maximum of about \$413.

It dawned on me when I looked at when both parents are working and they have an infant child, they have to pay for child care expenses. Although there is a child care expense deduction, that deduction is only available to the lowest income earner of the two spouses. It usually means they are only getting a refund or a benefit of about 25 cents on the dollar federally and provincially combined. They also have reduced Canada child tax benefits because that benefit which is payable to them is determined on the basis of family income. There is a gradation as a result of combined family income.

• (1555)

I also thought of this very interesting and important point. When both parents work and the woman chooses not to use a breast pump to get mother's milk, they have to pay for baby formula. Premixed baby formula can cost up to \$4,000 a year, which is after tax money. It is the equivalent of getting paid about an additional \$7,000 for that family.

I looked at the other side. What if somebody withdraws from the paid labour force to provide direct parental care because they felt their child needed it? All of a sudden there is a higher Canada child tax benefit. The spousal amount comes into play as well. Even if they got the full EI benefits which are taxable, they still have their own personal amount to offset it. They will not use it all and there will be an amount transferable to the spouse who is in the paid labour force which means there will be a further reduction of income taxes. The breast feeding savings alone are a very significant amount and they get the EI benefit for a full year.

The issue for me is not the money. The issue is children and how we invest in our children so that they are physically and mentally healthy. The fact remains that all of the research I have seen indicates that when children get the kind of care they need during

that vital first year, they have better physical, mental and social health outcomes. And when that happens, and the national longitudinal survey says that 25% of our children are entering adult life with problems, the percentage of children with problems goes down. That means we have lower health care costs, lower educational costs, lower social program costs and lower justice costs.

One of the things we know is that many children who have problems, including things like fetal alcohol syndrome, run afoul of the laws of Canada and end up in court. I just wrote a monograph on that subject. The Minister of Justice confirmed to me that 50% of youth in the jails in Manitoba and Saskatchewan have fetal alcohol syndrome.

It is time we invested in our children. We can invest in our children by valuing our caregivers and by making sure parents have the very best opportunity to provide the kind of care their child needs.

We have to understand that all parents do not live in urban centres. Child care may not be accessible. It may not be affordable. There may not be another family member, close friend, or neighbour who is able to provide that care for their child.

The provision of extending parental leave is a progressive move. It says to Canadian families across the country that there is another opportunity, option or choice for them to arrange their affairs to ensure that their children get the best possible care particularly in that first year of life.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I have a couple of questions for the member.

It is my understanding that when the health care system began, this project was to be funded 50% by the provinces and 50% by the federal government. I think we are now down to about 16% for the federal government, or somewhere around 15%, and up to 85% and even higher for the provinces.

I also know that in 1993 the government took a healthy chunk out of the transfer payments to the provinces which maintain health care. In Alberta that resulted in about a 35% decrease in funding to provide health care services. It was probably a higher amount in Ontario.

It is amazing that the member would stand and condemn those provinces for trying to do something about the situation that exists in their provinces when it is the federal government that has created the problem by these extremely high cuts that have never come close to being replaced. I would like his comment on what has happened to the 50:50 help.

• (1600)

Knowing the member as I do, I wonder how he feels about the millions and millions of dollars being spent by the government on

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RCMP investigations at HRDC, and all of the spending going on at the heritage department for films like *Bubbles Galore* and a committee on seniors and sexuality. Those are a couple of examples of the hundreds of absolutely stupid things on which the government has spent money. I say stupid because that is what they are.

I wonder how he feels about this absolutely idiotic spending that goes on within his government.

Mr. Paul Szabo: Mr. Speaker, I do not know where the member got his information, but there was \$61 billion spent last year by all governments on health care. In 2000-01, \$31 billion will be transferred from the federal government under the CHST, of which \$17 billion will be targeted to health.

The member should also know that under the CHST, although it is calculated under health, post-secondary education and the social transfer, the provinces are not bound to spend the money in all of those areas. There are no strings. They have to spend it in that envelope, but it all could go to health, et cetera.

On top of that, \$3 billion is directly spent by the federal government on aboriginal health and on health care for the forces. Therefore, \$20 billion out of the \$64 billion which is spent on health care is funded by the federal government, which equates to 31 cents on the dollar. When we add the \$9.5 billion in equalization payments, the total federal transfer is \$40 billion.

I am sorry, but the member seems to have his facts wrong.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I do not disagree with the member's concerns about Mike Harris and the direction in which he is taking the province of Ontario, although I must say that these days I am having a bit of difficulty distinguishing between the Harris Conservatives and the federal Liberals.

However, if the member is so concerned, why is the federal government inviting Mike Harris to do more damage? Why is the government creating the opportunity, as it is doing through this budget, to allow Mike Harris to open up the Canada Health Act to make further inroads in privatized health care?

The House must excuse me for being so blunt, but when it comes to the National Forum on health, the member is wrong, wrong, wrong. The National Forum on Health was very clear about the need for the country to preserve and strengthen medicare. It recommended enhancing medicare by putting in place a national home care plan, national drug coverage and reform at the primary health care level.

Everything the government is doing is in the opposite direction. One of the key players in the national forum, Tom Kent, said that

the government must ensure that cash transfers rise to 25% in the short run and that we aim for 50-50 down the road.

Why is the member ignoring important policy analysts like Tom Kent and Monique Bégin? Why is the government ignoring the National Forum on Health? Why is the government ignoring the advice of Canadians?

Mr. Paul Szabo: Mr. Speaker, although the member said I am wrong, wrong, wrong, I did not comment on the points she raised, so I am not exactly sure how she got there.

The point is that the National Forum on Health advised Canadians, as well as the government, that our health care system had the cash but it was not being spent wisely and that it was necessary to get together with the provinces to start rationalizing our health care system to make sure we deal with it properly.

I agree with the member that there are areas in which we have to provide some vision with regard to the longer term because we have an aging society and the demands on health care will increase. We have put forward another \$2.5 billion in one-time transitional funding for the provinces so that we will have the time to get together with them to discuss the future of health care and to do it right.

We also invested \$11.5 billion in health care in the previous budget, the single largest investment the government has ever made. That represents a 25% increase over two years. That reflects the commitment of the federal government. The total support for health care and education will rise by \$31 billion this year.

When we get together with the provinces the Government of Canada will be there defending the Canada Health Act, regardless of people like Mike Harris and Ralph Klein. Canada will have one health care system and it will be for all Canadians; not because they have money, but because they need health care.

• (1605)

Mrs. Diane Ablonczy (Calgary—Nose Hill, Ref.): Mr. Speaker, I am pleased to have this opportunity to comment on the budget. I have been commenting on the mismanagement of public funds by the government over the last few weeks, but that all ties in to the budget and I want to make some remarks today in that regard.

Over the last few years, in particular under the Liberal government, the budget has become much less a fiscal document and more of a political document. This budget was no exception. In fact it continued the trend.

The budget took what I would call a shotgun approach to government spending. It has thinly spread new tax money in all directions, with no commitment to controlling taxpayer funds and virtually ignoring the tax strain on middle class families.

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The government and the finance minister, in spite of the minister's undeserved reputation for good management, have actually overspent the budget terribly over the last few years. In 1997-98 the minister exceeded his projected spending by \$3 billion. Remember, a billion dollars is like winning a lottery for \$1 million, or winning the *Who Wants to be a Millionaire* program, except that a person would have to do that three times every day for a whole year to have it total \$1 billion.

The finance minister, the so-called good manager, overspent in 1997-98 by \$3 billion. In other words, he said he would spend \$105 billion and he actually spent over \$108 billion. That was in 1997-98.

What did he do in 1998-99? He overspent again; not by \$3 billion, but by \$7 billion. If we ran our households or businesses that way we would be in real trouble. Canadians know that, but the finance minister had no problem overspending in 1997-98 and 1998-99, by \$3 billion and \$7 billion respectively, and he is still calling himself a good manager. I have to wonder whether he lives in the real world.

In 1999-2000 he told us he would spend \$111 billion. Lo and behold, we find that what he actually will spend is \$115 billion. That is overspending by \$4 billion.

The finance minister has a very poor track record for staying within his budget. That is one of the points we want to make today.

In addition, he has gone on a spending spree. Not content to overspend year by year from what he told us he was going to spend, he has now decided to go on a real spending spree. Over the next five years he has promised a spending spree of \$86 billion. That is money which Canadians will have to work to produce to funnel into the finance minister's treasure chest so that he can do all of the things he finds so enjoyable.

I will not go through the list, but almost no program spending will receive less this year than last year. Even the human resources department, which has just been found by its own audit to have bungled at least \$1 billion in spending, will get almost another quarter of a billion dollars to do the same thing. I have to wonder if there is any prudence or good management left in the government.

The finance minister not only is continuing to spend, he has been spending huge amounts. In the next two years he will increase program spending by \$10 billion. The finance minister tries to tell Canadians that he will give them some of their money back because he does not need it all. He is taking more than he needs, so he will give back some of it. However, we find that is not the case. What he is really doing is using \$86 billion of that money, not to pay down our terrible debt, not to give it back to us so that we can do something for our families; no, he is going to spend it.

What is the government spending money on and why? What are its priorities? Over the past number of years we heard that it would get rid of the GST. That was its priority. That was dropped. Then we heard that health care was its priority. Then we heard that children were the priority.

• (1610)

Really, it is very clear, and becoming clearer year by year, that the real priority of the government is simply to be re-elected and to use our money in such a way as to persuade us to keep voting for it.

Let us look at the Liberal record. In 1993 the Liberals came on the scene, put their hands over their hearts and said that they would be the saviours of the Canada Health Act. Let us look at what they did.

In 1996-97 they cut transfers for health care by almost \$4 billion; this at a time when health care costs were rising due to new innovations. Also, our population is aging. What was the result? Not a stronger health care system, but a weakened one under the Liberal government. Not only have the Liberals cut health care, they have not even said that they would maintain any of the small increases which they finally announced, under much pressure.

It amuses me to hear Liberals trash premiers like Premier Harris when they are the authors of the misfortune of the health care system, which they love to blame on other people.

This year, with this budget, less than \$1 billion more will go to health care. That is less than \$30 per Canadian which the government has dredged up to help a floundering health care system, which they helped to deadly wound. In spite of the fact that they will spend \$86 billion more over the next five years, \$1 billion next year will go to health care. In fact, this \$1 billion will not be dedicated to health care alone, it will be dedicated to health care and education. The provinces will have to decide where to spend the money. That inevitably means that less than \$1 billion will be spent on health care, less than \$1 billion from a government that has \$86 billion more to spend over the next five years.

The Liberals have cut almost \$25 billion out of health and social cash transfers since they came to power. They put only \$5 billion back in the last two years. In other words, for every dollar they put back they have slashed five, so they have barely begun to repair the damage they have done, and yet they love to blame other people and misrepresent other parties' positions on health care when they are the ones who have given a deadly wound to this important program for Canadians.

I want to examine the whole area of tax cuts. As hon. members know, the Liberals have had a great deal to say about the fact that they would cut taxes. Let us look at what they have actually done.

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The tax cuts were announced at \$58 billion. That sounds like a good, big figure, does it not? Let us look at the facts of this \$58 billion tax cut, which will happen over five years. I point out that \$7.5 billion is actually not a tax cut at all, but an increase to the child tax benefit, which is really more social spending. How more social spending equals a tax cut only a Liberal could explain, but it is definitely not a tax cut because somebody will have to put that money into the finance minister's hands so that he can offer it as a top-up to the child tax benefit. The finance minister has already lost \$7.5 billion from his \$58 billion in so-called tax relief.

Then we look at the \$30 billion that Canadians will have to pay over the next five years in increased CPP premiums. Liberals like to say that this is really an investment in our pension, that it is not really a tax. However, the fact is that there is nearly \$500 billion worth of debt in the CPP system. That money will not go to new pensions, it will be put into the finance minister's hands to pay for pensions which are already being received.

• (1615)

This is a debt. This is an unfunded liability. This increase in CPP spending will not benefit solely the people who are putting the money in. It is going to pay off the debt the Liberals have run up in our pension system. That is another \$29.5 billion off the so-called \$58.5 billion of tax relief.

Then we have a very interesting Liberal sleight of hand which says "if we were going to tax you but decided not to, that is a tax cut. It is not less than we are taxing now, but it actually cancels out some of the taxes we were going to charge", like bracket creep, for example.

In fact, \$13.5 billion falls into that category. That leaves a real net tax relief over five years of \$7.9 billion. Over each of those years there is less than a \$2 billion relief. For each taxpayer that amounts to just over \$100 a year in real tax relief or almost \$9 a month. Let us have a celebration. Each taxpayer will get a grand cut from the finance minister of \$2 a week. I hope they do not spend it all in one place.

Since the finance minister took over his portfolio he has raised the yearly tax bill of Canadians by \$104 billion. Those are the facts. Liberal sleight of hand and Liberal rejigging of the terminology do not hide the fact that they are not giving a tax break. The fact of the matter is that by looking at their paycheques month by month and year by year Canadians will see there is virtually no change in their tax position in spite of the grand rhetoric of the finance minister and members opposite. It is just not there.

I want to spend some time on the control of government spending. The finance minister will spend \$86 billion more over the next five years. We are very interested as Canadians to see how he has managed the money so far because now he will be putting even more out the door.

The record is not reassuring to say the very least. This is what a recent audit showed on \$1 billion worth of spending a year. In 11% of the cases there was no description of the expected results of the spending. In other words, the money was shovelled out the door with no clear idea at all of what it would achieve. It was just "It is not my money. There is lots where that came from. Canadians pay lots of taxes. Let us just send it out the door".

In 15% of the cases no one had even applied for the money. Maybe they just went through the yellow pages and said "I think Joe should have a few dollars of other people's money. Let us cut him a cheque". I do not know. There was no application.

In 25% of the cases there was no description of the activities to be supported. This was supposed to create jobs, but there was no description of exactly how that would be achieved. I guess it was on blind faith: if they put money out there it will surely do some good. It does not sound to me like the kind of management we would want for our money, but that is what happened.

In 46% of the cases there was no estimate of the number of job participants. They were to create jobs but they did not have any idea of how many people would participate in the program.

In 72% of the cases there was no cash flow forecast. We have no idea what these outfits that are supposed to create jobs are doing with the money: where they will get it or where they will spend it. There was no financial plan at all.

In 80% of the cases there was no financial monitoring. In 87% of the cases there was no evidence of supervision. Money was just given out with no supervision. We have heard day after day in the House of how that money has been abused, misused and ripped off. It is not achieving the results the government either hoped it would or says it does.

• (1620)

In 97% of the cases there was not even a background check on the recipients of this money, some of whom we know had very shady and chequered pasts. This is how our money has been spent in the past. However it appears to be of no concern to the finance minister. It did not merit a single line in the budget.

Can we imagine what would happen if a company had come forward to give its yearly report to the shareholders and there had been this level of massive mismanagement of the company's money and not a word in the report about what had happened, what were the consequences and what would happen to the operation as a result? There was not a word. They are to spend \$86 billion more in the same way, with the same kind of mismanagement. That is the only conclusion that can be drawn, and that is a serious concern for Canadians.

We have a very serious situation in the country. We have a budget that pretends to give tax relief when, if we really look at

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what is being done, the tax relief amounts to less than \$2 billion a year for the next five years. At the same time \$86 billion in new spending is being shovelled out the door in an atmosphere and in circumstances where there are serious questions about the government's management and administration of the money it already has. It is so bad in fact that there are numerous instances where the RCMP has had to be called in to get to the bottom of how public moneys have been mismanaged.

That is what we are facing today in the budget which did not even address these serious concerns and had fake tax breaks. When we look at the numbers they are simply not there. They are either more social spending, or they are offset by increased taxes for other programs, or they were simply taxes the government was to impose but thought the better of it. They are counted as tax cuts when they are nothing of the sort.

These are troubled times for Canadians. I receive e-mails, letters and phone calls day by day. I know other members do as well, even members on that side of the House. Canadians are asking what is going on. They work hard. They pay their taxes. They trust the government to do the right thing with them, but it is becoming increasingly obvious that it is incapable and unworthy of that kind of trust.

I submit that this budget, this finance minister and this government are not providing the leadership to serve Canadians well and do not merit the support of the House or of Canadians.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, one could cover a lot of ground in commenting and rebutting the speech of the member for Calgary—Nose Hill. I will not speak about the CHST transfers to Ontario because I know my colleague from Mississauga South is champing at the bit to get into that debate.

I will not mention the fact that if Mike Harris in Ontario had reduced taxes by 25% instead of 30% on the first go-around, he could have topped up the transfer reductions that went to the province of Ontario. I will not get into that.

However I will talk about the tax cuts because I think the member opposite has her facts wrong. Yesterday in the House the Leader of the Opposition cited the example of Paul and Fran Darr, a retired couple with an income of \$28,000. They were complaining about the taxes they pay. As I reported to the House yesterday, Paul and Fran Darr, wherever they are, will save with this budget 45.2% of their federal income taxes. I could go on and on with examples.

• (1625)

Let me give the example of a one earner family of four with an income of \$60,000. Its federal income taxes will go down by 24%. Another example is that a one earner family of four with an income

under \$35,000 will receive more in benefits than it pays in taxes in the year 2004.

I would like the member opposite to contrast this with the flat tax proposal. I will give two quick examples, with the indulgence of the House. Under the flat tax proposal, solution 17 as it is called, a single taxpayer earning \$30,000 would receive a tax reduction of 12% while a similar taxpayer earning \$200,000 would receive a tax reduction of 39%. Is that not interesting?

As another example, a two earner family of four under the flat tax proposal, solution 17, with an income of \$75,000 would get a reduction of 28% in federal taxes. A similar family with an income of \$200,000 would benefit by 35%.

Could the member for Calgary—Nose Hill contrast the lack of progressivity in the Reform tax proposal? Would she be prepared to acknowledge the huge tax savings Canadians will benefit from with this budget?

Mrs. Diane Ablonczy: Mr. Speaker, I could go through the numbers and Canadians could get their calculators out and do it for themselves. Perhaps the Liberals may want to do that as well.

The minister claims over the next five years a \$58.4 billion of tax relief. Subtract from that \$7.5 billion, which is actually not tax relief but spending on the child benefit. Subtract a further \$29.5 billion, which will be increased CPP premiums over the next five years, most of which, if not all, will go to pay off the unfunded liability in that program of nearly \$500 billion. Subtract from that \$13.5 billion, which were scheduled tax hikes that are now cancelled. It is not a cut of existing taxes. It is simply an abandonment of untenable proposed taxes. That gives us a grand total of \$7.9 billion in real tax relief over five years, divided by five equals \$1.58 billion. If we divide that by the number of taxpayers, which I think is about 14 million, we arrive at \$107.60 per year per taxpayer in real tax relief. Those are the facts. If people want to take issue with those facts they should show us their numbers, but these are numbers from the budget.

Another point the member raised was the so-called lack of progressivity in our own tax plan. Our tax plan would provide real substantial tax relief. I invite people to look at it. We have laid out the numbers. It is transparent. Everyone can look at it.

Taking money from people who work hard to earn money is the last thing we want to do. Productive people assist others. They create jobs. They are consumers and entrepreneurs. They are the backbone of the economy. Somehow Liberal members think that the government creates jobs. I have news for them. It is productive, hardworking, innovative people who succeed that create economic activity.

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If the Liberal government would only see that, we would have a country that looked a lot more like Ontario and Alberta than like some of the other provinces that labour under the misapprehensions of Liberal social engineering and bad economic decisions. This is exactly what the budget perpetuates.

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I thank the hon. member for her HRDC speech. I did not hear too much about the budget presented on Monday.

I want to take issue with the tax reduction plan she talked about. If she refers to table 4 of the five year tax reduction review, therein is laid out \$17 billion in annual tax reduction. It is a combination of both tax cuts and tax relief. The only tax relief that is in there is \$2.5 billion for the child tax credit. That adds up to \$58 billion. I therefore do not understand the hon. member's concern about tax cuts because the tax cuts are there. That does not include the EI cuts projected over the next five years.

• (1630)

The numbers the hon. member is putting forward are not realistic. It is in fact \$17 billion worth of tax relief. It is in fact a five year tax reduction plan. I do not understand the thrust of the hon. member's speech. I also do not understand the thrust of the hon. member's selective failure to remember the EI cuts as well.

It seems to me that the hon. member and her party are somewhat against Santa Claus and Christmas at the same time.

Mrs. Diane Ablonczy: Mr. Speaker, I guess I do not expect a Liberal member to accept those numbers.

I invite Canadians to examine the Liberal numbers and the numbers I put forward and make their own judgment. At the end of the day it is not the hon. member's money and it not my money. It is not even the money of any party in the House. It is Canadians' money and they have a right to have a very clear and thoughtful analysis of the real numbers they have to work with.

Canadians may accept the Liberal numbers, which I am sure the Liberals will defend to the death. They may accept the numbers that we put forward because they are the result of a thoughtful and careful analysis. I am simply putting them out in debate because at the end of the day we are only leading the debate. Canadians will have to make the decision on whether their interests have been well-served by the budget and by the government or whether there are other factors which the opposition is bound in duty to bring out that would lead to far different conclusions than what the government would like to urge on them.

We know the government will put the best face on its budget. Why would it not? It spends a lot of time and effort writing a

budget that sounds like we are getting the best thing since sliced bread. All the opposition is saying, in as credible, thoughtful and sustainable a way as possible, is that there are other factors and other ways to characterize this that need to be taken into account. At the end of the day I invite Canadians to make their own decision.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on the Canada pension plan, the hon. member will probably know that it was enacted in 1966 so that those people who came through the depression without a working career and unable to provide for retirement, as Canadians do today, would immediately get benefits. Today's workers pay for the pensioners because the pension was always in arrears. The deficit and the unfunded liability were not because of mismanagement. They were because we took care of people who did not have anything for their retirements.

Today's retirees get \$8 out for every \$1 they put in. To sustain that level of equality of pension plan for all Canadians, changes were necessary. This is exactly what the provinces, together with the federal government, came out with after consulting with all Canadians.

With every dollar that goes in, taxpayers will get it out and more when they retire. Her analysis—

The Deputy Speaker: The hon. member for Calgary—Nose Hill.

Mrs. Diane Ablonczy: Mr. Speaker, if I can say so kindly, that really is a half truth. It is correct that there were a few people when the plan was put into place who had not been able to save for retirement. However, in addition to that, governments habitually and for a long period of time charged much less for this program than it cost. Since the hon. member sat on the committee he knows very well that people did not put in even enough to pay for their own pensions until very recently.

Younger Canadians are now being socked with that 30 years of mistake. They will have to put a lot of money into the plan. They will get very little out in relation to their investment and that is what the hon. member has not said. This is a debate for another day, but I would simply say that the hon. member knows better than what he was just saying.

• (1635)

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I will be splitting my time with the member for Niagara Falls.

I will begin by apologizing to the finance minister. I have, privately and publicly, described him as a tax cutting wimp. I thought that was an accurate description as far as previous budgets, but I am wrong. Quite clearly this budget is an aggressive run at tax issues that have been on the agenda for years and years and years.

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Publicly, I would like to apologize to the finance minister because he has proved me to be wrong.

As I listened to the budget speech, I was absolutely stunned at the breadth and magnitude of the finance minister's commitment to tax cuts. Frankly, I had trouble believing that the finance minister reindexed the entire system and killed off bracket creep. This is enormous. This is the most important event in the entire budget process in the last seven years, second only to this government getting serious about eliminating the deficit.

Members of our caucus, members of the Standing Committee of Finance and others have talked repeatedly about the stealth tax that occurs in the indexation of the system and that nasty little surprise Canadians get when they get a modest raise which jumps them into a new bracket.

Many of us know that bracket creep was probably the most significant inequity in the tax system. On the first occasion in which the finance minister could meaningfully address this issue, he made it the centrepiece of his budget.

For those of us who have laboured long and hard in this area, it is indeed most gratifying. I would especially like to thank and acknowledge the work of the member for Durham who has spoken about this issue repeatedly over the past five years both in and out of caucus, and has spoken about it even when others were not speaking about this issue.

The good news does not stop there. The Minister of Finance also took the opportunity to raise the threshold to \$8,000. The last time he raised the threshold we were given to understand that something in excess of 400,000 Canadians were taken off the tax rolls. I expect this will do the same thing.

Simultaneously, he raised the middle threshold from \$29,000 to \$35,000, and the top threshold from \$59,000 to \$70,000, while dropping the middle rates two points, from 26% to 24% effective July 1 of this year, and an additional point later on in the five year plan. I know this is a significant cost to the treasury and that it takes enormous courage on the part of a minister of finance to take these steps. Any one of these steps would be a significant reform to the income tax system. Cumulatively it is enormous.

However, it does not end there. He also mounted an attack on the 5% surtax after having completely eliminated the 3% surtax last year. As of July 1, the 5% surtax will be completely eliminated on incomes up to \$85,000 and phased out on incomes over \$85,000. Taken individually, these changes to the system of personal taxation would be significant but collectively they are enormous. I am sure that over time Canadians will start to realize that what they witnessed on Monday night was a radical remaking of the personal tax system in the country.

However, the minister did not limit himself to changes to the personal tax system but he also started the process of business tax

reform. When we start talking about business tax reform we usually start to hear a gagging sound on the left. The rhetoric starts getting cranked up about rewarding rich business cronies on Bay Street, et cetera. The rhetoric gets a little childish at times and what gets lost is the simple truth that all businesses, be they large or small, must be successful. If a business is not competitive it will not survive. If that business does not survive it will have no employees.

I have never understood why the left wants to hobble business. It is like a gag reaction to any person who is successful or to any business that is successful. We seem to be compelled, it is almost in our culture, to bring Canadian business down to mediocrity. Canadians seem to like to reach for the bronze medal but leave the rest of the medals to everybody else.

• (1640)

I was therefore pleased to see that the Minister of Finance start to lower the tax rate on the high tech sector by 25% over the next five years. Regardless of what others say, this was absolutely necessary. High tech, by definition, is virtually borderless and can vacate a jurisdiction in a flash. Unless the tax environment is competitive—and here one might just as well read U.S. rates—business will move there unless there is some other reason to keep it here. We therefore have the strange anomaly of having fostered these businesses by bringing in our best educated people, providing the business environment with a good start up environment and providing research money and then, when it gets successful, it moves to California. It is the worst of all possible worlds.

I am not arguing that the magic of changes to a tax environment is the panacea to high tech business, or any other business for that matter, in terms of vacating the jurisdiction, but lowering the high tech rates generally and on small business immediately is the right thing to do.

It is clear that some of our most talented people leave for opportunities in other jurisdictions. It is my opinion that the tax environment does not drive them out of Canada rather it is factors such as career opportunities and research and development opportunities. However, the tax environment is still a factor of some significance and I believe that the Government of Canada made a significant step in the right direction.

The so-called brain drain is of concern to us all. I will point members in the direction of some information I came across recently. It was put forward by graduates who moved to the United States. It is a rank and class of graduates who moved to the United States for work related reasons. For those who moved, 42% of those graduates were in the top 10% of their classes and 39% were in the top 25% of their class. That cannot continue. We simply cannot survive in a modern industrialized economy if that continues to happen.

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The tax environment is not the be all and end all of the brain drain. However, lowering the capital gains taxes so that the inclusion rate is now at 66% rather than 75% is a step in the right direction.

Postponing taxation on stock options to when the shares are sold rather than when the options are exercised is a step in the right direction. Increasing the amount investors can put into new investments by allowing a \$500,000 tax rollover for qualified investments is a step in the right direction. These are significant in and of themselves but cumulatively these are extremely significant.

This is the best budget in 25 years. This is a taxpayers' budget. This is a budget that addresses the fiscal reality in an even-handed way. This budget is good for business. This is great for personal tax filers. I would urge hon. members to support the passage of this budget.

Mr. Reed Elley (Nanaimo—Cowichan, Ref.): Mr. Speaker, I must say that I would have been greatly surprised if the hon. member had stood to publicly denounce the Minister of Finance's budget. That would have been really something to hear.

However, there are two issues I would like to talk about briefly and ask the hon. member a couple of questions relating to them. One of course is the issue of bracket creep.

I hear hon. members across the way taking some kind of credit for the elimination of bracket creep. How many years has the government had to eliminate this? I do not think it has had as much to do with the government's decision on this as it has to do with the people like the Canadian Taxpayers Federation.

The Reform Party of Canada has had the elimination of bracket creep as a major policy principle for the last five years. We have been asking the government to do this for at least five years, and more than that outside of the House. My first question to the hon. member is why in the world did it take the government so long to eliminate this when it knew it was bad for Canadian taxpayers?

• (1645)

Second is the matter of health care spending. I am sure the hon. member faces the same kind of problems that I do in my riding with a deteriorating health care system which is inadequately funded. The major culprit is the federal government and its plan over the last few years to gut the health care system by cutting back on health transfers to the provinces.

Over the last five or six years it has taken out somewhere in excess of \$20.5 billion. Now it is telling us that out of the goodness of its heart in this age of surplus it is going to put back in maybe

\$14 billion over the next few years. With the kind of mathematics I grew up with, this leaves us with a shortfall of \$6 billion.

Does the hon. member believe that \$2.5 billion, \$1 billion this year, about \$30 per Canadian, is going to fix Canada's health care system? Does he really think that is an adequate response to the deterioration of health care in this country? I would be very happy to hear his responses to these questions.

Mr. John McKay: Mr. Speaker, the hon. member is right. Under no circumstances would I denounce the finance minister in the giving of this speech. Maybe the member should have read my speech from last year when I was somewhat critical of the budget. As the hon. member well knows, I am not above criticizing when criticizing is appropriate on this side of the House.

Having said that, there is nothing more pathetic than a question that asks who should take credit on the issue of bracket creep. The issue of bracket creep has been around since it was introduced by previous governments. In fact, this is the first occasion that we could meaningfully address bracket creep because this is the first occasion that we have had a meaningful surplus.

For the hon. member's information, he should note that bracket creep plus the upping of the basic threshold to \$8,000 is going to cost the government slightly less than \$3 billion on an annual basis. Simple math tells us that this was the first and only occasion the minister could have addressed that issue. That is the first answer to the hon. member's questions. The essential issue is that we have had deficits for a long time, unless the hon. member has missed this. This is the first meaningful surplus we have had.

On the issue of health care, if the hon. member will recall, the budget last year was in some respects the health care budget in which \$3.5 billion was put into the health care system and directly into the hands of the health care ministers. It meant a significant sum of money in Ontario. Forty per cent of \$3.5 billion is a significant sum of money. In addition, on the cap on CAP, the province of Ontario received a further \$1 billion, a significant sum of money. Does the member know how much money has hit the ground in my riding? Zero. Precisely nothing.

There is this huge whine from the other premiers saying "Give us more money". What did they do with the last bit of money? Nothing.

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, I am pleased to speak in the debate on the budget. We are on the right track. Thanks to the efforts of Canadians, Canada has entered a new era, that of surpluses.

All Canadians, especially families with children, in all regions of the country will benefit from a budget that takes us to the future with an education system second to none, secure social programs and a five year plan of tax reduction.

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• (1650)

With each budget I and many fellow Canadians have seen deficit spending being eliminated, progress being made by paying down the debt, our economy flourishing and the rate of unemployment declining at a faster rate than we had anticipated. The unemployment rate is now at its lowest level in 24 years. We must be doing something right.

In the budget speech the government made important announcements that will translate into a better quality of life for all. While we continue to follow a prudent and transparent approach to budget planning, with this budget we have delivered important investments in health care, in knowledge and innovation, in families with children and in the environment.

Since 1993 when I was first elected to serve my constituents of Niagara Falls in the House of Commons, the Standing Committee on Finance has consulted with Canadians from all walks of life and acted on their views and priorities year after year. In fact, I am delighted to see that many of the recommendations made by way of written submissions to a questionnaire sent to a great number of my constituents or by oral presentations to town hall meetings saw implementation in previous budgets.

The reviews from the riding on budget 2000 are more than positive. One of the headlines was "Niagarans are encouraged by this budget".

I am proud to see that this budget as others before it is focused mainly on the welfare of our children, of our families, of our communities and of our environment.

The budget took into consideration evidence which suggests that the early years are vital for child development and their future ability to learn. It is only natural for parents to want their children to have the best and healthiest possible start in life.

As a result of budget 2000, families with children will see an increase in the Canada child tax benefit thanks to a boost of \$2.5 billion. This means that families now receiving the Canada child tax benefit will receive more generous payments. More middle income families will qualify for this benefit.

The government's objective is to raise the maximum benefit to \$2,400 for a family's first child by the year 2004. The benefit for a second child will also be raised to \$2,200. This means that over the next four years low income Canadian families will receive \$6 billion, while modest and middle income families will receive \$3 billion.

These benefits as well as personal income taxes will be fully indexed so that family incomes will not be eroded by inflation. In all, the Canada child tax benefit will help nine out of ten Canadian children, or about 3.8 million families.

Budget 2000 puts forward the five year tax reduction plan that benefits all Canadians and families with children in particular. It is a plan that will put more money into the pockets of Canadians.

Our plan is secured by two fundamental changes. First, we are restoring full indexation of the personal income tax system. Second, for the first time in 12 years the middle rate will fall from 26% to 23%. This budget shows that it is possible to cut taxes and invest in the future at the same time. With this plan the government is providing real and lasting tax relief.

Tax indexation is not a new idea. Tax indexation was introduced by a Liberal government. It was later cancelled by a Tory government under Brian Mulroney, the same government which left us with a huge deficit which was eliminated not only by the good planning of this government but also by sacrifices made by all Canadians.

With indexation the automatic tax increases caused by the so-called bracket creep will disappear. This will benefit a great number of Canadian taxpayers. This means that the federal benefits such as the Canada child tax benefit and GST credit will no longer be eroded by inflation.

• (1655)

Indexation also means protection against inflation for seniors. While public pension benefits under the Canada pension plan, old age security and guaranteed income supplement are already fully indexed to inflation, the GST credit, the age credit and the OAS reduction threshold are not.

Canadian business will also benefit from tax cuts. This will in turn encourage innovation and investment and put all sectors of our economy on an internationally competitive footing. As a first step the government is lowering the tax rate paid by higher taxed industry mostly in the high tech and service sector from 28% to 21%.

Overall, budget 2000 provides at least \$58 billion in cumulative tax relief to Canadians over the next five years. We are cutting personal income taxes by an average of 15%. Many will enjoy bigger cuts. Low and middle income Canadians will see their taxes fall by at least 18% and families with children will see their taxes on average fall by 21%.

By leaving more money in the pockets of Canadians we will see our economy flourish. In turn the government will receive more revenue. It will then be able to reduce taxes paid by Canadians even more. This will go on and on. The government will then be able to maintain funding for social services such as education, health and important infrastructures.

There are other important measures of this budget, for example the assistance that will be provided to Canadians with disabilities. By building on previous budget measures the federal government

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will extend support and implement tax initiatives to expand opportunities for persons with disabilities. It will help them and their families deal with the medical and care related costs.

Clean air, water and healthy habitats are essential to a higher quality of life. Understanding that our economy and our environment are closely linked is also part of the comprehensive strategy. Budget 2000 commits some \$700 million in funding between 1999-2000 and 2002-03 toward the development of new technologies and tools that will meet our Canadian environmental challenges.

This initiative will be well received in my riding of Niagara Falls. Many of my constituents dedicate much of their time and energy to maintain and better our environment, to preserve and protect species indigenous to our area and the many spectacular natural beauties enjoyed not only by Canadians but by so many visitors to our area.

We are aware that our economy, especially the economy of the 21st century, requires the proper physical infrastructure. The budget proposes to work out a multi-year agreement with the provinces and the private sector to improve highways and municipal infrastructure. This will include green infrastructure and affordable housing in urban and rural communities across Canada.

My riding is a so-called border riding. As such it will benefit from the action taken in the budget to strengthen and control our borders.

The Canada Customs and Revenue Agency will receive incremental funding to modernize our border management process. This will allow the agency to devote more resources to enforcement activities that are most crucial to protect Canadian borders. Citizenship and Immigration Canada and the RCMP will also be receiving incremental funding and in this way will better ensure the safety of not only our borders but also of all Canadians.

Budget 2000 shows us that it is indeed possible to cut taxes and invest in the future at the same time.

The Acting Speaker (Ms. Thibeault): I am afraid that the time is over.

• (1700)

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I have a question for my eminent colleague, who is a major wine producer. But I will not mince my words.

What does he think of the following facts, given the credibility of the Minister of Finance, for whom he says he speaks?

Barely two and a half months ago, the Minister of Finance presented forecasts in his economic statement. At that time, he told

us that the surplus for 1999-2000, that is the period ending March 31 of this year, would be \$5 billion.

Two and a half months later, he brings down his budget and, big surprise, the Minister of Finance—the same one, unless it was his brother or a clone, but they look very similar—is talking about a \$7.5 billion surplus, a \$2.5 billion increase in two and a half months. What a strange coincidence: \$2.5 billion and two and a half months—2.5 and 2.5. His forecast changed by 21% in two and a half months; this is a serious problem.

In addition, the very day the budget was brought down, there was a copy of *The Fiscal Monitor*, a publication put out by his department, in the lock-up room. In the third point of the second column on page two, it says that for the first nine months of this fiscal—in other words, the first three quarters—the surplus was \$10.9 billion.

It was \$5 billion two and a half months ago, \$7.5 billion in the budget and \$10.9 billion for the first three quarters of 1999-2000.

Yesterday I opened the newspaper and saw another discrepancy in the minister's forecasts. This morning, he said that the tax cuts, the Canada social transfer that he forecast in his budget could change, because he had taken a very pessimistic approach, and that we were not to worry, that the figures would change.

I look at this: a forecasting error of 21% in two and a half months, of 65% the same day—according to *The Fiscal Monitor* on budget day—, and, tomorrow, discrepancies of perhaps 70% between what he brought down in the budget and what he will actually do.

What sort of credibility does the Minister of Finance have? How can we view the budget brought down barely two days ago as a solid foundation? How does he explain his about-face and his election-minded fancy footwork in response to opposition to his budget?

[English]

Mr. Gary Pillitteri: Madam Speaker, I thank the member for his question. For years the hon. member and I have sat on the finance committee across from many economists. We have heard, especially in the last two years, growth estimates of 2%, 2.5% and 3%. He knows very well that we constantly get different readings on how much our economy is to grow. In the last year the estimate was about a 3% growth in the economy, but in the last couple of months we know it is over 3.5% and growing even more.

The member knows quite well, especially in the last couple of months with the growth in the economy, that it was possible for the finance minister to make those adjustments and give the benefits back to Canadians.

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Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I suggest to all Canadians that in the meantime they do not buy more than one cup of coffee extra a week. It does not look too promising.

The member did not mention in his speech anything about the farm crisis and long term solutions that might be in the budget. I wonder if they are there. He never mentioned anything in his speech about the poverty that has been recognized by the United Nations on Indian reserves across the land, third world conditions on Indian reserves. There has been nothing mentioned in the budget speech or by anyone else about what the government will do about that.

What about wasteful spending? Does the member condone wasteful spending like on the filming of *Bubbles Galore*, committees on seniors and sexuality, the hanging of dead rabbits and all such nonsense which amounts to millions and millions of dollars? That member laughs because he thinks it is funny and great. Only a Liberal would laugh at anything that stupid. I wonder if he would like to respond.

• (1705)

Mr. Gary Pillitteri: Madam Speaker, I thank the hon. member for his remarks. We have different beliefs and opposing views. They say that the flat tax is the salvation of all, a better tax. It reminds me of a serial I used to watch on television called *The Flintstones*. With a flat tax, nothing moves, nothing is progressive.

I want Canadians to understand that Canada is a great country to live in. We as the Liberal government made it a better place to live in. When we get up in the morning we think it is a bright day. When members on the other side get up in the morning they think it is a real rainy day.

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I will share my time with the hon. member for Lotbinière, but it does not mean that all Bloc members will do the same.

Needless to say that I am disappointed, because there is an important flaw with respect to health care. If this government is really concerned about social justice and the future of Quebecers and Canadians, we would have expected it to have realized that the editorial writers, who represent an important segment of our society, are unanimously asking the federal government to increase transfer payments, and health transfers in particular, so that those who work on the front line, that is the provinces, can meet the particular needs of their citizens.

This is contemptuous and ridiculous. Even in our wildest dreams, we could never have imagined that a government could be so insensitive to public needs. How can the government table such a budget when a month ago, not far from here, in the Hull region,

all the provincial premiers, whether Tory or NDP, masterfully led by the Premier of Quebec who, as you know, runs a fair government for the people of Quebec, were saying “Funds have to be released to the provinces for health purposes”.

It was estimated that some \$4.2 billion were required. The Premier of Quebec said that, of this amount, \$1 billion should go to Quebec, with \$500 million going to health and \$500 million to income security and education.

I will get a chance to come back to this, but the time is coming when it will be important for all Bloc Quebecois members and all other members in the House to come to grips with the structural pressures in the health system that make new investments in health care now imperative, or the future looks grim.

Let it be perfectly clear. The Quebec government has done everything it could with the resources at its command. I ask my hon. colleague and chairman of the health committee to pay attention to this. We will keep introducing motions for the committee to visit places where people actually experience problems in order to put maximum pressure on this very unresponsive government.

The health minister, Mrs. Marois, is always very well informed of what is going on in the system, and she knows what Quebecers want. Jean Charest himself said the same thing in the National Assembly: the first priority of Quebecers is their health care system.

The natural increase in health care expenses is 5%. That means \$500 million.

• (1710)

If we calculate the part the Quebec government will receive from that miserable, shameful, insufficient and ridiculous \$2.5 billion spread over four years, we arrive at \$70 million a year.

This is absolutely outrageous, and it is why Pauline Marois said that it will not even pay for the operation of the health system for three days of this week.

What will we do in Quebec with the \$500 million, the figure the Prime Minister talked about, at the first ministers' conference in Hull, for health care alone—\$1 billion in total, \$500 million for health?

I will give a few specific examples, especially for the benefit of the members opposite. I know I can count on my colleagues from Longueuil, Portneuf and, of course, on the talented and learned member from Saint-Hyacinthe—Bagot, who has been working on this issue for seven years. What would we do with \$500 million? This is about a quarter of the operating budget of Montreal's hospitals; half of the budget for all the CLSCs.

Allow me to digress for a moment, to say that people from almost everywhere in America come to Quebec to find out how

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unique the CLSCs are, because such local community social service centres do not exist elsewhere, that is, a front line service, in some cases open 24 hours a day, at least to provide information by phone on emergency matters, and a front line network totally dedicated to people in key areas like seniors health and children's health from birth to adulthood and community groups as well. So, from almost everywhere in North America—I refrain from saying “the world”, because it could be a tiny bit pretentious—people come to find what CLSCs, which are unique to Quebec, are about.

As for the \$500 million we are out by—annually, that is—it represents nearly half the budget for the whole CLSC network. It is the equivalent of the budget allocated to home support. It is well known—and I address this issue in a moment—that one of the structural pressures in the health care system is the fact that never before in the history of mankind have people lived so long. Not only do they live longer but some—not everyone of course, understandably—remain in good health longer. That is why old age is no longer synonymous with golden age, it actually comes after. Chances are excellent for all members in this House—that is at least my wish for everyone here—to get to old age.

Imagine the sharp mind of the Minister for International Trade at 80. I cannot think of him as one who would knit or play cards. I imagine him as alert and—a little like yourself, Madam Speaker—playing golf. For that to happen, it is important that the federal government transfer the money it owes the province. In light of the extent of the cuts it imposed unilaterally, this is hardly a handout.

Allow me to digress again. Is there someone in this House who will dare rise and say that \$45 billion worth of cuts, which will be lowered to \$33 billion by 2003, is an act of co-operative federalism? Did the premiers ever meet and discuss all this? This is beside the point, and I hope my friend the international trade minister will agree with me that to unilaterally impose cuts of this magnitude is not co-operative federalism.

I now come back this structural pressure on our health care system from our fellow citizens living longer and longer, which means that we will need extremely efficient home support services. We do not want people to be institutionalized longer than they have to; we want them to be cared for in their natural community, by their natural caregivers. But we are short \$500 million.

• (1715)

Home support is important. I believe the government must realize this is a provincial responsibility first and foremost. It is out of the question for us to accept that the health minister establish a new shared cost program.

Imagine the paradox if we were to accept, as parliamentarians, a new joint program for home care when the federal government cannot even manage to give us all the transfer payment money we are entitled to.

I will get back to this later. I know I can trust you, Madam Speaker, to give the floor to my fiery colleague from Lotbinière.

[English]

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Madam Speaker, I listened with great interest to the member opposite. He had quite a few things to say which pertained to health care in this great country of ours.

I want to note, though, that in the year 2000-01 the cash and tax point transfers for health will be \$31 billion. That is an all time high. I invite the hon. member, who is quite well versed in issues of health, to recheck the facts, recheck the budget documents, and take a look at exactly and precisely the kind of money that not only other provinces will be getting but Quebec as well. Perhaps he could then advise Madam Marois of the good things that the federal government is doing in this very important area.

He should encourage the health minister for Quebec to come to the main meeting with the Minister of Health at the federal level and his provincial counterparts to see what can be done over the long term. The finance minister's budget has ensured that there will be a short term injection of money into the all-important health care system, but the main meeting will be crucial in terms of getting together provincial and territorial partners to ensure that a final, solid and long term solution is found.

I invite the hon. member, who I know has great influence in many areas, to do precisely that and to make sure that the health minister for Quebec is at the table and contributes in a very positive and meaningful way for a change.

Does the hon. member support the Reform Party's flat tax policy? Does he support what the Reform Party is up to in terms of this 17% nonsense? I would like to hear the hon. member's opinion. After all, it is the Reform Party which, in its platform, would have gutted health care, social programs, pensions and all the things which we have put in place for Canadians. Do not take my word for it. Check the Reform Party platform. If we check its new fresh start program we will see the kind of nonsense for which the Reform Party opposite stands. It is outrageous.

Mr. Ken Epp: Not true. You are such a liar. You are just plain and simple lying.

Mr. Lynn Myers: The question I have for the hon. member is quite simple. Does he, with his social conscience which is really quite attuned, support the flat tax concept? I would be very interested in that.

Listen to the hon. member opposite, the Reformer, calling me a liar. He should watch himself. He should go back to—

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The Acting Speaker (Ms. Thibeault): The hon. member for Hochelaga—Maisonneuve.

[*Translation*]

Mr. Réal Ménard: Madam Speaker, I know we can always count on your efficient leadership to prevent fights and brawls in this House.

However, I warn my colleague against any attempt to divert the debate. We will find another venue to discuss the Reform Party fiscal policy, which we do not adhere to naturally.

I do not want to underestimate my colleague's influence, which is equal only to his kindness, so I ask him to become a voice within his party and to wake up the members of cabinet, whose lethargy is creating an injustice.

I want the member and all the other members who believe in social justice to assert clearly, as I do myself, that social justice starts with health and that the provinces cannot properly provide the services they should be giving to their citizens if this government does not restore the transfers it has cut unilaterally, without notice, off-handedly and with complete disregard for jurisdictions.

I ask my colleague to engage in this campaign with me; together we will succeed.

• (1720)

Mr. Odina Desrochers (Lotbinière, BQ): Madam Speaker, the famous and long-awaited federal budget was tabled Monday.

This budget is characterized by two things: timing and electoral opportunism. As a consequence, there is nothing for the unemployed. The municipalities will have to wait for the election goodies. There is almost nothing for social housing, and Quebec will have a \$4.3 billion shortfall in transfers for social programs.

And the list goes on and on: nothing for regional development; next to nothing for rural communities, and my friend Jacques Proulx of Solidarité rurale was profoundly disappointed by this; and agriculture was, once again, completely forgotten.

Indeed, the president of the UPA, Laurent Pellerin, did not hide his disappointment. His remarks reflected perfectly well the opinion of farmers in my riding and throughout Quebec when he said "With its surpluses, the federal government could have reinvested in our farming industry, support for which has dropped by half over the last eight years. The UPA is asking that the federal government take long term restructuring measures to ensure that Quebec's farming industry can remain competitive globally".

I would like to draw attention to the following statistics: OECD figures show that the EU and the United States are supporting their

industry to the tune of \$381 and \$363 per capita, respectively, as compared to only \$140 in Canada.

Let us talk about EI now. With the current surpluses, the federal government could have helped the unemployed. There is nothing in the budget on that. The government wants to reduce the premiums by the year 2004, again trying to misappropriate funds at the expense of the middle class and to exclude 60% of the unemployed from the plan.

In my riding of Lotbinière, there are still two regional rates. The gap between the RCM of L'Érable and that of Lotbinière is continuing to grow by 5%. And the workers living the RCM of Lotbinière are hard hit. As usual, the federal government is doing nothing while the people are getting poorer because of this unfair system.

Let us now have a look at the regional development that was supposed to result from the restoration of the Infrastructure Works Program for municipalities. Guess what? We are going to have to wait until the year 2001. Wait for what? For a meagre \$100 million, \$25 million of which will go to Quebec. As for the rest, the amounts budgeted will increase only in the years 2002 and 2003. This opportunistic decision essentially motivated by electoral considerations will penalize our regions.

My colleague just spoke at length about the health care issue. I will mention other statistics which, I hope, will help the Liberal MPs see the light.

Only \$2.5 billion in additional funding will be given over four years. Consequently, with the reform announced in 1999, which now bases the transfers to the provinces on geographical considerations rather than on real costs, in 1994, the federal per capita contribution for health care and education amounted to \$1,100. It will be \$1,026 for this year, and \$1,038 for the next two years. What an increase! And the MPs from Quebec have the nerve to say that the government is increasing the transfers.

• (1725)

They are laughing at the sick, the young and the poor. They are showing lack of respect for the people of Quebec.

I would now like to tell you about what I call the "greening" of the finance minister. Listen to the political and partisan announcements made this week: a sustainable development technological support fund, a Canadian foundation for climatic and atmospheric sciences, a green municipal investment fund and so on, \$15 million for the decontamination of the Great Lakes, but not a single penny for the St. Lawrence River. Again, Ontario is favoured over Quebec.

Let us talk about tax relief. Tuesday morning, the daily *Le Soleil* ran the headline "Taxpayers, be Patient".

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I have here numbers that show how ridiculously small the federal tax relief is. A single person earning \$30,000 will get a big relief of \$64 in 2000 and a tidy \$128 in 2001. A family of four earning \$40,000 will get \$291 in 2000 and \$582 in 2001.

The needs are a lot bigger than that and the government had the leeway to make a real budget that would have given taxpayers a break and given more time to boost the economy.

Here are more numbers. Two adults and two children with two incomes totalling \$50,000 will be entitled to a reduction of \$172 in 2000 and \$343 in 2001; where the two incomes total \$60,000, the reduction will be \$251 in 2000, and \$501 in 2001.

How can you expect us to take this government seriously when the majority of newspapers announced on their front pages big news items like lower taxes, family benefits and so on? This is the trademark of federal Liberals. The day after the budget, we read the press releases; journalists publish what they have heard, but when we take a closer look at the budget, it is over. We do not hear anything about it any more.

This budget is so interesting that opposition members do not even rise in the House to ask questions. As far as we are concerned, the Minister of Finance missed the boat. He tried once again, through all sorts of schemes, to show that he is a good finance minister. But, when you think of it, there is nothing for the 1999 tax return. There is hardly anything for 2000, and we know what to expect for 2001. We know that an election campaign is looming on the horizon.

These people are very partisan and they often take advantage of elections. I do not have to remind my colleagues of all we have been hearing recently about the Department of Human Resources Development. There are many reasons to condemn this government.

I will conclude by discussing the situation of social housing. This is an issue that upsets me even more. We are lagging behind. We were expecting \$1.7 billion from the federal government this year. This would have meant about \$380 million for Quebec. Imagine, we got a measly \$58 million. This morning, newspapers all over Quebec were denouncing this lack of funding, because it does not meet current needs in any real way.

As the critic for regional development, I have to say this is a very important issue. We need social housing. There is a lot of catching up to do.

• (1730)

As I said at the beginning of my speech, the federal government is waiting. While it is waiting, it is engaged in political and electoral opportunism. In the meantime, who is suffering? The unemployed, the students, and the sick are.

I conclude by repeating that this budget is a typical pre-election budget, which means there is nothing for the unemployed, no significant tax relief this year, a pittance for social housing and, finally, a categorical refusal by this government to make the necessary payments to ensure adequate health care in Quebec.

Mr. Roy Cullen (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I would like to comment on the Bloc member's remarks. I think he did not read this budget, the federal government's budget for 2000-01. Perhaps he read the Quebec budget or some other budget.

Let me quote him some figures relating to transfer payments to Quebec. Over the five years of the budget plan, Quebec will receive \$59 billion.

[English]

That is \$59 billion over the five years of the budget plan.

In 2000-01 the transfers to Quebec will exceed \$11.5 billion. They will account for about 25% of the province of Quebec's estimated revenues. They are expected to be about \$1,566 per person. That is about 18% above the national average.

Perhaps the member opposite would read the budget. He would discover that there is \$59 billion that will go to Quebec over the next five years. In fact the province of Quebec receives almost \$5 billion in equalization payments. Quebec receives that because it is a poor province. I have said in the House before that there is a reason it is a poor province.

[Translation]

It is because of the policies of the Parti Québécois and the policies of the Bloc Québécois. That is the reason.

[English]

Regarding taxes, let me give a few examples because I think the member opposite simply has not read the budget.

Low income Canadians who pay about 1% of the net taxes collected by the Government of Canada will receive almost 40% of the tax reduction flowing from indexation. For example, a one earner family of four with an income of under \$35,000 will receive more in benefits than it pays in the year 2004. A one earner family of four with an income of \$60,000 will see its taxes go down by 24% in the year 2004.

I am wondering if the Bloc member opposite read the federal budget for 2000. Did he read it?

[Translation]

Mr. Odina Desrochers: Madam Speaker, I have read the budget, and I can even tell my hon. colleague the Parliamentary Secretary to the Minister of Finance that I took part in the lock-up. Therefore, I was shocked before everybody else to see that this budget contained absolutely nothing.

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The member opposite is forgetting one thing: all these numbers he is throwing around—he is like the finance minister, he is quoting so many different numbers, it is tough to follow; what he is saying is always somewhat obscure; the numbers have already changed over the past two days—are for five years.

I said at the beginning of my speech that this government is suffering from a serious case of procrastination; it is totally unable to make a decision in the year 2000, it has to wait until 2001, 2002, 2003, 2004.

As I was reading the budget, I realized that, by acting in an opportunistic and election-minded way, the government was penalizing the Quebec people as a whole. They will get what is coming to them, we will kick them out once again during the next election.

• (1735)

[*English*]

Mr. Leon E. Benoit (Lakeland, Ref.): Madam Speaker, the member for Etobicoke North in his question to the Bloc member talked about the Bloc member not reading the budget. It is clear that the member for Etobicoke North did not read the budget. Had he read the budget he would know that the average Canadian family will still pay \$700 more in taxes after five years when these tax cuts kick in than they did when the government took office. That is a fact, the \$83 billion in increased spending. For my family, my wife and I and our five children, the government will spend \$20,000 more of my family's money that we pay out in tax. That is unacceptable.

My question for the Bloc member is on agriculture spending. I would like him to comment on the fact that \$240 million of federal money will go to farmers in Saskatchewan and Manitoba and none will go to any other province.

[*Translation*]

Mr. Odina Desrochers: Madam Speaker, I thank my colleague, the hon. member for Lakeland, for his question.

I said in my speech that agriculture has been forgotten in this budget. This is the case for the whole of eastern Canada. I am scandalized when I see that the bulk of Liberal MPs comes from Ontario and that they are unable to stand up for eastern farmers.

Fortunately, in Quebec we have the Bloc Quebecois to defend Quebec farmers.

[*English*]

Mrs. Karen Redman (Kitchener Centre, Lib.): Madam Speaker, I will be splitting my time with the member for Guelph—Wellington.

I am pleased to speak to the federal budget that was tabled earlier this week. It is essentially a Canadian document. It is not radical; it

is measured, it is well paced. It is irrefutably a strong pro-growth document.

This budget represents a long term strategy. The intention is not to create a boom tomorrow but it will provide sustained benefits for Canadians well into the future. I am pleased that the Minister of Finance has once again provided us with leadership, strategic thinking and prudent investment.

When the government was first elected in 1993 this nation had a \$42 billion deficit and an unemployment rate of 11.5%. Canadians elected us because they wanted leadership, strategy and action. We have met that commitment and prudent planning has become our hallmark. Inflation is low, interest rates are low and our unemployment rates are at record lows. My riding of Kitchener Centre has an unemployment rate of only 4.6%.

Canadians understood in 1993 that we were between a rock and a hard place and that the government had to make difficult choices. Today the economic situation of the country has changed dramatically. It is because of the sacrifices made by middle class Canadians that the government is now able to give back to its citizens through tax cuts, indexation, investments in social programs, research and development and support for small and medium size business.

Yesterday I had the opportunity to speak with an economics professor from the University of Waterloo, Mr. Larry Smith. It is his view that restoration of indexation has restored a sense of equity to our tax system. He indicated that indexation was a prudent approach for stimulating our economy. Moving too quickly with tax cuts would be dangerous and may cause the Bank of Canada to have to raise interest rates.

I would like to take a few moments to highlight how this budget will benefit my riding of Kitchener Centre. Let me begin by stating that the focus of budget 2000 is the middle class. This budget is for the middle class families of Kitchener. Restoring full indexation to the personal income tax system protects against inflation. This will benefit every Canadian family.

I am pleased that Kitchener families receiving the Canada child tax benefit and GST credits will no longer see these things eroded by inflation. The government has set out a plan that reduces personal income tax. The middle tax rate will go down to 23% from 26%. This will cut taxes for nine million Canadians.

We have also increased the income thresholds at which personal income tax rates apply. We have increased the amount of income Canadians can receive tax free to at least \$8,000.

• (1740)

On an annual basis residents of Kitchener will see personal income taxes reduced by an average of 15%. Low income Cana-

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dians will see an 18% reduction. For families with children, net personal income taxes will be reduced an average of 21%.

The Liberal government heard clearly from Canadians and I heard directly from my constituents how important the Canada child tax benefit is to families. By 2004 an additional \$2.5 billion annually will be provided to low and middle income families with children, bringing the investment total to \$9 billion per year.

Last October in the Speech from the Throne the Governor General stated, "The government will extend and make more accessible employment insurance benefits for parental leave, to help parents take more time from work to spend with their children". We have now met this commitment. Maternity and parental leave will be increased to one year starting December 31, 2000. This leave will be made more flexible and accessible. This measure will provide additional benefits of about \$900 million a year.

The government is also fulfilling an earlier announcement to provide \$753 million to aid in finding solutions for homeless Canadians.

We have also invested in programs and tax relief for disabled Canadians. In Kitchener the Independent Living Centre has received funding from the opportunities fund. According to director Paula Saunders, those in the program found full time, part time and self-employment opportunities with a success rate of 80%. The government has renewed its commitment to the opportunities fund, investing \$30 million a year to ensure that groups such as the Independent Living Centre can continue this good work.

The federal government has also allocated funding to cover 75% of the cost of diagnostic assessments for Canadians with severe learning disabilities.

Finally, in the area of assisting special needs people, the government has expanded the disability tax credit and the medical expense tax credit. In total these measures will increase tax assistance to persons with disabilities by an estimated \$45 million annually.

This is not wasteful spending as the opposition would have us believe.

Kitchener is a hotbed for small business and high tech industry. We have strong dynamic companies in our area such as GFI Control Systems, Research in Motion, Devtek and Intelli-Tactics. The government's five year tax reduction plan will assist companies such as these to become more competitive. Our tax system is now more conducive to investment and to innovation.

Kitchener's high tech businesses will benefit from the reduction in corporate tax rates to 21%. Smaller area companies will also benefit from the reduction on small business income between \$200,000 and \$300,000.

We know the importance of risk taking and the greater access to finance for small businesses. Therefore we are responding by reducing the capital gains inclusion rate from three-quarters to two-thirds.

We are postponing the taxation of gains on qualifying stock options to when the shares are sold rather than when they are exercised. Finally, we will allow a tax free rollover of capital gains on qualified investment from one small business to another.

The government has been working hard to put in place the key measures to improve the economic environment for aggressive business growth and competition. This exciting news should be good news for all Canadians, especially young Canadians. They want to be part of a dynamic business industry where there is opportunity to learn, expand and prosper. If the economic climate is right and graduates see the growth of aggressive companies in their own backyard, such as Research in Motion, they will choose to stay in Canada.

Our students are an extremely valuable resource and we have made some important commitments to them in this budget. These commitments will also benefit institutions such as Conestoga College, Wilfrid Laurier University and the University of Waterloo.

Having met with student presidents from these schools, I have heard the need. I have heard them request that we move from a \$500 tax exemption for scholarships, fellowships and bursaries. Students from across the country delivered a strong message. We have responded by raising the tax exemption limit to \$3,000. We have also committed to maintaining the Canada student loans program.

Budget 2000 has allocated \$900 million over five years through the granting councils to establish and sustain 2,000 Canadian research chairs by 2004-05. This is an important initiative that will attract world class researchers to Canada and it will keep world class researchers in Canada.

● (1745)

At a post-budget breakfast Dennis Grimm of Pricewaterhouse-Coopers commented:

Yesterday's budget is a plan to address the international competitiveness, productivity, brain drain, and the capital needs of Canada's technology triangle.

As a former regional and municipal councillor, I have seen firsthand the positive impact of the infrastructure program.

The mayor of Kitchener, Mr. Curl Zehr, said:

The federal budget provides a catalyst for partnering with the province and our municipalities, to begin to address some of our urgent infrastructure deficiencies such as transit and roads, environmental initiatives and affordable housing.

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Truly we have set forward a plan on which Canadians can count and on which they can judge us by our actions. We wrestled down the deficit and now we are investing in the things which Canadians say they want. With a strong economy we will continue undoubtedly to be the best country in the world in which to live through the 21st century.

Mr. Leon E. Benoit (Lakeland, Ref.): Madam Speaker, I listened to the presentation of the member for Kitchener Centre with interest. I am sure she made her comments with the best of intentions and believes them to be true. However, if the budget is as good as she says, then I would like to ask why we are still waiting for the finance minister's ship to come in and start paying taxes.

Here are some facts on which I would like the member's response.

The average Canadian family at the time of the next election will be paying \$700 more in tax than when the government took office. That is a fact number one.

Spending over the next five years as a result of this budget will go up \$2,800 for each and every Canadian. I have five children. My wife and I and our five children, assuming we are average Canadians, will pay \$20,000 more in tax, which will be spent by the government. That is fact number two.

Canadians are worried about health care. The finance minister seems quite content to let the billions of dollars in boondoggle spending continue, such as what we have seen in HRDC, rather than putting a stop to it and putting the money into health care. That is fact number three.

There is a better option, which is Reform's solution 17. It would deliver \$5,000 in tax relief for each family over the next five years, rather than this increase of \$700 from the time the government took office. That is what we have to offer.

I would like the member, who made these wonderful statements, to comment on these facts.

Mrs. Karen Redman: Madam Speaker, while I thank the member opposite for his questions, I despair over his mathematics. I happen to know one of his Reform colleagues and I wonder if they could get together with a calculator to figure this out.

Canadians get a lot in return for their tax dollars. One thing which the government has made very clear is that it will not run deficits. It will make sure that it is not giving tax cuts with borrowed money and that it will make strategic investments.

Health care is at the top of the list of all Canadians and we in the government are trying to work with the provinces and territories to make sure that structurally we change how we deliver health care in Canada.

There are many challenges. The problem is much more than money. I need to point out that it is not the intent of the government to make a down payment on a few hospital beds. We are creating the kind of economy that will sustain a medicare system well into the next century, and that is what defines us as Canadians.

Mrs. Michelle Dockrill (Bras d'Or—Cape Breton, NDP): Madam Speaker, I thank my hon. colleague across the way for her wonderful speech. The reality is that the surplus which the government has, and is now deciding how to spend, was made on the backs of Canadian workers and not because the government has been a good fiscal manager. The fact is, that is where the government received its surplus and those Canadian workers have children.

• (1750)

I had the occasion last night to meet with the student union of University College of Cape Breton. As we speak, the students' professors are on strike because they are paid 30% less than other professors across the country.

One of the students wanted me to ask a question of the government. Why did the government not recognize the position in which students have been put in terms of high debt load and high tuition fees and why did it refuse to address that in the budget?

Mrs. Karen Redman: Madam Speaker, I thank my hon. colleague for the question. I have two universities in my community and I hear from them all the time.

In the last three budgets this government has addressed some of the concerns surrounding student debt. Clearly, it is a topic that we have discussed. There are the millennium scholarships. We have changed the RESPs as well as RRSPs, which can now be used at any time for lifelong learning.

This is an issue that we need to work on together with the provinces. While we transfer money to the provinces, we see very different approaches. Quebec and Ontario have deregulated tuition fees, which has had an impact on students.

I believe that the federal government is trying to be part of the solution.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Madam Speaker, I am pleased to take part in this very important budget debate.

This is a budget that all Canadians can and should be proud of. It is a balanced budget in two ways. Not only is this our third consecutive balanced budget, but the promises made in this budget are also balanced. We have balanced the need to deliver tax relief and to repay the debt with the need to maintain our valued social programs.

The Budget

Once again the federal government has proven that its commitment to fiscal responsibility is unshakeable and that this commitment does not prevent us from helping Canadians in need. On the contrary, it is because of this sound financial management that we have continued to improve the quality of life for all Canadians. Like the budget says: better finances, better lives.

Last fall I conducted a prebudget survey in my riding of Guelph—Wellington. I asked my constituents to identify their priorities for the 2000 federal budget. Their concerns were health care, tax cuts, post-secondary education, the environment, infrastructure and children. The government listened to our concerns and acted on them. Every single one of the priorities identified by the constituents of Guelph—Wellington has been addressed in this very budget.

Our health care system has been a source of national pride for many years. Guelph—Wellington chose health care as one of its top priorities and so did the federal government.

The provinces will receive an additional \$2.5 billion through the Canada health and social transfer. This is the fourth consecutive time that we have increased funding for the CHST. In the last two years alone we have increased the cash portion of the CHST by 25%.

Here is another important figure. This year funding for the CHST will reach an all time high of \$31 billion. Obviously the federal government is committed to health care. This is the highest amount ever that has been transferred to the provinces.

It is very important to emphasize this point because of false accusations made by Ontario's provincial government that we are not doing enough to fund health care. It is true that the federal government had to make some difficult decisions to reduce the deficit, but it is also true that federal transfers to the provinces in both cash and tax points are higher today than when we took office.

We have pumped an additional \$4.4 billion over five years into health care in Ontario since balancing the budget. The Ontario government promised that every single penny of this money would go directly to health care. I certainly hope that the Ontario government lives up to its promise, instead of doing like it has in the past, using federal funding to pay for its tax cuts.

• (1755)

The federal government is also committed to post-secondary education. In addition to the \$2.5 billion increase in the CHST funding, the federal government will increase the tax exemption for income, for scholarships, fellowships and bursaries from \$500 to \$3,000, meaning that there will be no federal tax on the average \$3,000 millennium scholarship.

The federal government will also provide \$900 million over five years to fund and sustain 2,000 21st century chairs for research excellence at Canadian universities. Funding for the Canada Foundation for Innovation will increase by \$900 million as well. Research will also be supported through \$160 million for Genome Canada and \$90 million to improve Canada's ability to regulate biotechnology.

All of this is great news for the University of Guelph, its students and its faculty. The money is intended to help, and I sincerely hope that the Ontario government will use all of it for this purpose. Ontario tuition rates are the highest in the country and Ontario also spends the least per capita on post-secondary education because of the provincial government. Ontario has also chosen to claw back the Canada millennium scholarships, money intended to make post-secondary education more accessible. Instead of giving the money to the students in Ontario, it is using the money to fund its Ontario student opportunity grant.

It is important to point out all of this so that we can set the record straight about what five years of Premier Harris' style of governing has done to Ontario and to his residents.

On the other hand, the last seven years under this federal Liberal government have been very good for Ontario and for Canada. We have eliminated the deficit, balanced the budget and have started to pay down the debt. In short, we have turned the economy around. Thanks to the hard work of Canadians and sound fiscal management, we have been able to maintain our valued social programs and deliver tax cuts without borrowing a single penny, unlike the province of Ontario which chose to cut taxes before balancing the budget and as a result has increased its deficit by \$14 billion. Ontario gave a tax cut and borrowed money.

Budget 2000 introduces the most important structural changes to the federal tax system in more than a decade. These changes will deliver at least \$54 billion in tax relief by 2004 and will benefit all Canadians. Bracket creep will be eliminated by fully indexing the personal income tax system. On average, Canadians will see their personal income taxes reduced by 15% annually. Low and middle income Canadians will see an annual decrease of 18% and families with children will see a 21% drop.

Tax brackets have also been adjusted. The middle tax rate now begins at \$35,000 as opposed to \$30,000, and the top rate at \$70,000 as opposed to \$65,000, and the middle income tax rate will be cut from 26% to 23%.

Investment and entrepreneurship will be further encouraged by lowering the capital gains tax and decreasing corporate taxes. The foreign content limit for RRSPs will also be increased from 20% to 25% and then to 30%.

These tax cuts will benefit all Canadians but especially families with children. These changes will affect things like GST credits

The Budget

and the Canada child tax benefit. We are also helping children by allocating another \$2.5 billion to the child tax benefit increasing it to more than \$9 billion annually.

Maximum benefits will reach \$2,400 for a family's first child and \$2,200 for each additional child. Parents of children with disabilities will also receive additional assistance through an increase in the disability tax credit. We are concerned about our children's future and are making concrete investments to ensure that every child has the best possible start in life.

One way we can do this is by protecting the environment. To this end, the federal government will integrate environmental and economic policies through the development of new technologies and sustainable practices. Budget 2000 will invest \$700 million in such initiatives as climate change action funds, a sustainable development technology fund, a green municipal investment fund and the national strategy on species at risk. Guelph—Wellington has always been a leader in environmental technology, and we will definitely benefit from these initiatives.

• (1800)

The federal government is also making a significant investment in new physical infrastructure. Most of this funding will be directed to municipal infrastructure and highways, both issues of interest to Guelph—Wellington. The Guelph council and mayor want this infrastructure program. They feel they have benefited in the past from it, and they will benefit in the future again.

We have listened to Canadians and balanced the budget first before cutting taxes. The first tax cuts went to those who needed our help the most. In last year's budget and in this budget we extended those benefits to all Canadians. This is responsible, fair and permanent tax relief.

To the critics who say that we did not fund social programs enough, I remind them that health care and education are shared jurisdictions. We give money to the provinces and they deliver the services. In Ontario, the Harris government chooses to claw back this money rather than use it to help people.

The hon. Minister of Finance has said that there will be more money for health care if the provinces are willing to come to the table. We also need assurances from Premier Harris that this money will not be used to fund his tax cuts as it has been in the past.

I am proud of the budget. It is good news for Guelph—Wellington and for all of Canada. We have done what we said we would do and we have done it well. Together we will continue to improve the quality of life of each and every Canadian.

Mr. Leon E. Benoit (Lakeland, Ref.): Madam Speaker, we just heard the member for Guelph—Wellington say wonderful things

about the finance minister's budget. The reality will not escape Canadians. As they look at their paystubs over the next five years what they will find will be grizzly indeed. That will be the reality check.

I want to talk a bit about \$58 billion in tax relief that the Liberals claim. We have to take \$7.5 billion from that over five years, which is social spending and not a tax decrease. I am referring to the child benefits. That is a social program. That is an increase in social spending and not a tax decrease. That has to be taken off the \$58 billion.

The \$29.5 billion increase in the Canada pension plan tax over the next five years has to be taken off, as well as the \$13.5 billion which were scheduled tax increases that, according to the finance minister, will not be carried through. Is a scheduled tax increase which has been removed actually a tax reduction? The Liberals say so. I say it is not a tax reduction. That is a promise of more tax which we hear from the government all the time that will not be carried through. That is a nice thing, but it leaves as a bottom line \$8 billion in tax cuts over five years. That is all.

What does that amount do for an individual? If we take it on a per taxpayer basis it amounts to \$107 per taxpayer per year. That is what the promise the finance minister put in place and the member for Guelph—Wellington made sound so nice translates into. Nine dollars per month is all average Canadian taxpayers will see or \$2.07 a week. It is disgusting. All these nice things are deceit in the worst way. The finance minister knows it and the member should know it.

Mr. Lynn Myers: Madam Speaker, I rise on a point of order. The hon. member opposite should have better parliamentary decorum. He should know that the word deceit is unacceptable. I would also like to point out that those people opposite with their soulmates, the Republican Party, are out to lunch.

The Acting Speaker (Ms. Thibeault): I am afraid the hon. member is getting into debate. Nevertheless, I caution the member to choose his words more judiciously.

• (1805)

Mr. Leon E. Benoit: Madam Speaker, I appreciate being given the opportunity to say that deceit is not acceptable in the House or anywhere else. Nor is using the word, and I do apologize for that. I got carried away in the heat of the moment.

Mrs. Brenda Chamberlain: Madam Speaker, I certainly accept the hon. member's apology. He also said that I was saying some nice things so that balances things out. I am okay with it. I want to address some of the points he talked about. He talked about the child tax benefit that we are giving. He talked about the environment. He talked about knowledge, innovation and families. For all of it he said "take it off, take it away".

The Budget

I am not surprised we hear that from the Reform Party. There has never been support for any of those things from the Reform Party. It has always believed that tax cuts, tax cuts and tax cuts are the only way of doing business, but we all know that many more things are important to Canadians. Their health care is important to them. It is important that they have their housing needs met. It is important that they have social programs to support them. It is important that we support the environment. If we do not, what will be left for our children?

The Liberal government will absolutely continue to fund such programs but also in a balanced fashion cut taxes, wipe out the deficit, and continue on a strong fiscal path while caring for every Canadian. That is what Canadians want. That is what we will deliver.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Madam Speaker, I am pleased to have the opportunity to respond to the government's budget. I will be splitting my time with the member for Elk Island.

I am pleased that the government has finally listened to the Reform Party of Canada. We have been fighting since the inception of this party for the last 13 years to end bracket creep. I am pleased to see that end. It is good for Canadians. I am really pleased that the Government of Canada finally listened to the Reform Party of Canada.

Let us get on to a bigger and more important issue, one that I feel very strongly about. That is what this budget is really about. Let us not make any mistakes. The culture of the Liberal government is to spend, spend, spend. For the last 40 years we have seen spend. Liberals believe in bigger, bigger, bigger; more spending, more spending. I will prove that in the House with the Minister of Finance's own numbers in a minute. Let me quote from the Canadian Chamber of Commerce in response to the budget:

This budget boosted overall program spending with no consideration of reallocating resources to higher priorities within an already overinflated spending envelope. By continuing to apply year-end surpluses toward future spending initiatives, it raises the spending bar in the future indefinitely.

We have seen an \$86 billion increase in spending in the budget. In HRDC we have seen one of the largest scandals in decades, a billion dollar boondoggle. How did the Minister of Finance respond? He raised its budget by \$226 million this year alone. That is how he responds to unaccountable, unacceptable spending. Grants and contributions from all departments are up \$1.5 billion this year alone. That is completely unacceptable. Canadians are demanding some actions to bring back accountability.

We have heard Liberal members and even the Minister of Finance ask how come they are not getting any questions on the budget. The budget in every corporation including the Government

of Canada is about spending every single last dime of taxpayer money. That is what a budget is. That is what we have been responding to. That is what the billion dollar boondoggle is. That is what this unaccountable spending is. That is what the slush fund is.

• (1810)

The government is more interested in putting money into creating new hotel beds in Shawinigan than it is in putting money into health care and creating beds in hospitals. It is absolutely unacceptable.

What happens when spending is increased to this magnitude? Guess what. We go into another deficit situation. Let us look at the finance minister's numbers. If anyone is interested, I am reading from page 46 of the budget book. There is a graph with two lines, fiscal requirements surplus and budget requirements.

Does the House know what will happen at the end of this year? The budget is what the government plans to spend and the financial requirements on its graph is the money that it will take to meet those budget requirements. Lo and behold we are in a downward dive like a diving goose going straight into the ground. It crosses zero and keeps going into the minus at the end of this year. We are in a deficit situation. If members do not believe me, they can look on page 46 of the finance minister's own document.

Some would ask what that means. I was in London with the Leader of the Opposition and my colleague from Medicine Hat listening to the economic statement of the Minister of Finance. Do you know, Madam Speaker, what he told us there? He said "I am going to cut up the credit card. Never again will the Government of Canada get into deficit".

He has found a new gold credit card. By his own numbers he is in a deficit situation at the end of this year. It is in black and white. I urge members to look at it for themselves on page 46 of the minister's own budget. It is right there. The minister's definition of financial requirements on page 47 states:

Another important measure of the Government's finances is the financial requirements. . . the difference between cash coming into the Government and cash payments made for programs and public debt charges during the year.

The cash coming in to pay for these programs is not enough to meet the government's incestuous, crazy spending habits. It is absolutely crazy. This government is crazy about spending. It is evident in its own numbers. It is planning on taking money that is supposedly coming in from taxpayers next year to pay for this year's budget. That is how people use a credit card. They do not have the cash now, slap it on the old Visa and pay for it later. That is exactly what the government has gone back into.

It has its spending programs. At the same time it is ignoring the debt. There is not a mention about the debt. Yes, there is a \$3 billion contingency fund. If the government does not spend it, it

The Budget

may put it on the debt. It does not mention that at all. To health care, which is facing the biggest crisis in the country, it allocates \$2.5 billion over four years. It is not nearly enough.

I will conclude right now in one sentence. The government needs to reallocate the money from TAGS and other programs which are unaccountable, which are definitely political slush funds that go to the government's own insiders and its friends. It should bring that money back into health care, bring back accountability and, for goodness sake, make sure that we do not go back into another deficit, as it states we will do on page 46 of the Minister of Finance's own book.

The government should be ashamed of itself for allowing the country to go back into a deficit. It is an absolute bloody disgrace.

[Translation]

The Acting Speaker (Ms. Thibeault): It being 6.45 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment now before the House.

• (1815)

[English]

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment.?

Some hon. members: Agree.

Some hon. members: No.

The Acting Speaker (Ms. Thibeault): All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Ms. Thibeault): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Ms. Thibeault): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Ms. Thibeault): Call in the members.

• (1845)

(The House divided on the amendment to the amendment, which was negated on the following division:)

(Division No. 755)

YEAS

Members

Ablonczy
Anders

Alarie
Asselin

- | | |
|--|-------------------------------|
| Bachand (Richmond—Arthabaska) | Bachand (Saint-Jean) |
| Bailey | Bellehumeur |
| Benoit | Bergeron |
| Bernier (Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok) | Breitkreuz (Yorkton—Melville) |
| Bernier (Tobique—Mactaquac) | Bigras |
| Blaikie | Borotsik |
| Breitkreuz (Yellowhead) | Breitkreuz (Yorkton—Melville) |
| Brien | Cadman |
| Canuel | Cardin |
| Casey | Casson |
| Chatters | Chrétien (Frontenac—Mégantic) |
| Crête | Dalphond-Guiral |
| de Savoye | Debien |
| Desjarlais | Desrochers |
| Dockrill | Doyle |
| Dubé (Lévis-et-Chutes-de-la-Chaudière) | Duceppe |
| Dumas | Duncan |
| Earle | Elley |
| Epp | Fournier |
| Gagnon | Girard-Bujold |
| Godin (Acadie—Bathurst) | Godin (Châteauguay) |
| Goldring | Grewal |
| Grey (Edmonton North) | Gruending |
| Guay | Guimond |
| Hanger | Hardy |
| Hart | Harvey |
| Herron | Hill (Macleod) |
| Hill (Prince George—Peace River) | Jaffer |
| Jones | Keddy (South Shore) |
| Konrad | Lalonde |
| Laurin | Lebel |
| Lill | Loubier |
| Lowther | Lunn |
| MacKay (Pictou—Antigonish—Guysborough) | Manning |
| Marceau | Marchand |
| Mark | Martin (Winnipeg Centre) |
| Mayfield | McNally |
| Ménard | Mercier |
| Meredith | Muise |
| Nystrom | Obhrai |
| Penson | Perron |
| Picard (Drummond) | Plamondon |
| Reynolds | Riis |
| Robinson | Rocheleau |
| Sauvageau | Scott (Skeena) |
| Solberg | St-Hilaire |
| St-Jacques | Strahl |
| Thompson (New Brunswick Southwest) | Thompson (Wild Rose) |
| Tremblay (Lac-Saint-Jean) | Tremblay (Rimouski—Mitis) |
| Turp | Wasylcia-Leis |
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Members

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| Adams | Alcock |
| Anderson | Assad |
| Assadourian | Augustine |
| Axworthy | Baker |
| Beaumier | Bélair |
| Bélangier | Bellemare |
| Bennett | Bertrand |
| Bevilacqua | Blondin-Andrew |
| Bonin | Bonwick |
| Boudria | Bradshaw |
| Brown | Bryden |
| Bulte | Byrne |
| Caccia | Calder |
| Cannis | Caplan |
| Carroll | Catterall |
| Cauchon | Chamberlain |
| Chan | Charbonneau |
| Cloutier | Coderre |
| Collenette | Comuzzi |
| Copps | Cotler |
| Cullen | DeVillers |
| Dion | Discepola |
| Dromisky | Drouin |
| Duhamel | Easter |
| Eggleton | Finlay |

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 Kraft Sloan
 Lavigne
 Leung
 Lincoln
 MacAulay
 Malhi
 Manley
 Martin (LaSalle—Émard)
 McCormick
 McKay (Scarborough East)
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 Speller
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 Szabo
 Thibeault
 Ur
 Vanclief
 Wappel
 Wilfert

PAIRED MEMBERS

*Nil/aucun

The Speaker: I declare the amendment to the amendment lost.

This House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.48 p.m.)

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