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Tuesday, June 6, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, June 6, 1995

The House met at 10 a.m.

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Prayers
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ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 15 petitions.

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[*English*]

HUMAN RIGHTS

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Madam Speaker, six years ago the world watched in horror as the tragic events of Tiananmen square unfolded. For many Canadians these events changed our lives forever. They propelled us into action. We rallied, we spoke out and we made the difference.

To commemorate those who lost their lives in Tiananmen square, on May 28 I participated in a democracy walk at the University of British Columbia. I paid tribute again on June 4 at Forest Lawn cemetery in Burnaby, British Columbia. At both locations there is a statue of democracy erected by Canadians to remind us about the tragedy.

My decision to run for political office was in large part due to the events of June 1989, for as I watched Chinese men and women risk their lives for something we all too often take for granted here in Canada, I realized that I needed to give back something to the country that welcomed me with such open arms in 1969.

I am proud to say I am still fighting for human rights improvements, both in China and around the world. Unfortunately the human rights situation with regard to human rights advocates in China has not improved significantly since 1989. The recent arrest of several Chinese dissidents in the run up to the sixth anniversary of the Tiananmen square crackdown and the strict surveillance imposed on others once again demonstrates that China continues to violate international standards of human rights.

One of the most enduring values uniting Canadians is our common commitment to freedom, democracy and human rights. Respect for human rights is a key to international peace and prosperity and it contributes to a global environment within which we Canadians can best pursue our interests.

As I have long believed, the issue is how to promote most efficiently good governance and the rule of law in China.

(1010)

There are a number of ways to help influence and encourage China to better respect human rights. Multilaterally we take steps in organizations such as the United Nations to make our point. Bilaterally we discuss human rights issues with our Chinese counterparts. Development assistance lets us work with China to strengthen areas vital to human rights development. Trade is also a powerful tool. It encourages co-operation, and co-operation leads to understanding and appreciation, with which we can better manage concerns such as human rights development.

Furthermore, initiatives undertaken by people like ourselves continue to emphasize to all concerned that Canadians care about human rights. Rest assured that I will continue to work for the improvement of respect for human rights and democracy in China.

As I tell both my cabinet colleagues and my Chinese counterparts, I am a friend of China. I will continue to speak out against human rights violations in China, but at the same time I will continue to work within my means as a federal minister to help China develop in a meaningful way.

Pointing out violations of human rights is essential. So too is dialogue between Canada and China. Dialogue lets China and Canada share concerns and provides the foundation to address

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important issues such as human rights proactively. This is the effective way to promote change in China and this is the cause my government and I will continue to follow.

[Translation]

Mr. Stéphane Bergeron (Verchères, BQ): Madam Speaker, it is a pleasure to rise today on behalf of the official opposition to mark the sixth anniversary of the Tiananmen Square massacre in which thousands of people, most of them students, died for democracy and the advancement of human rights in China.

On June 9, 1994, the Secretary of State for Asia-Pacific stated in this House, and I quote:

Surely there is evidence that increased political flexibility is a byproduct of economic liberalization, and governments that have opened their markets to international trade are more sensitive to the views and reactions of other countries.

The federal government's policy of giving priority to the economic aspect in its relations with China, in the belief that China would then become more sensitive to Canadian human rights concerns, has been a monumental failure.

Even as China is seeking full membership in the World Trade Organization and after Team Canada paid that country a visit last November, we learned last December that nine Chinese dissidents had received sentences ranging from three to twenty years in prison.

According to Chinese authorities, the only crimes committed by these people were membership in unauthorized political organizations and planning the distribution of leaflets marking the third anniversary of the Tiananmen Square massacre.

By coincidence, at least 12 other Chinese dissidents were recently arrested in the run-up to the sixth anniversary of the bloody crackdown on the Beijing Spring in Tiananmen Square, which, as you may recall, left hundreds if not thousands of people dead. Yet, as the hon. Secretary of State for Asia-Pacific so eloquently said earlier, China continues to openly violate international standards of human rights.

The secretary of state even told us that the situation of Chinese human rights advocates has not improved since 1989. Despite government claims that trade liberalization is the best way to promote respect for human rights, we must recognize that the secretary of state's admission points to the failure of the government policy in this regard.

If—as the federal government maintains—its policy is credible, why were there no improvements in the human rights situation in China? As the secretary of state mentioned, if trade is a powerful tool that leads to co-operation and, in turn, to an improvement of the human rights situation, why have the Chinese authorities remained so inflexible?

Furthermore, how can the Secretary of State for Asia-Pacific claim that Canada influenced the course of events following the tragic events in Tiananmen Square?

(1015)

How could we have any influence on events when, during his trip to China, the Prime Minister of Canada himself turned a blind eye to what the Chinese leaders are doing?

It is not by whispering quietly in his Chinese counterpart's ear that the Prime Minister of Canada, or Canada for that matter, will prompt the Chinese leadership to change its unacceptable attitude toward human rights. As we can see, this new policy did not produce the expected results; it was, to say the least, ineffective.

However, as the Minister of Foreign Affairs said recently, instead of opening its eyes and taking direct, consistent and firm action against countries that violate human rights, the federal government would rather pay court to them in order to establish trade relations with them.

Expressing discontent with the laissez-faire attitude of Canada with respect to human rights, the minister announced a while ago the Canadian government's intention to embark upon a series of trade initiatives with a number of countries, regardless of their human rights record.

This is a fine example of double talk on the part of the government. To add insult to injury, the Minister of Foreign Affairs went as far as to propose to ASEAN nations, some of which have a long tradition of openly violating human rights, that Canada represent their interests at the G-7 Summit in Halifax, next week.

In closing, I hope—but I am not holding my breath—that the government will not go on addressing human rights issues behind the scenes, as in so doing, it is playing into the hands of the dictators and tyrants of this world.

[English]

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, it is my pleasure to speak to the message of the secretary of state on China and Tiananmen square.

Certainly all of us have the memories imprinted on our minds of the horror and the terror and disbelief of what happened some six years ago. We need to think about what we have in Canada, freedom of speech, freedom of association and all of the good things that are part of our democracy and what it really means when we think back to those days.

Those people did not die in vain and China is moving forward as slow as it may be. China has a very major future in the world. It is a time to think of China and look at what that country means in the big picture of the world. I remember my visits in the late 1970s and in the early 1980s. I think about a country that was very agrarian, backward to our western way of looking at things.

I think of all the people in their blue and green clothes, the thousands and thousands of bicycles. I think of going to the movie theatre where I spent six cents to get in and where in the middle, because there was a Canadian there, they played "Red River Valley". Somehow they thought that was the national anthem of the country.

I remember the curious way people dealt with us as westerners but how friendly they were and how important their family and social structure was to them. I think back to being in the schools where education is such an important part of their society, where they go for six days a week, where they start at eight in the morning and finish at six at night and how they do not have text books so they have to read it on the blackboards outside the school. The people are very industrious, hard working. Commerce is important and there is a hidden power, a so-called sleeping giant in China.

China has changed a lot in the last 10 or 15 years. It now has double digit growth rates, unemployment, a massive movement from rural to urban, a dismantling of the state owned business, an aging leader who sort of keeps it together, but it will change dramatically.

For those of us who have been watching closely I do not think we can believe the speed at which this change will occur. There is a new era for China coming. It is hoped there will be a peaceful change to democracy from the chaos that might otherwise occupy that country.

The government still operates in the old way but I believe the new government will look toward the true power of China and so will come democracy in the 21st century. There is a great opportunity for China and for us in dealing with China.

(1020)

The Chinese government must control corruption. It must solidify economic reform and it must carry out democratization not just from the communes but on through the villages, the towns, the cities and ultimately in the national government.

With all of this I believe firmly that human rights will come and that human rights reform will be part of that movement. I do not believe there is any way the Government of China will be able to stop that.

What is our role? Our role is to speak out against violations. This gives the people both in and out of China an opportunity to feel strength from our opposition. We need to provide assistance in developing governments and so on. Above all, the isolation of China will not accomplish the goals we all hold for China in the future.

Routine Proceedings

CRIMINAL CODE

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP) moved for leave to introduce Bill C-330, an act to amend the Criminal Code (review process and disclosure by prosecutor).

He said: Madam Speaker, I am pleased to introduce this private member's bill for first reading. In essence it introduces or enacts the recommendations of the Donald Marshall inquiry, now some years in passing, for a better, more open and independent procedure for dealing with those who claim to have been wrongfully convicted.

At the moment that process is done in house by the Department of Justice. It is a very time consuming process. It seems there is no sense of urgency. There is no easy disclosure to those involved. Those who are claiming to be wrongfully convicted are pleading to their adversary for some mercy essentially.

We have had the cases of Milgaard, Marshall, Morin, Kelly and Morrisroe. Many cases have been taking two, three and four years to address. This bill would speed that process up and make it more open. It would be a distinct improvement in the process.

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

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PETITIONS

BREAST CANCER

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, I have five petitions to present. The first is to improve the provisions for the diagnosis of breast cancer, the care for those who have breast cancer and for all the women in Canada. This petition comes from the university women's club.

ARMED FORCES

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, the second petition is for a public inquiry to be held at the earliest possible time. This inquiry is to be wide ranging into the operation, costs and morale of the armed forces.

VIA RAIL

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, the third petition is on VIA Rail. It is to preserve services and to review these services so they may be improved for the Sarnia, London, Stratford, Toronto corridor, now one of the heaviest travelled train areas in Canada

HUMAN RIGHTS

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, the fourth and fifth petitions are against granting same sex rights.

Routine Proceedings

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, I rise again to present another petition in this course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

The petitioners I represent are concerned about making our streets safer for citizens.

(1025)

They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray our streets will be made safer for law-abiding citizens and the families of the victims of convicted murderers.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present the following petition which comes from all across Canada and contains 969 signatures, making a total of 5,069 to date.

The undersigned request that in memory of Dawn Shaw, a six-year old girl who was murdered in my riding of Comox—Alberni, this petition be brought to the attention of Parliament.

These petitioners request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to assure conviction of offenders.

HUMAN RIGHTS

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, I am pleased to present petitions today from constituents in Langley, Aldergrove and Abbotsford, British Columbia.

The first petition asks that Parliament not pass Bill C-41 with section 718(2) as presently written and in any event not to include the undefined phrase sexual orientation, as the behaviour people engage in does not warrant special considerations in Canadian law.

RIGHTS OF THE UNBORN

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, the second petition asks that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

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Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, the final petition requests that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to

indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

Mr. Tony Valeri (Lincoln, Lib.): Madam Speaker, pursuant to Standing order 36, I am presenting a petition signed by constituents in my riding of Lincoln asking that Parliament oppose any amendments to the Canadian Human Rights Act or the charter of rights and freedoms which provide for the inclusion of the phrase sexual orientation.

They also oppose the inclusion of this phrase in proposed Bill C-41.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present two petitions duly certified by the clerk of petitions.

The first one bearing 39 signatures primarily from the Gouldtown district in my constituency requests that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

AGRICULTURE

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, the second petition signed by 163 constituents scattered throughout my riding humbly requests and calls on Parliament to desist passing legislation legalizing the use of BSTRBGH in Canada.

The petitioners further request legislation be passed requiring all imports produced from BSTRBGH treated cows be so identified.

HUMAN RIGHTS

Mr. Grant Hill (Macleod, Ref.): Madam Speaker, I have a 25 signature petition asking Parliament not to enact legislation to amend the human rights code to include in the prohibited grounds of discrimination to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

I agree with this petition.

The Acting Speaker (Mrs. Maheu): I will once again remind members we do not comment on agreement or disagreement in petitions; we present only.

I wish to inform the House that pursuant to Standing Order 33(2), because of the ministerial statement government orders will be extended by 12 minutes.

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QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

(1030)

[English]

BUDGET IMPLEMENTATION ACT, 1995

Hon. Alfonso Gagliano (for the Minister of Finance) moved that Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the third time and passed.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I welcome the opportunity to lead off debate on third reading of Bill C-76, an act to implement certain provisions of the February 1995 budget.

The bill seeks to give concrete reality to the non-taxation measures announced in the budget, a budget of reform and renewal that has been described as historic.

[Translation]

This means that, over the next three fiscal years, this budget will translate into cumulative savings of \$29 billion, \$25.3 billion of which will be the result of spending cuts. This is by far the most ambitious series of measures proposed in a budget since demobilization, after the Second World War.

The objectives set are extremely important, but so are the means used to achieve them. Indeed, in order to achieve lasting fiscal consolidation and then fiscal balance, it is essential to change the role and the very structure of the state. We will continue to reap the benefits of this budget in 1997-98 and beyond.

These measures will have a very significant impact on future levels of federal spending. By 1997-98, program spending will total \$108 billion, compared to \$120 billion in 1993-94.

[English]

Although it was a tough budget, Canadians approve it. They approve it because they know we have to stop writing IOUs and get on with the business of building the 21st century economy.

[Translation]

By 1996-97, our financial needs, that is the new money which we have to borrow on financial markets, will go down to \$13.7 billion, or 1.7 per cent of the GDP. Canada will fare better than any other G7 country.

The public debt will stop growing faster than the economy. The debt to GDP ratio will start decreasing. This is the key to a manageable financial situation, and it is the reason why we are not merely trying to reduce the deficit. Indeed, we are also determined to start the Canadian debt ratio on a downward trend.

[English]

Let me emphasize that these projections do not rest on rosy assumptions. On the contrary, prudent assumptions that were more pessimistic than the private sector average were used. The assumptions were backed up with substantial contingency reserves. We will continue to rely on prudent assumption. We will continue to set short term targets that make impossible to postpone action. We will continue to take whatever action is needed to meet our objectives. This is the course we will stay until the deficit is eliminated entirely.

Let me turn now from the budget background to the specific elements of the bill before us today. As the provisions of the bill have already been discussed at some length in the House, I will focus on a few highlights and draw the attention of members to the one amendment that is more than a technical amendment.

(1035)

[Translation]

I am referring to the transfers to the provinces. We will never have the kind of structural changes needed if we do not reform our system of transfers to the provinces.

We must implement a system which will better meet today's needs, and we must also be able to fund that system over a long period.

As regards the first requirement, we feel that the conditions set by the federal government for transfer payments in sectors which clearly come under provincial jurisdiction should be reduced to a minimum.

Currently, the Canada assistance plan transfers come with many needless conditions that restrict the provinces' capacity for innovation and increase administrative costs. In short, the costsharing method no longer helps the provinces which are clearly responsible for designing and delivering social assistance programs and for implementing them as efficiently as possible, in accordance with the needs in the community.

This bill will deal with the situation by providing funding for the Canada assistance plan in the same way as the established programs financing did in the areas of health and post-secondary education. As a result, the current breakdown into three

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transfers no longer has any basic justification. That is why we are combining them into one single block transfer program called the Canada health and social transfer, starting in 1996–97.

[*English*]

The Canada health and social transfer represents a new, more flexible and mature approach to federal–provincial fiscal relations but the physical situation demands that the new system also be less costly than the current one. That is why when the CHST is fully implemented in 1997–98 the total of all major transfers to the provinces will be down by about \$4.5 billion from what would have been transferred under the present system. However to put this into perspective, the reduction will equal about 3 per cent of aggregate provincial revenues.

We believe our approach to provincial transfers passes three very important tests. First, the federal government has hit itself even harder. Second, the provinces have been given ample notice of the government's intentions. Third, the reduction in transfer payments is equitable across provinces.

In addition to the introduction of the Canada health and social transfer, the bill also includes other measures that will help to reduce the cost of payments to provinces. One of these measures is the reintroduction of a 5 per cent eligibility threshold to the fiscal stabilization program. This will restore the program to its original function of compensating provinces for revenue losses in the event of severe economic downturns, that is, where revenues decline by more than 5 per cent.

I want to turn now to a number of allegations about the CHST which members of the official opposition and the Reform Party have made in the debate on Bill C–76. Some opposition members have been confused about the additional flexibility which the CHST will offer provinces in the area of social assistance.

(1040)

The hon. member for the riding of Quebec alleged that the government was misinforming Quebecers when it said that federal conditions on social assistance transfers were being reduced. Let us be clear on what is happening here.

[*Translation*]

This bill is a major reform of the system of federal transfers to the provinces and territories that will lead to the Canada health and social transfer, the CHST.

Starting in 1996–97, the EPF and the CAP will be replaced with one single mechanism, the CHST. Contrary to the existing system which is based in part on costsharing agreements, the CHST will be a block funding mechanism, like the EPF. Accord-

ingly, transfers will not be determined by the provinces' spending decisions as they are under the cost shared programs.

The new arrangement will eliminate inherent limitations of the former cost shared programs and reduce longstanding irritants.

Provinces will no longer be governed by rules determining which expenditures are eligible for cost sharing and which are not. They will be free to find innovative approaches thanks to social security reform. Administrative costs of cost sharing will be eliminated. Federal spending will no longer depend on the provinces' decisions concerning delivery of their welfare and social services programs and the identity of recipients.

The Canada health and social transfer is a new vision of federal–provincial fiscal relations which gives more flexibility and freedom to the provinces while increasing their accountability, and provides more stable fiscal arrangements to the federal government.

This approach will bring about more mature fiscal relations.

[*English*]

The hon. member for Calgary North has been giving us contrary advice on how we should deal with transfers to the provinces. First she says there has been no consultation with provincial governments about the future of federal transfers and that the federal government has been too hasty in setting out important parameters for the health care system which will affect Canadians for years to come. However, in the next breath she attacked the government for precisely the opposite error. She asked how provinces in the health care sector are supposed to plan if the federal government will not tell them how federal transfers will be structured in the future and how much the provinces can expect to receive. The hon. member cannot have it both ways.

The government has taken a very sensible approach in dealing with the provinces. In the 1994 budget the government gave the provinces a two–year breathing space prior to making any cuts in transfers. In the 1995 budget, transfer restraint does not take effect until 1996–97, even though action is being taken in the federal backyard in 1995–96. The provinces have been given two years to manage the reductions and adjust their programs. At the same time the CHST provides more flexibility for provinces to make the necessary adjustments.

In addition, the government will soon begin consulting with the provinces and the territories to develop a permanent method of allocating the Canadian health and social transfer among the provinces from 1997–98 onward.

The federal government remains committed to a co–operative and productive approach to federal–provincial relations.

(1045)

[Translation]

Third, under clause 13 on the new CHST, the Minister of Human Resources Development shall invite all provincial governments to work together to develop, through mutual consent, a set of shared principles and objectives that could underlie the new Canada health and social transfer.

The official opposition is trying to depict this quest for shared principles and goals as an artificial issue.

Its members would like the House and Canadians to believe that this whole process is nothing but a plot to underhandedly impose new conditions, methods or penalties. This is what I have to say about such comments.

“Mutual consent” means that no government in Canada can be subjected to new principles and objectives against its will.

In other words, only the governments that freely agree to new objectives and principles will be bound by them.

Governments that do not agree would not be bound by those objectives and principles.

So, if some provinces, including Quebec, do not agree, they will not be bound by the objectives and principles approved by other governments. Things cannot be made any clearer.

Indeed, this is usually what “mutual consent” means, an agreement made by consenting parties. The wording of the legislation is quite clear on this issue. I do not see the need to be more explicit than that.

[English]

Fourth, the Reform Party has proposed eliminating cabinet’s role in enforcing the Canada Health Act as well as considerably reducing the role of the Minister of Health. Instead it would turn over this job to the federal court.

Hon. members should recall that Bill C-76 makes no substantive amendments to the Canada Health Act, only consequential amendments required by the ending of the established programs funding and introduction of the CHST. The five Canada Health Act criteria whose enforcement will be affected by these motions relate to universality, comprehensiveness, accessibility, portability and public administration.

The current procedure for applying penalties to a province is as follows. The Minister of Health initiates the process by consulting the province. If the province has not given a satisfactory undertaking to the minister to remedy the default within a reasonable time, she refers the issue to the governor in council. The governor in council decides whether penalties are appropriate, how much they should be and whether they should be reimposed.

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Under the Reform proposal, the minister would instead apply to the federal court. The federal court would decide whether penalties were appropriate, how much they should be and whether they should be reimbursed.

This government strongly supports the Canada Health Act, as does an overwhelming majority of Canadians all across this country. The member for Winnipeg North is here. He has spent his whole life advocating and supporting the Canada health system. I am sure he would agree with the view of the government and my own view that if we should turn the decisions on enforcement over to the courts, we would pull away one of the most fundamental principles behind the act, which is that we as politicians and as a government must take responsibility for the Canada Health Act.

It is the cornerstone of this government. We will not accept any amendments that weaken the ability of the federal government to enforce the delivery of a system that Canadians find is one of the most attractive features of living in this country.

The provisions of the Canada Health Act which the Reform Party object to have served Canadians well since that act was passed over a decade ago. Reformers are seeking to water down the enforcement of national medicare standards, but we will not waver from our commitment. The Reform amendments would have the courts decide how the Canada Health Act is to be applied. Canadians have elected us as parliamentarians to do this job. We do not intend to shirk that responsibility.

(1050)

Fifth, some opposition members seem to suggest that all our problems would disappear if only the federal government would abandon health care and other social programs and give the provincial governments more transfers of tax points.

[Translation]

The Canadian government has no intention of giving up its responsibilities in terms of funding major social programs. The Canada social transfer will help to subsidize the programs which are essential to all Canadians, including Quebecers, and its contribution will reach almost \$27 billion by 1996-1997.

Canadians all know how important these programs are, and to suggest that the federal government should withdraw from them is preposterous, as preposterous as the suggestion that Ottawa should replace these transfers by giving up tax points. The Canadian government needs all of these tax points to fulfil its obligations towards all Canadians, including Quebecers. Everyone knows that, because they mean more for the have provinces than for the have not provinces, tax points put the underprivileged provinces at a disadvantage.

*Government Orders**[English]*

Another issue raised in the bill and in further debate has been subsidies to business. In the course of program review, departments across the government took action to reduce business subsidies. Overall we are proposing to cut business subsidies by 60 per cent. This includes agriculture and transportation subsidies that were designed decades ago.

The bill proposes to repeal the Western Grain Transportation Act and to terminate the western grain transportation subsidy paid to railways effective July 31, 1995. The reform of the WGTA will result in savings of \$2.6 billion over the next five years.

This is much more than a deficit issue. The elimination of the subsidy will encourage the development of value added processing and the production of higher value crops. It will result in a more efficient grain handling and transportation system. It will help maintain our market access for grain sales in foreign countries and comply with our obligations under the agreement establishing the World Trade Organization.

A number of further initiatives will facilitate the transfer to the new system. These include a payment of \$1.6 billion to owners of prairie farmland plus a \$300 million transportation adjustment fund. The bill also provides for the regulation of maximum freight rates that can be charged by railway companies to move grain from the prairies.

There is an amendment to the bill on the matter of freight rates that I would like to point out to the House. Clause 21 of the bill has been amended to strengthen the provisions governing the review of the maximum regulated freight rates. Instead of an automatic sunset provision for maximum rates, the Minister of Transport will be given the authority to determine whether the rates should be fully deregulated during a review in 1999. These amendments are designed to provide greater rate protection to shippers. Should the benefit of full rate deregulation become apparent during the period leading up to the review, the Minister of Transport will have the authority to remove the maximum regulated rate protection.

The bill also proposes the elimination of the Atlantic freight subsidies under the Atlantic Region Freight Assistance Act, the ARFAA, and the Maritime Freight Rates Act, the MFRA. These subsidies which have proven inefficient in reducing shipper costs are of marginal and declining importance to regional economic activity. This measure to take effect this July will save nearly \$100 million a year. To help ensure that the elimination of the subsidy contributes to a better transportation system, the budget announced a five-year \$326 million transportation adjustment program.

(1055)

I would like to respond to some of the specific criticisms made about the Western Grain Transition Payments Act. First, the hon. member for Saint-Hyacinthe—Bagot, the critic for the official opposition, during his speech on May 31 stated that the transition payment of \$2.2 billion is tax free. The payment being made by the government to owners of prairie farm land is \$1.6 billion and is taxable. The payment is neither \$2.2 billion nor is it tax free.

The hon. member has also suggested that transition payments will be made to beef and hog producers in western Canada. The payments are being made to owners of land which in 1994 produced grain or land which was in summer fallow in 1994 and which in 1993 grew grain. Payments will not be made to western beef and hog producers.

I know the hon. member has a long history of being interested in grain transportation. In committee he gave a very eloquent defence of his position. He told me he had worked on the issue many, many years ago. I very much appreciated his comments and I simply wanted to put on the record some of the perspectives of the government on the issue.

On behalf of the NDP, the hon. member for The Battlefords—Meadow Lake stated that with the repeal of the WGTA, elevator points would lose \$1 million annually in income. The repeal of the WGTA will result in increased transportation costs to producers. This will encourage producers to move from being oriented on exporting grain to increasing local consumption of grain to increase diversification in the economy on the prairies.

This diversification will in turn create more jobs on the prairies. For example, the construction of a new canola crushing plant in Moose Jaw was recently announced. This plant will help diversify the local economy by producing value added processed products.

The same member has suggested that we as members of Parliament need a chance to study the effects of the removal of the WGTA. Ever since the WGTA was enacted in 1984 it has been the subject of studies and ongoing reviews. There were numerous studies conducted before the WGTA was passed. As well, there have been an extensive number of studies on the WGTA reform conducted by industry, academics, various consultants, as well as by the federal and provincial governments over the past decade.

This is not the time to study nor to continue delay. Now is the time to act. I am sure the member from the New Democratic Party understands how dramatic these changes will be on the prairies. We are all looking forward to a responsible, co-operative attitude among the producers, shippers, rail companies and provincial and federal governments to make sure this works. It is no longer the time to study.

There are also a number of amendments in the bill on the public service. The measures I have outlined so far, along with other initiatives arising from the program review, mark the transition to a more focused, effective and frugal federal government. Reducing the public service was not an objective of the

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program review. Such a reshaping of the government's role and the spending cuts it entails will unfortunately have an effect on the employees delivering services to Canadians on behalf of the federal government.

By the time the 1995 budget actions are fully implemented, federal employment is expected to decline by some 45,000 or about 10 per cent. Natural attrition and the programs currently in place are inadequate to deal with changes of this scope. The government appreciates the valuable service its employees provide. We are committed to managing the reductions in a fair and orderly fashion.

In keeping with this commitment the bill proposes changes to the Public Sector Compensation Act that will allow for an early departure incentive. This incentive could be taken by as many as 13,000 to 15,000 employees in the most affected departments. We estimate the cost of the program for the public service, the military, certain separate employers and the crown to be about \$1 billion which will be included in the 1994-95 fiscal year.

(1100)

Other proposed changes to the act will allow for cost neutral changes to non-salaried terms of employment and for certain new kinds of leave. In addition, we are proposing amendments to the Public Service Employment Act that will give public sector managers more flexibility in staffing arrangements.

Employees affected by the downsizing who decide not to take advantage of the departure incentives will have a reasonable period to find employment elsewhere in the public service, but that period cannot be indefinite. The government simply cannot afford to pay people for not working.

Accordingly the bill also includes amendments to the work-force adjustment directive so that surplus employees in most affected departments who decline departure incentives will cease to be paid after six months and will be laid off after one year unless alternative employment is found.

The President of the Treasury Board recently signed an agreement in principle with the public service unions to assist employees affected by downsizing. He will be working through joint labour-management adjustment committees to assist affected employees in making the transition from the public service.

Our goal in introducing these and other transition measures is to be fair to the taxpayer as well as to the federal employees affected. We believe the program balances the objectives.

Today's legislation will play a key role in setting the country on the course of fiscal responsibility and government renewal. These measures are absolutely essential if we are to meet our deficit targets and refocus the government on its priorities and on the country's needs.

We have drawn directly on the advice of Canadians from whom we heard several months before the budget and who subsequently gave us advice after the budget. Canadians in turn have shown their strong support for the budget. They know it will promote better public finances and a stronger economy.

To secure the savings that will lead to the improvements we must pass the legislation as quickly as possible. Anything less will compromise our ability to reach the objectives we have promised Canadians and our commitment to a secure and prosperous future for ourselves and our children. I therefore urge all members to give the bill final approval in the House.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I am pleased to have the opportunity to speak at third reading of Bill C-76, which implements certain provisions of the budget tabled in Parliament on February 27, 1995.

I was listening a little while ago to the parliamentary secretary who spoke about the hearings held by the finance committee and I had the impression that we did not attend the same hearings. People did not come to tell us that they were in favour of the budget measures. They did not come to tell us that these budget measures put the country on the track that they wanted to see the government follow. On the contrary, the vast majority of witnesses said that in the last two years, since the tabling of the Minister of Finance's first budget, the federal government always targeted those in the greatest need.

What people will remember, and what they said at the finance committee hearings, is that the government, in the last two years, has continued to make cuts in what we believe to be fundamental, Canada's social programs. What people will remember of the last two budgets is that there were cuts of \$5.5 billion in unemployment insurance in the first budget and that the number of weeks of benefits to which claimants are entitled was reduced by a tightening up of the eligibility criteria. That is what people will remember.

(1105)

What will stand out from the last budget and Bill C-76 in the mind of Canadians is that the government went one step further. The last budget added \$700 million to the \$5.5 billion in cuts already announced. This is what the Minister of Finance did, and Canadians will not forget.

People will also remember the tightening of the unemployment insurance eligibility criteria, especially those who had to turn to that last resort program because they lost their job. They will remember that it is this government that tightened the

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eligibility criteria and reduced the number of insurable weeks. What happened to those people? I have seen many of them in my riding office since last year and they have had to go on welfare. These people, already disheartened and depressed by the economic situation and the loss of their job, have had to apply for welfare benefits.

Do you know how many people the Liberal government is responsible for shifting from unemployment insurance benefits to welfare? In Quebec, 50,000 more people joined the already impressive ranks of the 800,000 on welfare. This is what people will remember of this government, and what they have been blaming it for since the tabling of the first two budgets.

I will also add this: for the last two quarters or so, for the last five months, no jobs were created in Canada, there was no net creation of jobs. The economy is stagnating. Do you know what that means on a technical level? It means that our economy is slowing down and that we may be headed faster than we think toward another recession. That is what this government is offering us and that is what Canadians will remember.

The measures taken by the Liberal government over the last two years have led to more poverty in Canada. Do you know that, during the last two decades, the number of poor families in our country has increased 41 per cent? Forty-one per cent in two decades.

Do you know that the poverty rate among single parent families headed by a woman exceeds 52 per cent? It is a catastrophe. A 52 per cent poverty rate among single mother families.

Do you know what that percentage is in Sweden? We tend to forget that. In Sweden, the poverty rate among single mother families is 6 per cent. Fifty-two per cent in Canada compared to 6 per cent in Sweden. There is a problem somewhere, and I understand perfectly why women in Quebec have had enough of this situation.

I understand perfectly why, two weeks ago, women have started marching to demand that their rights be recognized, to demand that they be treated fairly, to tell both the Quebec and the federal governments that they have had enough of this poverty, that they have had enough of politicians who promise them the moon during the election campaign but who, as soon as they come into office, start taking away what little bit these women have. That is what people are saying today and what women were saying when they marched on Quebec City.

Do you know what kind of hourly wage for a normal 37 1/2 hour workweek a single mother with a child needs to survive? I figured it out a few times because several women in tears came to my constituency office to tell me that they could not make

ends meet. To survive, they need the equivalent of a minimum hourly wage of \$10 for a 37 1/2 hour workweek.

The \$8.15 minimum wage demanded by the women who marched on Quebec City was symbolic. They wanted to see government decisions take a new direction, and this was the direction they were looking for as part of a new social covenant for Quebec. They wanted the government to change its course, to review the entire income security program, and they wanted the program to include not just training but re-entry into the labour force. This was the fundamental message these women were trying to get across when they marched on Quebec City last week.

(1110)

I was pleased with the response of the Quebec government. It did not take the approach that seven demands out of nine had been met. I do not want to get into a numbers game, but the important thing is the direction adopted by the government of Quebec in response to these women. The direction of the response by the government of Quebec on Sunday is more important than any numbers and that direction is clear.

One thing is certain, the Quebec government has not lost sight of the real world. We can see this in its approach to the economy and also in its compassion for its citizens. The message Sunday from Premier Parizeau was clear: the government of Quebec will work to improve the lot of the least fortunate, taking rapid and direct action in seeking to respond to all of women's demands. This is only normal, it is vital for 52 per cent of Quebec's population, the proportion represented by women. The government of Quebec will address these areas that are key to the survival of lone parent families headed by women.

The Government of Quebec will be all the better placed to meet these needs once Quebecers have decided to stop frittering away their energy arguing and complaining about the constitution, which is what they have been doing constantly for 50 years, in an attempt to carve out for themselves a decent place—nothing more than what anyone else has—just a respectable place within the system, and for all that we have tried, they not only refuse to let us take our place, but they also refuse to even recognize our differences.

Once we have settled this issue over the next few months—yes, it is a question of months—all of our energies, all of our tax money will be devoted to helping these women, and these men, the most needy Quebecers, who will be able to at least have hope that their situation will improve. I think that the message that the Premier of Quebec delivered Sunday was clear and I think that the comparison is easy to make. When we see that the Government of Quebec is holding out its hand, when we see the federal government's partial answers to the neediest women of our society, its general orientation and its actions over the past two years, I think that the situation is clear.

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Just look at what Quebecers are choosing between: a federal system which has brought public finances to ruin, with a current debt of \$548 billion and a forecasted total debt of about \$800 billion in another four and a half years; a federal government which has introduced two consecutive budgets cutting unemployment insurance, federal transfer payments and which could eventually make cuts to the old age security system; and the Government of Quebec, which is orienting itself towards helping the neediest Quebecers, I think that the choice to be made in the fall is clear. We must get out of this system, which is all about cuts like the ones contained in the last budget and like those they are bringing in through Bill C-76, a system which will continue in that vein over the next few years.

I would like to digress and pay tribute to these women who marched on Quebec City, pay tribute to their courage, perseverance, their faith in a brighter future for Quebec and for all Quebecers. I think that they have demonstrated that if we are determined to make society a better place, if we stop depending on power hungry politicians like the ones we have faced across the way for 18 months to make a change, we can make progress. When we see people coming to Quebec City to face their politicians, who actually want things to change themselves and give people hope that things will fundamentally change under a sovereign Quebec, that is already a great victory for the women who marched all the way to Quebec City.

I had the opportunity to tell these women, when they were passing through my riding, Saint-Hyacinthe, how beautiful they are, simply beautiful, how they were beautiful in spirit and beautiful in heart. They expressed their heartfelt concerns and the Government of Quebec answered that things would change, that they could hope for a fundamental change in their case, because they and others like them should not be held responsible and made to pay for the 52 per cent poverty rate. It is inhumane. A society with any sense of dignity should be ashamed of perpetuating this poverty, especially among women who are single parents and have had to put up with this for decades.

(1115)

One wonders why these women did not march on Ottawa as well. Why not? They could have marched on Ottawa, but these Quebecers realized they would be wasting their time marching on Ottawa. They would be wasting their time, because this government is bankrupt, has no vision and has shown no compassion during the two years it has been in power, despite its commitments in the red book. That is why they did not march on Ottawa.

This government gives us nothing but cutbacks. It does not talk about controlling public spending, improving the economy or improving social justice in Canada. It just keeps cutting

blindly, although this will have no visible impact in four years' time. Unless this big federal machine stops overheating, billions and billions of dollars worth of cuts every year will have no impact at all.

Speaking of cuts, the latest budget brought down by the Minister of Finance, as implemented in Bill C-76, cuts away at transfer payments to provincial governments. In Quebec alone, and this we cannot accept, 32 per cent of federal transfers will be cut over the next three years. This is very serious: 32 per cent of federal transfers will be cut in Quebec.

Predictably, every time a decision is made in Ottawa, a decision over which the Government of Quebec has no control at all, in Quebec City they have to cut not only the fat but the lean as well. It may be predictable but it is intolerable that the Minister of Finance in Quebec City does not have full control over the money that comes in and the money that goes out every year.

How can you expect a government to be able to plan ahead for the next three to five years? It is impossible. Because the Canadian government cuts 32 per cent of its transfers to the Government of Quebec, the Government of Quebec is being saddled with a number of financial problems because the federal government is not doing its job. The federal government is offloading its problems with the deficit by cutting transfer payments.

The federal government is delighted when it sees a nice flag flying over an infrastructure project in which it invested 20,000 or 30,000 dollars. On those occasions, you will see not just the minister but his assistants and his parliamentary secretary right up front at the sod turning ceremony. But when it is a matter of being responsible and controlling the public spending, they are not interested.

An hon. member: They are good at shovelling.

Mr. Loubier: They certainly are. Cuts in federal transfer payments to the Government of Quebec will cost Quebec \$650 million next year. This offloading of the federal deficit will mean that next year, the Government of Quebec will have a shortfall of \$650 million. Ultimately, we will lose \$2.4 billion because of federal decisions over which the Government of Quebec has no control.

But there is more than that in this bill. The bill contains another instance of strong arming by the federal government. This is the kind of tactic we have come to expect from the present Prime Minister who was the right-hand man of Pierre Elliott Trudeau in 1980 and in 1981, when the Canadian constitution was patriated against an almost unanimous decision of the National Assembly to veto patriation unless Quebec's historic demands were met.

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The present Prime Minister was also the chief instigator of the demise of the Meech Lake accord in 1990. No one will forget that. We all remember how he walked up and down the hallway with his cellular phone while inside, the Leader of the Official Opposition in Manitoba, Mrs. Carstairs, was taking her cues from him and doing his dirty work.

(1120)

He is the one responsible for the collapse of the Meech Lake accord. Quebecers remember that too.

Now, another blow is being struck by the federal government with Bill C-76. The blow comes from our national expert, who is making his right hand man, the Minister of Finance, do his dirty work.

Bill C-76 provides for the continuance of national standards for health care and the introduction of new ones for welfare and post-secondary education. And if the provinces—for these people, Quebec is just another province—fail to comply with these standards, they will be cut off just like the unemployed and the people on welfare were cut off and like seniors soon will be.

Permit me to contradict the parliamentary secretary. No, the provinces are not being given greater autonomy. It gives me a pain in my stomach to hear talk of provincial autonomy, when welfare, post-secondary education and health are already provincial matters, within Quebec's jurisdiction. Giving greater autonomy in areas of provincial jurisdiction—now I have heard it all.

The parliamentary secretary talks of greater autonomy and greater flexibility. On the contrary. Not only will federal intrusion into areas already established by the constitution continue, but the provinces will be bound and gagged and told that, if they fail to meet the Canada-wide standards established, the government will find one way or another to cut them off, to not give them any transfer funding.

This is the sort of flexible and co-operative federalism the government is offering us with a simple bill on public finances.

When Bill C-76 was initially tabled, there was a great outcry in Quebec. Imagine setting national standards in post-secondary education for Quebecers, in particular. You can bet there was a reaction in Quebec when that came out. Quebecers were outraged. They understood that, if this bill were implemented, 75 per cent of people of Canada would be deciding about education in Quebec. Imagine the effect on the backbone of our culture, of what makes us distinct and of what makes us a people if our education were determined by the other founding people.

No people in the world would accept such conditions. It makes no sense. So here we have the Prime Minister and the Minister of Finance, our worthy representatives of Quebec,—and I see the member for Brome—Missisquoi with a smile on his lips—closing their eyes and concerns to the development of Canadian standards for post-secondary educa-

tion and making Quebec toe the line on pain of being cut off. This is their idea of federalism.

Given the general outcry provoked by his initial project, the Minister of Finance, at one point—I think it was during the debate at second reading—proposed, in a move which is very unusual on the floor of the House, to table amendments following speeches by the Leader of the Opposition who opposed this measure, by the critic from Mercier and myself. He threw them out just like that, saying that they could meet Quebec's demands. We did well not to react right away because, when we received in writing the amendments which were passed yesterday by the government side, we realized that not only did the minister not solve anything but that he made things even worse. The second version was worse than the first one. They were laughing at us.

Some hon. members: They get everything wrong.

Mr. Loubier: Absolutely. No wonder this country is in such a mess.

Madam Speaker, the amendments passed yesterday by the liberal majority say the following: "The Minister of Human Resources Development shall invite representatives of all the provinces to consult and work together to develop, through mutual consent, a set of shared principles and objectives for the other social programs referred to in paragraph (1)(d) that could underlie the Canada Health and Social Transfer". Other social programs include not only health but also post-secondary education and welfare.

First of all, what is meant by "mutual consent"?

(1125)

We have heard it over the past 15 or 20 years; "mutual agreement" has meant that as soon as seven provinces with 50 per cent of the population agree, there is mutual agreement. Not only is the agreement mutual, but it becomes a Canadian consensus, no matter what Quebec believes.

This is the route we are going with Bill C-76, and the provisions regarding the Canada social transfer if they are adopted under their present form. Mutual agreement could mean the agreement of seven provinces with 50 per cent of the population. The federalists opposite with their blinders on will see it as a Canadian consensus. They used to be called the 74 fools. I do not know how many of them there are now, I did not count them, but I do not think anything has changed. Even they will accept that Quebec is made to toe the line if there is mutual agreement with seven provinces accounting for 50 per cent of the population.

This is what is meant by mutual agreement, it becomes a Canadian consensus and must be abided by, and it says right here that if it is not, they will cut funding. "Canada health and social transfer may be provided for a fiscal year for the purpose of—" Among the listed purposes are the following: "promoting any

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shared principles and objectives that are developed, pursuant to subsection (3), with respect to the operation of social programs, other than a program for the purpose referred to in paragraph (b).”

What this means is that because these types of consensus have been arrived at through mutual agreement, as I explained earlier, if one province does not abide by these mutual agreements, these sorts of Canadian consensus, its funding will be cut in a drastic manner and without warning.

Picture this. A Canadian consensus is arrived at regarding post-secondary education, with seven provinces accounting for 50 per cent of the population, excluding Quebec, and they say: “From now on, this is the way education is going to be, and this is the route all provincial governments are going to follow”. If Quebec refuses to toe the line, because of its distinct culture and because it is a distinct nation, it will lose billions of dollars in transfer payments. This is what is called co-operative federalism according to Bill C-76.

We have a suggestion to make to the government: it should immediately abolish all provisions concerning the Canada health and social transfer and, before anything else, meet with the Quebec government to discuss its withdrawal. It should withdraw from any area of provincial jurisdiction like health care, post-secondary education and welfare. It must leave those areas to Quebec. It must transfer tax points to the Quebec government as a compensation and stop annoying Quebec with those darned national standards, those Canada-wide standards.

That is what Quebec wants and that is the essence of Quebec’s message.

Some hon. members: Hear, hear.

Mr. Loubier: There is also another message that we could send to the federal government, given what we heard at the finance committee. We could certainly add another message. Some Canadian provinces want national standards; they want standards for everything. The federal government should meet with these provinces and determine the standards with them and with all the Canadian groups outside Quebec who want such standards. Let them choose and implement the standards, but they should leave Quebec alone. That is the second message we want to convey to the government about Bill C-76 and the Canada health and social transfer.

There is another point we must make in the context of this bill and it concerns the Crow’s benefit. That benefit raised passions in Quebec in the past. Do you know why? Because, in 1982, another Liberal government was in office at the time and they understood strictly nothing about that issue. I remember that, in

1982, the actual minister of International Affairs was responsible for the Crow’s Nest rate issue in Quebec. He was the only french speaking member of the group who could understand what a crow, a nest and a train were. At least, it was a beginning.

There was a terrible fight in 1982. Do you know why? Because the Crow rate, a grant for western grain transportation, a preferential rate structure for the shipping of grain products from the prairies to the various export points, was established in 1897.

(1130)

Since 1897, we have built a balance between east and west, between grain production in the west and livestock production in the east, especially in Quebec. We also grow grain in Quebec, but mostly for animal feed, while in the west wheat is grown for export. This balance evolved over the years: grain in the west, livestock in the east.

When you eliminate the preferential rate known as Crow’s Nest, when you eliminate the subsidies paid year after year by the federal government to railway companies, to allow them to charge below cost, you are breaking the balance. The disappearance of the preferential rates will mean a local price for grain in the west that is \$8 to \$15 a metric tonne below the international price.

Do you know what that means? It means that by breaking the balance you are giving a competitive advantage to western producers who, with a price for grain of \$8 to \$15 a metric tonne lower than the international price, will be able to produce more meat animals. This situation is accepted by eastern producers and in particular those in Quebec. They reason that things have changed since 1897, and they accept that the subsidized rates known as the Crow’s Nest rates must disappear.

However, we should not go too far. That is the way it was in 1982 and that is the way it is today, but we should not go any further. In other words, when you eliminate this advantage, you must simply do away with it and bring transportation rates to the level at which they should normally be, that is to say the real transportation cost for the hopper cars which carry grain to the various export points.

If you go beyond that, if you give a federal compensation—24 per cent of which is being paid by Quebec taxes—to increase livestock production in the west so that they can compete with Quebec hog producers, for example, we no longer agree. We cannot accept that federal money be used to help western producers compete against their Quebec colleagues. It would be totally unfair. Not only do they subsidize, but they subsidize in a big way.

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They ask everybody to tighten their belts while giving \$1.6 billion in compensation to western producers. And contrary to what the parliamentary secretary said earlier, this \$1.6 billion is tax free, which means that, in fact, we are giving \$2.2 billion to western producers in compensation for the fact that the preferential tariff is going to be eliminated within the next five years.

Nobody warned the Quebec milk producers when milk subsidies were cut, \$35 million in one shot. There were no transition measures, they did not offer any when our markets were opened up under NAFTA and, afterwards, the GATT agreement which is now the World Trade Organization agreement. They did not compensate them at all. Nor did they compensate the unemployed when they cut UI funds by \$2.5 billion annually.

In a period of fiscal austerity, a time when it is said that the federal system is bankrupt with a debt of \$548 billion, they are ready to give what amounts to \$2.2 billion to western producers. It is totally unfair because, as I said earlier, Quebec's money will be used to increase the competitiveness of western cattlemen who are going to compete with Quebec hog and beef producers. This is why we are against this part of Bill C-76.

If we must amend the Crow rate, let us eliminate it and the subsidy that goes with it; we must let the free market set the tariff and leave it at that. This is what we must do when we are bled white because of the state of public finances and when everybody is asked to make sacrifices. Moreover, they do not even recognize that the elimination of the Crow's Nest rate will have considerable impacts on Quebec. According to an analysis done by Professor Garth Coffin of McGill University, Quebec will have to absorb between \$24 and \$46 million per year in losses because of the government's policy.

I think that the current Minister of Intergovernmental Affairs and the current Prime Minister forgot what the Crow rate did for Quebec in 1982.

(1135)

It would be in their interest to remember that, because Quebec producers remind them, either here or in their riding office, of what the Crow rate means for them, of what it means for them to have their dairy subsidies cut again and again. They were asked to make greater sacrifices than other classes of population in the last budget; their dairy subsidies and various income stabilization plans were cut and they were especially concerned when our borders were opened, as we did here a bit over zealously—if you will allow me the expression—by opening our borders wider than anywhere else in the world. Americans, who are in favour of free trade in the milk industry, are the second most protectionist in the world after Japan. That is something.

Madam Speaker, I have only a few minutes left, but I would like to add a last point. Veterans affairs is another issue that I consider important. Bill C-76 contains clauses that are hitting veterans very hard, but even more so their families. Speaking of veterans, we can go back to World War I or II, but we must not

forget those who fought recently. Soldiers were sent by the federal government to represent Canada in peacekeeping forces and some of them died while in the performance of their duty. Their families however must go on with their lives.

Concerned with justice, my colleague and friend, the member for Châteauguay, presented amendments to Bill C-76 to prevent the federal government from acting unjustly towards them. His colleague for Chicoutimi made a brilliant plea in favour of the amendments yesterday. I thank him for that, since the member for Châteauguay had pressing obligations elsewhere. Yesterday, the member for Chicoutimi presented the analysis made by the member for Châteauguay and I will comment on it, since the Bloc Québécois considers that in no case must a budget lead to social injustices, as this measure would do for veterans.

Briefly, in Bill C-76 the government gives up its obligations and commitments towards veterans despite historical promises made on their honour by this government and its predecessors. The government knows very well that these cuts will add to the plight of the families of these veterans and force them to turn to other public services, provincial in this case, for the help they need. Someone said earlier that the federal government had become an expert at shovelling. Well, this is another case of shovelling.

This government not only shows disrespect for veterans, their memory, their families and all they had to go through, but it passes on to Quebec responsibilities which were initially that of the federal government. For example, clause 42 of Bill C-76 amends the Children of Deceased Veterans Education Assistance Act. This amendment is the first step in the gradual elimination of a benefit giving children of deceased veterans a chance to pursue their studies. The 85 orphans who presently receive this benefit are all, except one or two, children of deceased soldiers who participated in Canadian peacekeeping missions. We are not talking here about the two world wars but about recent peacekeeping missions in which Canadian soldiers died.

Not only did those children lose their fathers who died while defending peace, democracy and freedom, but they are now being deprived of a chance to further their knowledge. According to Bill C-76, students who were receiving the benefit up to the day the budget was tabled will continue to be entitled to it, but the department will accept no further applications. In 1993-94, that assistance program cost \$315,803. It is not so much, but that is the Minister of Finance's great initiative, his masterpiece.

Not only are the poorest in our society being attacked, but now the children of those who lost their lives fighting for peace are being attacked also. We oppose this. Clauses 68 to 72 amend the War Veterans Allowance Act by putting an end to the payment of allowances to veterans who were involved in the resistance. We are talking about allied resistance fighters who made the same contribution as official soldiers, as official armies, to bringing

about peace and freedom during the First and Second World Wars.

(1140)

These clauses are aimed at gradually eliminating the allowances payable to these veterans who were military allies, who immigrated to Canada at the end of their service and who lived here for at least ten years before asking the government for assistance. The government is cutting off their allowances simply and brutally.

Clause 69 repeals sub-section 6.1 of the Allowance Act. This sub-section 6.1 provides that allied veterans who took part in the resistance will continue to receive the allowances established according to their financial circumstances, as long as these allowances were awarded on March 2, 1992 or before.

With this provision, by repealing this sub-section, the government is cutting off allowances to more than 3,000 people in Canada. This provision will also have the effect of taking away the allowances of more than 1,000 resistance veterans whose Old Age Security and Canada Pension Plan benefits put them just above the income level that would normally qualify them for health care benefits.

And speaking about health care, a few weeks ago, I received a letter from people in my riding of Saint-Hyacinthe that was quite meaningful and may illustrate the awful and disrespectful treatment we give to veterans and their families.

Mr. Hervé Bélanger, the secretary of branch 102 of the Royal Canadian Legion in Saint-Hyacinthe wrote the following: "The executive committee of branch 102 learned recently that veterans living in the Sainte-Anne-de-Bellevue Hotel"—veterans injured in active duty—"will have to pay more for their rooms, as rates will go from \$547 to \$703.80 per month this year, or a 28 per cent increase", all because of a decision taken by this government.

Do you know how much rates have gone up for these veterans since 1990? They pay 198 per cent more. But because there are very few of them, and they do not have the energy and strength to get organized, after having served their country, and in some cases lost a limb—some families were left fatherless—, they cannot get organized, their numbers are dwindling, and they are not a force to be reckoned with, so the Liberals have no use for them. The Liberals do not see them as an organized lobby, so they think nothing of slashing their assistance. This shameful slashing is taking place because they do not have names like Bronfman or Desmarais, and because Liberal ministers never visit them as they visit the Desmarais and the Bronfmans, even if it means going as far as California. So, they are not accorded fair and just treatment.

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For all these reasons, not only during the vote, but also after, and during the referendum campaign in Quebec, the official opposition will strongly and firmly reject Bill C-76 as well as this government which is more centralizing than any other government—

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member for Saint-Hyacinthe—Bagot, but his time has expired.

Debate resumes with the hon. member for Kootenay East.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I appreciate the round of applause from my Bloc friends very much.

Coming to the House, I have come to the conclusion that one does not have to be crazy, but it helps. It makes me think of the situation where the inmates are in charge of the asylum.

The government came here on a promise of openness. The government came here on a promise that we were going to be able to get into debate, get into a situation where the people of Canada were going to be represented in the Chamber. As opposed to openness, what have we had? Closure.

I refer to a very profound one-minute statement made by my colleague from Calgary Centre yesterday, and I know that Liberals would want to hear it again:

In opposition the Liberals howled at Brian Mulroney with righteous indignation over his government's use of time allocation to ram through legislation. With such sincere compassion for democracy, one would expect this Liberal government's record in the use of time allocation to be squeaky clean compared to Mulroney. Let us compare.

Mulroney used time allocation 35 times to pass 200 bills. That is 17 per cent of his bills. Shame on him. Counting today's time allocation motion, the little guy from Shawinigan has used time allocation an unprecedented 11 times in only 59 bills. That is 19 per cent of his bills passed using time allocation, 2 per cent more than Mulroney.

Congratulations, Liberals. A parliamentary record. Does this mean that this Prime Minister is less democratic and even more arrogant than Brian Mulroney? Is that possible?

(1145)

It is a very good question. Time allocation is absolutely inexcusable in that the Liberals have on Bill C-76 turned 180 degrees from their red book. There is no mandate on the part of the government to be able to bring forward Bill C-76.

Why would we be into a situation of time allocation? The House might be interested. The list is moderately exhaustive but it is important to get on record how the government has either exhibited poor management and planning or, in the alternative, legislation by stealth.

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Poor management and planning would say it is impossible to understand that the following bills in the Commons are awaiting start or completion of second reading, all of which are supposed to be completed by June 23: Bill C-62, an act respecting the achievement of regulatory goals; Bill C-71, an act to amend the Explosives Act; Bill C-78, an act to provide for the establishment of a program to enable certain persons to receive protection in relation to certain inquiries, investigations or prosecutions; Bill C-81, an act respecting the Buffalo and Fort Erie Public Bridge Company; Bill C-82, an act to amend the Royal Canadian Mint; Bill C-83, an act to amend the Auditor General Act; Bill C-84, an act to provide for the review, registration, publication and parliamentary scrutiny of regulations and other documents; Bill C-88, an act to implement the agreement on internal trade; Bill C-90, an act to amend the Excise Tax Act and the Excise Act; Bill C-91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada; and Bill C-92, an act to amend the Canadian Wheat Board.

That is not all. The next list is of bills in committee: Bill C-7, an act respecting the control of certain drugs, their precursors and other substances and to amend certain other acts and repeal the Narcotic Control Act; Bill C-58, an act to amend the Public Service Staff Relations Act and the Royal Canadian Mounted Police Act; Bill C-61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act; Bill C-64, an act respecting employment equity; Bill C-66, an act to amend the Western Grain Transportation Act; Bill C-68, an act respecting firearms and other weapons; Bill C-72, an act to amend the Criminal Code on self-induced intoxication; and Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act.

I might have something to say about that act in a couple of minutes.

The list continues: Bill C-86, an act to amend the Canadian Dairy Commission Act; Bill C-87, an act to implement the convention on the prohibition of the development, production stockpiling and use of chemical weapons and on their destruction; and Bill C-89, an act to provide for the continuance of the Canadian National Railway Company under the Canada Business Corporations Act.

Then we have bills awaiting or in report stage: Bill C-41, an act to amend the Criminal Code on sentencing; Bill C-45, an act to amend the Corrections and Conditional Release Act, the Criminal Code, the Criminal Records Act, the Prisons and Reformatories Act and the Transfer of Offenders Act; Bill C-52, an act to establish the Department of Public Works and Government Services; Bill C-65, an act to recognize and dissolve

certain federal agencies; Bill C-70, an act to amend the income tax application rules; Bill C-75, an act to amend the Farm Improvement and Marketing Co-Operatives Loans Act; and Bill C-76, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 27.

Just to top it off, bills awaiting start or completion of third reading: Bill C-54, an act to amend the Old Age Security Act, the Canada Pension Act, the Children's Special Allowances Act and the Unemployment Insurance Act.

(1150)

It begs the question of why the backlog is sitting there. Is the government actually in a situation of such poor management and planning that it would be expecting the House to be working exhaustive hours and that it would be expecting to be able to shove this kind of legislative package through in such a short period of time because of poor management and planning? Is that the reason, or is it legislation by stealth?

Legislation by stealth happens when a government decides it will regularly and frequently use time allocation, as pointed out by my colleague from Calgary Centre. One interesting thing happens when we get into legislation by stealth. We end up with legislation by exhaustion.

The standing committee that considered Bill C-68 finally rose at 1 a.m. I sat in on a few sessions which were very detailed and thoughtful. I commend the chairman of the committee for listening to all sides of the question, treating the motions by the opposition as serious motions, and allowing time for discussion.

To show the House how we end up with legislation by exhaustion, the parliamentary secretary to the justice minister brought in no less than 79 amendments to the legislation on behalf of the justice minister. Why in the world would a bill be so flawed, so full of holes, so badly drafted that the government would actually have to bring in 79 amendments to its own legislation? That is unheard of.

It is really hilarious that in committees there are a few rogues but as a general rule we find members vote the party line. The parliamentary secretary who sits in the meeting will say: "I really don't think this is good". Guess what? We end up with party members voting the party line. That is the way it happens in the House too.

In this instance I am happy to report that under legislation by exhaustion, as is being practised by the government, 2 of the 79 amendments brought forward by the parliamentary secretary were rejected by members of his own caucus. That is how disorganized the Liberals are. That is what happens when we end up with legislation by stealth and hence legislation by exhaustion.

Government Orders

It permits rushing bills through the House such as Bill C-76. The government has no mandate to bring it to the House. It allows the government to push it through under time allocation. It will also be able to push through Bill C-68 and Bill C-41, two of the more contentious bills, under the whole ruse of time allocation and pressure because there is so much legislation. It could have and should have been properly planned so the people of Canada and their points of view would be properly represented.

In a couple of minutes I will talk about the relationship of high taxation to Bill C-76 and the lack of understanding on the part of the Liberals with respect to high taxation. Before doing so, I quote the from an article in the *Calgary Sun* on the weekend entitled "Tax cheats grow" about the frustrations of Canadians:

COMPAS' survey of 820 adult Canadians last month showed respondents frustrated by corrupt politicians, government waste, overpaid officials and high taxes, in that order.

It's a common sense moral view that says if our leaders cheat I'm going to cheat.

I want to make it very clear that I am not suggesting for one minute anyone in the House is cheating.

(1155)

However I am talking about the perception of many Canadians in casual situations around the kitchen table or in a coffee shop. Common sense says that they do not understand what politicians are doing and think they are out of control. That is why I find legislation by subterfuge, legislation by pressure, to be completely unacceptable particularly when it comes to the issue of MPs pensions.

MPs pensions are a focal point or a pressure point the government chooses to completely misunderstand. Just because a few high paid people are at the front end who are in for the millions of dollars, the majority of backbenchers are prepared to go along with it. It is absolutely outstanding. In this case we have pressure on parliamentarians to bring the matter forward. I predict the MPs pension plan will be slid into the House and out of the House just as quickly as possible. Therein lies the frustration of people with coffee shop common sense.

I will deal with the bill specifically. Clause 38 of Bill C-76 gives cabinet far too much arbitrary power and discretion to decide how much to withhold and when and why transfers to provinces should be withheld. More significant, it allows cabinet to withhold any federal transfers, not just transfers under the CHST.

Clause 48 is probably the single most troubling clause. In the departmental briefing our researchers attended, officials told them their legal interpretation of section 13(3) was that it would be possible for the federal government to unilaterally impose national standards. If the government cannot provide us with a guarantee that any national standard must be arrived at with

unanimous provincial consent, we could not possibly support the clause.

We have a tremendous amount of difficulty with clause 50 and clause 51. They deal with the whole Liberal mindset of giving the government executive power, giving the government power that actually puts it in a position where it no longer has to refer to the House.

I think back to last June when we were in the pressure cooker. The government jammed through legislation on the Yukon Indian land claim settlements and Yukon self-government. It was jammed through the House. The difficulty is that although there were 14 land claims settled, only 4 were covered by the legislation. It means that kind of thing can come back to Ottawa and never see the House. There can be further settlements on behalf of the people of Canada by a closed group of people in the executive of government. It will never have the transparency that it must have in a democracy. It is just absolutely unacceptable.

We really have a lot of difficulty with clauses 50 and 51 in Bill C-76. Basically they give cabinet too much authority with respect to determining what is or what is not a violation of the CHST. They allow the government to withhold any federal transfer, not just the CHST transfer, if it concludes there has been a violation.

This raises the question of why they would do it. Why would they have this executive power? Why would they put this clout in the hands of the federal government? One of the main reasons is that it is a confused attempt to control social expenditures.

The government is famous for saying that it will be preserving health care. What an empty threat. As it keeps on diminishing the amount of money that is transferred to the provinces to administer the program, how in the world will they have any clout to preserve health care? The difficulty I have is the basic question that if the government is talking about preserving health care and if the government is doing away the ability to transfer funds to the people, how will it do it? It will do it by having the legislation and being able to point to the legislation. It is basically like saying we know we will not be transferring any money but if we could, we would not. It is an absolute joke.

(1200)

It also gives rise to concern about what is happening in Ontario where Lyn McLeod with her Liberal red book has absolutely laid an egg. The provincial red book being brother of big red book is seen for what it is, basically empty promises.

I and every person in Canada with the exception of members on the other side have seen from the time that Lyn McLeod introduced the red book her popularity started to slide. It is because people said they will not be taken in again.

Government Orders

With the will of the people of Ontario talking about workfare and with these clauses that give the ability to the federal government to withhold funds, is the will of the people of Ontario to be thwarted by the people in Ottawa who will say they will not be transferring sufficient funds for a workfare program? It has to be considered.

I talked earlier about tax increase. One of the wildest ones was the roll back of the Public Utilities Income Tax Transfer Act. Capital is capital, money is money; whether public or private, money is money and should be treated exactly the same way.

This was a direct slap to the people of Alberta. I am absolutely astounded the Minister of Natural Resources of all people did not have the fortitude to stand up to this onslaught on people and industries in Alberta. It is really shameful she backed off and was not there to be counted.

Perhaps I should explain my understanding of what the Public Utilities Income Tax Transfer Act is. Crown corporations such as B.C. Hydro and Ontario Hydro are not subject to certain tax provisions from the federal government, whereas private corporations that might be in the same utility business such as Trans Alta and other corporations like that are.

The purpose of the PUITTA was to give a credit. In other words, the public utility privately owned would then end up paying the taxes and receive a credit back from the federal government. By rolling it back the government under a different guise and under a different name basically gave a tax increase to the people who rely on the utilities in Alberta. It was not only Alberta, it was Nova Scotia and Labrador, two areas that can least afford that kind of subterfuge in terms of a tax increase.

In the case of Nova Scotia, one of the most interesting things is that there was an attempt on the part of the provincial government to turn around and get out of the hydro business. I suggest it is something that might be considered by Ontario Hydro, B.C. Hydro and the rest of the public utilities. There is a place for government and there is a place for private enterprise and the efficiencies that come with private enterprise.

Now if it does we can count on the fact that the federal government will have its hands in the wallets of the people of any other jurisdiction who choose to make what could be a very sound judgment otherwise.

I see two fundamental problems. I combine the issues of integrity and leadership. From the *Financial Post*: "High taxes turn Canadians into cheats". I will quickly address the question of integrity and leadership. From a June 3 article concerning a poll done recently for the *Financial Post*: "They cheated because they were disgusted with governments, politicians, regulations, the welfare system, bureaucrats and excessive taxation. Excessive pay to officials and politicians, government waste and especially political corruption are the main drivers of citizens' desires to tax cheat. The message for politicians is

they should focus on their own personal conduct if they do not want citizens to destroy the welfare state through the silent rebellion of tax cheating.

(1205)

"Besides documenting the degree of outrage and dissatisfaction with the government in this country this poll reveals that Canada's current levels of taxation are simply not collectable from a large segment of the population. Put another way, it means that most Canadians are unwilling to support the current level of government spending".

That is instructive because in the Reform Party's taxpayers budget we recognize that. We balance the budget. We stop the overspending within three years without one dime of a tax increase. This survey absolutely underscores that. I repeat: "Put another way, it means that most Canadians are unwilling to support the current level of government spending". There is absolutely nothing to give me any cause for comfort that the government has that message yet.

What happens when the government does not listen? What happens to taxes and tax cheats? Here are a few of the points discovered by this survey. Two out of five or 42 per cent admitted paying cash for goods or services in order to avoid taxes, GST or provincial sales taxes. One out of five or 20 per cent admitted they have hidden income in order to evade income tax.

Another 14 per cent said they have either smuggled or bought smuggled cigarettes or alcohol to avoid paying taxes on these commodities; 72 per cent said they would pay cash to avoid taxes if given the opportunity; 56 per cent said they would hide income if they could; 34 per cent said they would buy smuggled cigarettes or alcohol or smuggle them into Canada if they had the opportunity; 13 per cent admit they cheated whenever possible by paying cash; 5 per cent hid income whenever possible; 3 per cent bought contraband goods or smuggled goods whenever possible.

Further on in the survey it was pointed out that 15 per cent of Canadians said they will definitely tax cheat in the future by paying cash under the table; 8 per cent said they would hide income; 5 per cent would buy contraband or smuggle goods. Of all surveyed, 53 per cent said they personally know people who pay cash under the table; 37 per cent said they know cigarette or alcohol smugglers or buyers of contraband; 36 per cent said they had knowledge of people cheating by hiding their income.

A staggering 77 per cent of those polled said they have become more determined to avoid taxes than before. Of this percentage, 42 per cent said they are much more determined to avoid taxes; 35 per cent said somewhat more determined. Only 16 per cent are less or somewhat less determined to avoid paying taxes in the future.

Government Orders

This comes about in my judgment through the lack of a clear exhibition of integrity and leadership on the part of politicians. We have a core problem, integrity.

I have come to know some of the government members and I appreciate them, their friendship and their integrity. In the last election under the red book and under the promises and under the whole political process, were they ignorant that they could not fulfil the promises or did they get into government by stealth?

There is one person in my mind in the House who stands out as being a person of quite exceptional integrity. This person was joined by the member for Halifax and the member for Beaches—Woodbine in a press conference clearly setting out his objections to Bill C-76. All three of them were absolutely decrying Bill C-76, how it could not work, how it should not work, how it was turning its back on the principles under which the government was elected. All three did it and only one of them still stands to this day, the hon. member for Notre-Dame-de-Grâce.

(1210)

Let me make my position really clear. There are very few things which the member and I would find in common. I totally disagree with his position on gun control. I completely disagree with his position on criminal sentencing and the rest of those provisions, and I absolutely reject his position on Bill C-76. He came to the House, elected by the people of Notre-Dame-de-Grâce to represent them as their member of Parliament. He said he would stand up for what he knows to be right.

In a quote from the Ottawa *Citizen* today, under the member's name who will vote against the budget:

Accusing the Liberals of betraying their principles and renegeing on campaign promises to protect social programs, the veteran member is planning to vote against his government's budget today.

"I cannot contribute to tearing down a system which I for 29 years in the House helped build up with the Liberal Party", (he) told the Commons during final debate Monday on a bill to implement last February's budget.

The bill contains provisions to cut \$7 billion from federal transfers to the provinces for welfare, post-secondary education and health care and role those transfers into one block fund.

(He) predicted the social program cuts will hit those in need the hardest, "widen the gap between the rich and poor" and lead to "social unrest and increased crime". And he said they could "quick start or aggravate a recession that might be coming on".

I want to reiterate I do not agree with the member's point of view. I would find it impossible to stand with him when he votes against this bill on the same matter of principle. I think he is completely wrong. It even borders on being immoral when the government of the day turns around and says to members on the gun control bill: "You did not vote our way, you are out".

This member has been an outstanding chair of the justice committee. What will happen? Is the Prime Minister to oust him as well? What happens when he does? What he does then is undermine the whole issue of integrity and leadership on the part of politicians.

In 1994 the government had a unique opportunity. It is true that its members came to Ottawa either in ignorance or stealth, misunderstanding the reality of what was involved with the economics of the day, totally missing the mark, decrying the fact that the Reform Party had the audacity to tell people the biggest single problem was the debt and the way it was eroding social programs.

In 1994 they missed the opportunity. They arrived here with unrealistic expectations, and clearly the budget of 1994 showed that. In Bill C-76 and under the budget of the finance minister for the first time in 25 years we saw a real cut in spending of a net reduction of approximately \$10 billion. Unfortunately because the government arrived here with unrealistic expectations, in the intervening period from October 1993 until February 1995 guess what? Interest charges had increased \$10 billion. Here we have this government taking \$7 billion out of social spending, a total reduction in expenses of \$10 billion, which will impact everyone in Canada, only to pay the extra interest on the money that they have had to borrow in the same period of time. It is called treading water.

(1215)

At the moment under the government we are giving away our sovereignty. He who pays the piper calls the tune. Right now we are turning that tune over to foreign investors who are coming in and in their own wisdom are continuing to fund the expenditure binge of the government.

The government is taking Canadians \$110 million further into debt every single day. That is \$1,800 per second. We are further and further into debt. We are destroying our ability to sustain health care and pensions.

I decry the government's lack of leadership and its offloading on to provinces. It fails to realize that there really is only one taxpayer.

I also draw to the attention of the House and to Canadians the fact that it is bringing pressure and through that pressure are bringing interesting ways to be able to push legislation through the House.

I call on Canadians to make the government accountable. Do not give it the free ride it is getting at the moment. Make it accountable in its constituencies by phone.

Government Orders

Finally, in bringing forward Bill C-76 the government shows a lack of integrity, because there is no mandate for it to bring forward Bill C-76. As a consequence, I will be voting against Bill C-76.

Ms. Marlene Catterall (Ottawa West, Lib.): Madam Speaker, I am pleased to participate in this debate.

This is not an easy budget and it certainly has been the subject of a great deal of discussion. It does signal some fairly significant changes in the way government in this country carries out its business and its service to Canadians. Nonetheless, notwithstanding what the member who just spoke had to say, I think we realized very well when we ran for election in 1993 and when we made certain commitments to Canadians as part of that election that this country was facing a difficult economic situation.

Certainly a good part of the commitment we made to Canadians was a commitment to deal with that very difficult economic and fiscal situation. This budget is stage two of doing that and of continuing our two prime commitments to the country: one, jobs and economic growth to provide a more prosperous future for all of us and for those who come after us; and as part of that, deficit reduction to a target of 3 per cent of GDP by 1997, half of what it was when we took office.

It is really important to remember that without achieving that target many of the other things that we want to do as a government and that I believe Canadians want to do as a nation will not be achievable.

Let me speak of a couple of things in particular on which I have been receiving a great deal of feedback from constituents and from others. One thing is the Canadian health and social transfer, which is certainly a cause for significant concern. It is one of those major changes I talked about in how we carry out our responsibilities as a government in this country. I do not think it helps to pretend that it is not a significant change when it is. However, it was a necessary change in order for the federal government to maintain some influence and some impact over health and social programs and post-secondary education.

(1220)

By combining the transfers to the provinces to cover those three fields of post-secondary education, health, and social services, what we are doing is maintaining the ability with smaller amounts of money to have some influence on all three areas of expenditure.

I think we are also getting rid of some rigidity in the system. As one who has worked closely with a number of agencies in my community, I am well aware of the frustration that has been there with the stringent requirements of existing social programs and the existing Canada Assistance Plan Act, which prevents really innovative and often preventive programs from being funded under the current act and under the current transfer

programs. As a former municipal councillor, I well remember the frustration of some very good programs not being eligible for federal funding.

The combined transfer allows the provinces to be more innovative. I expect and hope to address prevention in the delivery of all three of those programs. It also signals very clearly that those three programs are very much linked. Education is very much a part of solving some of the social problems this country has. Health is very much a part of solving both educational and social problems that we have.

I would like to provide some information that will make that point very clear. Let us look at the poor children in our country. It is a shame for a country with the wealth that Canada has to have well over a million children living in poverty. A poor child is four times as likely to become seriously ill, die, or even commit suicide. Poverty has a direct impact on our health services and of course on the quality of life for those families living in poverty. A poor child is only one-quarter as likely to go to university as the average Canadian child.

I learned a long time ago that these issues are not separate from each other. There is not much point in treating an elderly woman for bronchitis and then sending her back to a damp basement apartment because she cannot afford adequate housing and does not have enough money in her purse to feed herself properly. She will soon be back, if not with bronchitis then with something more serious, unless the whole problem of her social environment and the amount of money she has to live on is dealt with.

With the combining of these payments I certainly hope that the provinces will start recognizing the link between these three fields of public policy and public spending and start to set the priorities so that we are dealing in preventive ways. We are concerned about the extra cost of our health care system. Yet I believe that unless we deal with the social problems, in particular the issue of poverty, which tends to contribute to ill health, then we are never going to solve the problems of an ever growing cost of health care.

People are concerned about national standards and so am I. Very clearly we are setting the residency principle that no matter where you live in Canada, people cannot be required to be a resident of a province to be eligible for social assistance.

(1225)

There are two other principles, which are not incorporated in the legislation and which I am concerned about and have heard concerns about. It is all the more important to recognize that the combining of payments to the provinces is a way of keeping some clout in all three fields as our share of those expenses diminishes. That has been happening under the existing agreement and will continue.

Government Orders

I hope we will endeavour to negotiate as national principles with the provinces that need be the basis of establishment—anybody in need would be eligible for assistance—and that there be an appeal process to the social welfare system.

Another issue of great concern to my constituents is the significant and dramatic changes we are making in the public service.

We have taken a thorough look at what government does, and in virtually every area of government activity we are looking for better and more efficient ways to serve Canadians at less cost. The result of that over the next three years is going to be a substantial reduction in the number of people working for the public service.

There are measures in the bill that will make it easier for those affected by the downsizing to get on with their lives in a number of ways. We expect a vast majority of people will take advantage of the early retirement incentive, which has already been passed in regulations. It will enable them to leave the public service on full pension and remain in their communities as contributing members.

The second measure in the legislation is the early departure incentive, which will allow people to voluntarily leave the public service and get on with other opportunities or another job.

I compliment the President of the Treasury Board for showing some flexibility on how the downsizing is being managed and for doing what appears to have been resisted a few months ago: allowing people who are interested in leaving the public service to vacate their jobs and make room for somebody else who does not want to leave at this time.

As long as we are spending one third of the taxes we collect from Canadians just to pay interest on the debt, there will continue to be pressure on our social programs, pressure on the services government can deliver. It is extremely important therefore that the primary direction of the budget is to reduce the deficit, reduce the amount we are wasting on interest. I regard it as a waste because it accomplishes nothing for us. Yet the amount continues to spiral every year and will continue to eat away at everything we want to accomplish as a government and as a nation.

I encourage the finance minister to continue with greater tax fairness, as he has done in the budget. I encourage him to look at every way possible of reducing the foreign debt, because it is money going out of our economy and not being taxed in Canada.

There are things that many of us do not want to see in the budget, but I believe that fundamentally it is heading in the right direction.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, I appreciate the opportunity to ask some questions today and to make a comment or two.

I listened thoughtfully to the member's comments regarding Bill C-76, the matter before us today for third reading. I found her remarks quite interesting.

(1230)

I do have a couple of questions I would like to ask. The first question relates to the farm subsidies that are important to the people in my constituency. The second question relates to the health transfer. These are matters I addressed yesterday at report stage.

I am quite concerned about the long term implications on the prairie economy, particularly on those communities that are affected by the elimination of the Crow benefit as a result of this legislation. It has been estimated that each delivery point on the prairies served by the Western Grain Transportation Act will lose approximately \$1 million annually as a result of this legislation.

Within my constituency are some 40 to 45 elevator points that could be classified in this category. This means that the farm communities in my constituency will lose \$40 million to \$45 million a year in funds that are currently in those communities. For example, \$1 million every year out of the town of Glaslyn is quite significant.

This is the first question I want to put to the hon. member opposite. In any of her discussions with her colleagues, whether they be members of the cabinet or just members of her caucus about support for this bill or in any of the research she has done, has she seen or investigated any reviews that look at the implication of the removal of the subsidy on the farm communities of western Canada?

This money is supposed to be replaced by investments for value added production. I wonder if she knows of any study that has been done of where the investment capital is coming from to support the value added production on the prairies?

The Acting Speaker (Mrs. Maheu): The time for questions and comments should you wish an answer is nearing an end. Would you please give the member time to respond if you wish her response.

Mr. Taylor: Madam Speaker, I appreciate your intervention. Although I have other questions for the member, perhaps if I could have an answer for those two, it will satisfy me for the time being.

Ms. Catterall: Madam Speaker, I do not represent an agricultural community although the preservation of the agri-food industry and the preservation of strong agricultural production in this community is of great concern to me and to my constituents.

Government Orders

I am not an expert, as the member well knows, although I understand his need to make these statements and ask these questions in the House. He knows this is not an area of expertise for me and it would be unfair of me to even try to provide an answer to the kinds of questions he has asked.

I am sure the minister would be more than happy to share with him any reviews that have been done to provide whatever level of briefing he would like to have provided to him and to answer any questions he has.

I am quite surprised he is asking these questions in the House of somebody he knows does not have expertise in that field instead of already having sought those answers from the minister. After all he has had over two months to follow up. I would encourage him to do that since I know the minister would be most happy to co-operate in providing him with any documentation and any explanations he needs for his constituents.

(1235)

Mr. Taylor: Madam Speaker, on a point of order, could you clarify for me how much time was used on questions and comments?

The Acting Speaker (Mrs. Maheu): A little over five minutes.

Mrs. Jane Stewart (Brant, Lib.): Madam Speaker, with pleasure I rise to debate third reading of Bill C-76. As you know, I am a member of the finance committee and have been inextricably intertwined with the development of this bill for the last nine months.

Nine months ago the Minister of Finance came to the committee and directed its members to begin the first ever prebudget consultations. This was the first time the finance committee went out in advance of the preparation of the budget to talk with Canadians about their will, their concerns, their interests in the preparation of what is possibly the most important aspect of the legislative year.

During the debate committee members talked with over 600 members of the Canadian public about the budget. Despite what the member for Kootenay East said in his reference to time allocation, I can say unequivocally that this budget has probably had more discussion, more debate, more consultation than any budget to date in the history of the Parliament of Canada.

When we talked with our fellow citizens it was clear and interesting the level of consensus that we were able to build. The message from the Canadian public, from region to region, was very similar. In effect, they agreed that the government must take responsibility, that the deficit must be reduced and the debt managed. There was agreement to that. There was agreement by

and large that the method of reduction should focus on expenditures as opposed to revenue or tax measures.

The people of Canada said to the committee, as members of government and members of Parliament, to take a message back to the minister that said start with government and then move to program reduction, but please start with government, get your own House in order. That made sense to us.

It was in December when the committee reported to the Minister of Finance. Then as an individual member of Parliament I went to my riding of Brant and had lengthy discussions with the constituents there. I had public forums and individual groups of Canadians actually took it upon themselves to think about the issue of budgetary management and fiscal responsibility. I congratulate them for the time they spent in preparing briefs that were subsequently presented to the finance minister.

After that we waited. The budget was presented in February and in the interim we know what the international community was like. Things were upset financially. The international community challenged us to make sure that a tough budget was brought in. We watched with trepidation, with worry but knowing all the time that the minister would respond directly to the information he received from the committee and from those of us who as members of Parliament provided him with our points of view and the points of view of our constituents.

In February the minister did proffer a budget that responded to the needs of Canadians. He clearly indicated a direction so that we will move to a deficit of GDP ratio of 3 per cent as we promised in our election platform and in the red book. He has listened to Canadians because the deficit is being reduced primarily through expenditure reductions versus revenue measures in a ratio of seven to one.

Finally he responded to the issue of getting government right, saying that cuts will be made in government first and then move to programs. When this is looked at we find a new structure has been created for the federal government. We are embarking on a change in the role of the federal government.

As the system of legislative review progressed the finance committee took the budget bill into committee and continued its deliberations and its open consultations with the people of Canada and talked further about the details as they had been laid out in Bill C-76. It was interesting that the focus of the debate in committee shifted. People feel that the government has taken fiscally responsible initiatives.

(1240)

The nervousness in the public marketplace has quieted and we are now looking at the thing which we call new government structure. We spent a lot of time talking about the structural changes, because they are different.

Government Orders

I have to make the analogy that we have given birth to something which is quite new. It is significantly different from what the people of Canada have seen in the past. Government has been restructured. Many departments have been downsized. There will be a physical downsizing of staff to the tune of 45,000 individuals. Longstanding Canadian assets, CN for one, will be privatized. Finally, but not exclusively, the way that some transfers to the provincial governments are made will be changed.

We have something which is distinctly new and something which is very different. Our job now as a government is to recognize that we have created a fiscal framework which is fiscally responsible and under which we as a Liberal government must continue. We must develop our baby in a very Liberal way.

We looked at the strategies which the government has planned. The Minister of Human Resources Development will be presenting a new strategy for unemployment insurance in September. The government is undertaking and will over the next year begin discussions on pension review, looking at the CPP and all the bits and pieces that go into providing a safe and secure retirement for Canadian citizens.

The new block transfer to the provinces has to be looked at very carefully. It is quite a different transfer than in the past. It is a block transfer. It contains the same standards of requirement for health care, but it addresses education and social assistance as well. We have to be very careful with that transfer because it does talk to our future as a country.

I was fascinated by the witnesses as they came before the committee and encouraged us to maintain national standards, a federal presence in the continuing development of those programs, while recognizing the need for flexibility and control in the provinces. With that transfer we have provided an opportunity to do just that.

The Minister of Human Resources Development will be working very closely with the provinces to build a mutual consent on the development of new principles and guidelines. That speaks volumes about a new structure, a new role for the federal government, and its responsibility to facilitate discussions among the provinces to find the best possible strategies to provide health care, solid post-secondary education and social assistance. It gives the government a new opportunity at the federal level to use different strategies and not just the control of cash, which continues to be very important.

In the report to Parliament at report stage the finance committee indicated that it would prefer that the Canada health and social transfer continue as part of the federal responsibility over the next number of years. However the government must facilitate discussion. It must consider using new technologies and

new techniques, perhaps like a social audit, comparing provincial successes in these different areas. That is the job which we as parliamentarians take.

One of the critical situations which will occur is the loss of 45,000 public servants. I recognize that our public service is the best public service in the world. As did my hon. friend from Ottawa West, I would like to mention that the President of the Treasury Board did respond to the very good submissions made by the public service unions and has put together a labour and management committees to ensure that the downsizing is done in a humane, fair and equitable manner.

(1245)

These kinds of activities speak volumes to the kind of government we are. It will be important for us as a government to now work within a new fiscal framework, to continue the Liberal tradition of providing fairness, equity, compassion and understanding so that we continue to be the best country in the world in which to live.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, my comment relates to my earlier intervention. I did ask the member who spoke just prior to this member some questions about the farm economy. The bill in fact addresses the farm economy quite significantly. Whether or not members of this House are from farm constituencies, they have an obligation to understand the implications of legislation on all Canadians regardless of where they live.

I would have thought that a bill that has such substantial impact on rural Canada would be something that all members of the Chamber would be able to address. It seems to me that we as MPs have an obligation to Canadians as well as our own constituents.

The member indicates she is a member of the finance committee. Is she aware of any studies relating to the long term implications of this legislation on rural communities? Specifically where will the investment to replace the lost income come from to ensure that these communities are able to continue to exist?

Keeping in mind what I said earlier, in my constituency alone income that presently exists, up to some \$40 million a year will be lost as a result of this bill, all from rural communities. A considerable investment will have to be made in order to make that up.

My other question deals with the health care part of the bill. The member will recall that earlier this week the Canadian Hospital Association expressed what it said amounts to a call to arms against the plans in this bill for health care. Essentially the Canadian Hospital Association president said that the reluctance of the federal government to match its moral commitment with a financial commitment is inexplicable.

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Can the member of the finance committee explain what has happened to the federal government's fiscal commitment to health care?

Mrs. Stewart (Brant): Madam Speaker, the member spoke directly to the comments I made earlier. The point I was making is that this budget creates a whole different structure for the federal government in terms of what it looks like and the role it plays.

When we look at the implications for agriculture particularly, I represent a combined rural and urban community. I am very sensitive to the needs of rural Canada. I can tell the hon. member without a doubt that the rural members in our caucus have talked long and hard about the implications here as we have done with health care, with education, with downsizing, with all the structural changes that are occurring as a result of this budget.

The minister who is responsible for agriculture and agri-food is from Saskatchewan. Rest assured that the issues facing rural people are front and foremost in our caucus, in our cabinet. We do recognize that we have to watch the implications of this budget in the long term and plan to ensure a strong and healthy future for rural Canada.

When we talk about the health issues, the government is fully and totally committed to the five pillars that currently exist under the Canada Health Act. That has not changed and will not change. It is a hallmark of our government to maintain full and solid health care for Canadian citizens.

(1250)

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, to speak on this bill to implement the budget is a challenging task, as it forces us to put in plain words the sweeping changes proposed in this budget, changes which will affect provinces with the largest percentage of underprivileged people more than the others, and Quebec in particular.

The federal government announced its intention to bring about deep structural changes in Canada and that is what it is doing with this budget, without any debate except for this budget debate. This budget is choking the provinces which are the worst off by reducing transfers dramatically. At the same time, the central government keeps making surpluses on the UI fund. Now, the government wants to retain the ability to impose on all the provinces common direction and principles.

I will start with this latter aspect. First of all, let me remind you that, as soon as this bill was introduced, the Bloc Québécois denounced the excessive powers the federal government is giving itself with this bill, presumably to implement as required national standards to other social programs.

Since social programs are later described, in clause 53, as including programs in respect of health, post-secondary education, social assistance and social services, it is obvious that the government intends to use transfer payments to impose standards regarding other social programs as required.

Our interpretation was endorsed by many. But when the Official Opposition held an opposition day on the budget and Bill C-76, the Minister of Finance furiously criticized this interpretation. Strangely enough, to be able to criticize us for our misinterpretation, the Minister of Finance himself had to put forward amendments to his own bill. That is right, Madam Speaker.

An hon. member: Himself?

Mrs. Lalonde: Himself. We, in the Official Opposition, have not been sitting in this place for very long, but from what we are told, it is quite unusual for a finance minister to put forward, just to prove his point, amendments to his own legislation, amendments which in this case were submitted in writing only weeks later.

When the Minister of Finance takes the trouble to prepare amendments well in advance, you figure that this time, he is going to try and fine-tune the bill and incorporate what he says into the act. So, what did he say?

He said: "We want to give flexibility to the provinces." Great! Now, what does his own amendment to his bill say? Basically, it says the following. Perhaps it comes as a surprise to the finance minister that the Official Opposition can read bills.

(1255)

Clause 13 essentially says this: Subject to this Part, a Canada Health and Social Transfer may be provided to a province [—] for the purposes of: (a) establishing interim arrangements to finance social programs [—]. It has been said that the provinces should enjoy greater flexibility. (b) maintaining the criteria and conditions in the Canada Health Act [—]; (c) maintaining the national standard, set out in section 19 [—]; (d) promoting any shared principles and objectives that are developed, pursuant to subsection (3), with respect to the operation of social programs [—].

Again, what are these social programs? They are those we identified earlier: post-secondary education, social services and welfare. This clause can only be read as follows: "A Canada Health and Social Transfer may be provided for the purposes of", among other things, "promoting any shared principles and objectives that are developed, pursuant to subsection (3)".

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The government will use the transfers to promote these principles. Ah! Whenever the central government uses its transfers to promote something, there is cause for concern. As the old saying goes, "Old habits die hard".

What does subsection (3) say? It says this: "The Minister of Human Resources Development shall invite representatives of all the provinces to consult and work together to develop, through mutual consent,"—not unanimous consent but mutual consent—"a set of shared principles and objectives"—for the social programs being referred to, namely post-secondary education, social services and welfare—"that could underlie the Canada Health and Social Transfer".

The only good news is that the Minister of Human Resources Development would invite representatives of the provinces. Yet, since the minister was elected, he has not seen fit to invite the provincial employment and human resources ministers. It says that he would invite them, but it does not say when.

That clause, with its various paragraphs and sub-paragraphs, can only be interpreted as reflecting the federal government's intention to use transfers to promote principles which are not unanimously approved—thus leaving the possibility that Quebec, and perhaps other provinces, might not agree—, but which are common principles. The idea is to use transfers to promote common principles.

Considering how careful the Minister of Finance was before submitting his amendments, it is clear that the government intends to meddle even more in provincial matters. The goal is crystal clear: to ask the provinces to follow common principles and objectives regarding post-secondary education, social services and social assistance.

However, the provinces are fed up with the cuts announced. What are these cuts? I will repeat them, but I will use a different perspective. We were told on numerous occasions that these cuts would total \$7 billion but, in fact, it is more than that and those who are listening to us realize that.

When someone's salary is reduced—for example, if a person earning \$450 a week is told by the employer that he or she must accept a \$150 cut per week so that the company will survive—that person knows that the cut is either temporary, which means that he or she will lose \$150 multiplied by the number of applicable weeks, or permanent, which means that he or she will lose \$150 every week.

(1300)

However, when the provinces are faced with a \$4.5 billion cut one year, followed by a \$2.5 billion the next, the total is not just \$7 billion. From 1994–95 to the end of 1997–98, the provinces will have been deprived of \$12.3 billion. This means that the cuts which they, in turn, have to make are not temporary ones. They have to be structural cuts, since they do not even know what to expect next.

Quebec is particularly affected. It will lose at least 27 per cent of those \$12.3 billion. This is an enormous amount, given that, from what we hear, the reform announced in Montreal, which raises so many concerns, will result in savings of only \$180 million. I say only, because that is the sad truth. So when we hear members singing the praises of renewed federalism, I think they have a lot of nerve—and I hope "culot" is not unparliamentary—because the truth of the matter is that these changes will bring about major disruptions in the services that people receive. And thanks to federalism, these disruptions will be blamed on the provinces.

The provinces will have to cut spending, and the public will suffer the consequences this will have for health care, education, social services and welfare. National standards for health care will be maintained but the provinces will have to cut back drastically, perhaps not so much on health care but on education, welfare and social services.

The government announces reforms but makes these cuts without considering the consequences, because it wants to cultivate this image of a responsible government, and so it transfers the problems to the provinces and the private citizens. Meanwhile, and this is not in Bill C-76, it is in the budget but is not mentioned because it has separate legislation and the government is not going to meddle with unemployment insurance just now, the government is letting the Unemployment Insurance Fund run a surplus. Five billion dollars this year alone. Five billion dollars next year.

Soon there will be another recession, and people are predicting one, although we are right in the middle of a so-called upturn, but it is not a good time for everyone. It is not a good time for a lot of people, and now they are predicting another recession. When? Who knows? In a few months, in a year or two years, but the fact remains that the provinces, which have seen their welfare rolls increase even now, during this economic upturn, and it was like that this month in Quebec, the provinces will be stuck with dealing with an increasing number of people on welfare and the accompanying increase in social needs, while the federal government has this fund, so that it will not only be able to maintain unemployment insurance benefits but will also be in a position to lend a helping hand to the provinces while intruding on their jurisdictions. It will no longer have to set certain criteria for programs. It will make the decisions itself. The government itself will intrude into fields that are not its own.

(1305)

Yes, Mr. Speaker, we are changing Canada. Much more surely than if we amended the Constitution, but not in terms of flexibility. No. The only flexibility in this is the flexibility to cut. Some flexibility. All the rest gives the central authority—as in Bill C-76 and other legislation—the central government powerful means to change the structure of Canada by making Ottawa even more the brains and operational centre of Canada,

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to the point where the provinces will soon hardly even be regional structures, they will be branches of Ottawa.

Quebecers are a distinct people and form a distinct society. They have repeatedly tried to make a place for themselves in this country. Their demands were modest. Inadequate would be a better word than modest in terms of what Robert Bourassa asked for at Meech Lake. Quebec kept getting “no” for an answer. Now, reforms are being made, but not the reforms Quebec wanted. These reforms are in completely the opposite direction and they are leaving Quebec much worse off.

Quebecers now know that their only hope lies in solidarity, in combining their tax dollars so they can plan, be prepared and invest where they want rather than have the course of the province's development imposed by a central government, which cuts where it feels like it and collects money where it feels like it.

Those of us on the Standing Committee on Human Resources Development heard repeated calls for strong national standards across Canada, except in Quebec. We have nothing against generous social services for everyone, quite the opposite, but we want to establish our own standards, because peoples and nations organize themselves, run their economy and do business according to their own priorities and objectives.

Under existing conditions, Quebecers have no choice, if they want a future, but to gather up their money and their means and make their own laws and treaties.

[*English*]

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I am very pleased to have an opportunity at third reading to discuss the federal budget and specifically the implementation legislation that we have before the House today.

There is no question in my mind that I fully support this budget. I fully support Bill C-76, the implementation bill that will bring it about. I believe that the actions the Minister of Finance has taken and the actions this government has taken are appropriate and necessary.

(1310)

I understand that not everybody in Canada is happy with everything in the budget. However, the important thing is that most Canadians, although there are things in the budget they might not like, realize that the action that was taken was necessary, given the fiscal situation the country found itself in.

The average Canadian out there understands what members of the opposition do not understand. That is, if we are to have the government act responsibly and if the government is to cut back

expenditures, then there will be an impact on individuals. Canadians understand that and know that is to happen. Because they realize the necessity of it, this budget has widespread support in the country.

This is a good budget because in it government recognizes that it has two basic responsibilities and that both responsibilities have to be fulfilled if the country is to operate efficiently and with a social conscience. Those two responsibilities, quite simply put, are fiscal responsibility and social responsibility.

We have a fiscal responsibility. We have a responsibility as a government to operate in a prudent manner. We need to be businesslike but remember that we are not a business. We must ensure that each Canadian taxpayer receives full value for each dollar that is spent.

However, in addition to this fiscal responsibility, the government understands and Canadians understand that government also has a social responsibility. We do things not to earn a profit from doing them but because they are the right things to do. We fund medicare as a federal government not because we can make money at it but because it is appropriate to provide Canadians with medical care. We have an old age security system not to make a profit on it but because we believe, as Canadians, that it is appropriate that we collectively provide for the security of those in our society who have reached 65.

It is important for us to understand that government has this social responsibility in addition to this fiscal responsibility. It is also important for Canadians to understand, which I believe they do, although I do not think the opposition understands, that we cannot have one of these responsibilities without the other.

Before I came to the House I had a job in the private sector. I had the opportunity to work with people who were in financial difficulties. In a large sense what we face as individuals in our family budget is not a whole lot different from what the country faces today. The options on how to deal with it are frankly not a whole lot different. I have had individuals who have come to me in financial difficulty. Perhaps they bought a house that was larger than they should have and their mortgage was bigger than it should be. Perhaps they bought a larger car or a second car and went into debt more than would have been prudent. Perhaps they ran up their credit cards on things that maybe they should not have bought. At the end of the day they find themselves overcommitted financially, much like Canada today finds itself overcommitted financially.

There are a number of options you can take as a financier, just as there are a number of options the government can take. You can be, as some members in the Bloc have suggested, like the bank and

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say: "Oh, you are in difficulty. You are having difficulty with your finances. I will tell you what I will do, I will just increase your credit card limit by another \$5,000 so that you can go out there and maintain the level of expenditures you have always had." This might work for a month or two, but it is not going to work in the long term and it is not the fiscally responsible and for that matter the socially responsible thing to do, either as a government or as the individual banker who might be dealing with that client.

Or you can take a different approach, the approach the Reform Party has often talked about in the House in terms of how to handle an overcommitted debt situation. We can say to a person: "You are going to absolutely stop spending now. We will go down your budget and hack out. It does not matter whether you are going to have enough money to feed your family or to keep at least one car on the road so you can get to work, or whether you will be able to buy clothes or pay for your kids' education. No. The only thing we are going to think about is that you are overcommitted financially. We will cut that all out right now and at least balance your budget. You might starve and you might not have any shelter, but by Jiminy Cricket, we will have your financial situation in order".

(1315)

That is what the Reform Party suggested in its counterbudget. It said we should slash everything and get it all down into a nice neat package in three years. It just does not work that way, just as it would not work for the bank client to simply cut everything at once.

There is an appropriate middle course to take. It is one we would take as individuals and one we have taken as a government. It is simple. We would come to an understanding that we have spent too much, that we are overcommitted financially and that we do need to put our house in order, but we must do it in a responsible way. In the case of an individual the debt would probably be consolidated and the payments spread over a number of years so the payments could be made according to the level of income. In time the problem would be resolved.

A fiscal regime is not imposed that is impossible to live with. The federal government has taken this approach. It is understood that our expenditures were too high. It is understood that we were spending too much money. It is making the adjustments in a gradual, prudent, responsible way that Canadians can afford.

This is the essence of the budget. It is what makes the budget work. It is why the budget is accepted across the country. Canadians instinctively understand that we have taken an approach they would have taken in dealing with their own family budgets.

I want to compliment the minister and the government for having seen clear to take this approach. We will move ahead in

the next fiscal year and the following fiscal years. We will improve our financial situation and improve Canada's fiscal situation year after year. We will do it in a manner that understands our social responsibility and which maintains the social safety net for Canadians. It will maintain the Canada we have built over the last 50 years, a Canada we are proud of and a Canada which the Liberal government is committed to protect.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, I would like to compliment the member opposite on his speech, particularly since during his speech he referred to the Reform Party as the official opposition, which is what really has been happening in the House.

The member went into detail on his private life, particularly in terms of private individuals who are overly committed financially and how he would fix their situation. I find it rather ironic that if the federal government were in the same position as any business or individual, it would have been bankrupt a long, long time ago.

At a time when the provinces are balancing their budgets, one after the other all the way down the road, the member seems to think that the federal government is somehow different, that it does not have to balance its budget. It is off somewhere after a future election, off into the sunset somewhere, which is very much the old style promises of the old style politics.

Why does the member think that the federal government is different from the provinces which are balancing their budgets one after the other all the way down the line?

(1320)

Mr. Mitchell: Madam Speaker, if I referred to the Reform Party as the official opposition, I certainly apologize for that. I certainly did not mean to provide that party with a status it does not have and never will.

No one is suggesting that the federal government does not need to balance its books. It needs to eliminate its deficit and in time bring its debt down. Similarly, as individuals if we were overcommitted at some point in time we would want to bring our individual debt down and to spend only what we were bringing in in a given year. The Reform Party is suggesting that we do this at a pace and in a manner which totally ignores the needs of individual Canadians.

I can go to any budget for a business, an individual, a government or a province and I can look at certain lines, rip them out and come to a balanced budget. That is easy. It is simple. However, we have to remember that behind each line on the budget, behind each stroke of the pen, there will be an impact on people. We have to remember the impact it will have on people and not simply do a number punching exercise.

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The same thing holds true for the government as holds true in our personal lives. We have to be responsible, we have to be prudent and we have to remember the consequences of our actions. The government will balance its budget. It will bring its financial house in order, but it will do it in a responsible manner which will recognize the needs of individual Canadians.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, the hon. member began his comments today by saying that the budget measures were necessary. I wonder if he could clarify that.

This move today takes approximately \$1 million per elevator point away from communities in western Canada. The budget bill essentially withdraws about \$400 million worth of federal commitment from the province of Saskatchewan alone with no plans in place to manage what is left behind. Can the member tell us today how it is possible that he thinks it is necessary?

Mr. Mitchell: Madam Speaker, it is very important that we remember that all Canadians, all parts of our society are going to share in it. Have there been reductions in Saskatchewan? Surely there have been, as there have been across the country. Everybody has to pitch into this equally everywhere. Provinces, individuals, businesses, agriculture and industry, we all have to work together on this.

Mr. Brent St. Denis (Algoma, Lib.): Madam Speaker, I commend the hon. member for Parry Sound—Muskoka. As a fellow member in the northern Ontario caucus under his chairmanship I know he is an excellent member of Parliament for his riding. In his short but effective speech over the last few minutes we have seen a side of the member which is not surprising but is very inspirational. I would like to tell the member publicly that his comments were right on the mark. He said many very important and true things.

I will reiterate something which the hon. member said, and I may be paraphrasing him. We have our Reform colleagues and thankfully they are not the official opposition. His apology should have been to Canadians, not to the Reform Party. The Reform Party is constantly calling upon us to run Canada like a business, like a bank or like a large corporation. It is one thing to run a country in a businesslike fashion; it is another matter to run a country like a business.

(1325)

The member for Parry Sound—Muskoka hit it right on the head when he said that a government is first about people. In February the Minister of Finance presented a budget that was about people, about Canadians. While wanting to preserve those things in our society that make Canada a special place, he also presented things that deal with the concerns Canadians have that we respond effectively to our deficit.

We know that each year our national debt is growing. We have made a commitment as a government to deal with the growth in the debt. We made a commitment as a party competing with others to govern this country back in the fall 1993 election to get the annual deficit down to 3 per cent of the GDP. If we listen to the Minister of Finance carefully and analyse the kinds of results that are available, we will meet our 3 per cent target and quite possibly do better than that.

As my colleague said in his speech, the government is first about people. It is not just a business. Along with several other members of this House, I am a member of the finance committee. I had the opportunity to hear and read hundreds of witnesses and their presentations last fall as the finance committee undertook the prebudget consultations and prepared its report for the minister as part of the overall guidance he was seeking in preparing for the budget.

With very few exceptions, the witnesses we heard did not call for massive slashing of programs. They did not call for draconian measures that would turn back the clock and bring us back to the middle ages. Consistently we were told to deal with the deficit, not to raise personal income taxes and not to forget the importance of this country's social infrastructure. The infrastructure ensures that all Canadians have a fair stake in the future.

The natural resources of the country belong equally to all. We expect mining companies to find minerals and metals and to extract those resources. In so doing they pay a share to the community at large to the provincial treasuries and to the federal treasury. We expect forest companies to harvest our forests. At the same time we expect them to give something back in terms of stumpage fees and taxes because all Canadians own those trees. All Canadians can benefit from our resources.

This is why a Liberal government has proven to be the most effective in doing this over the decades. Liberal governments have consistently been able to find the way to balance the needs of industry and business to be profitable. That is important for job creation.

On balance with that there is the need to ensure that all Canadians have equal access to the benefits of the country. We can hardly blame Parliament or finance ministers for doing great damage to the country when we have the best country in the world.

Even though we can criticize past governments for mistakes, the Canadian attitude which is one of balance, taking care of those who have and those who have not in a fair and balanced way is the kind of country the world admires. That is why Canada is in its way so much of a leader. Other countries look to us for examples. As I mentioned, in the prebudget consultations last fall we heard a call for balance, deal with the deficit, do not raise personal taxes and make sure that everybody is treated fairly.

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I do not think any of us can say that as a country we do this perfectly. Sadly, the rate of illiteracy is still too high. The rate of poverty particularly among children is still far too high. We still have household and family violence. We still have crime.

(1330)

All we can do is work together to do better and to improve our communities and the quality of life. Liberal governments have consistently been able to find the way to do that. The budget as represented in Bill C-76 takes us a long way down that road.

I pick out one example of the kind of leadership Canadians have come to expect and can continue to expect from this government. I pick out an issue that became a hot issue in the lead up to the budget, the possibility there would be taxation of employer paid health benefits. Those are the benefits provided to those in the workplace for drugs and dental care, paid fully or partially by the employer.

There was a notion that perhaps the government was thinking about taxing these employer paid benefits. Many people spoke out against this. I received numerous cards and letters from constituents. The minister heard from the finance committee in its report that at this time no such measures should take place.

The finance committee suggested what had to be in the mind of the minister, because it makes sense. That is, the current system is unfair to the working poor, who must pay for their health benefits out of after tax income. We called on the industry, the insurance companies, dental providers, and asked if they would work together to help us find a way so all Canadians can be covered when it comes to drug benefits and dental care. I was very impressed, as I am sure my colleagues in the committee were impressed, by the very positive response from the insurers and from the dental providers that they would try to find a way in which all Canadians can be covered in some fashion for drugs and dental care. I am not saying we are there yet, but I have in the last two weeks seen some very strong evidence that this challenge is being responded to in a very positive way.

The Minister of Finance responded thoughtfully and carefully and decided not to move on that. This will give us some time in this country to find a way to make sure all Canadians are treated fairly when it comes to those particular benefits.

There are elements of unfairness on the subject of RRSPs as well. The more income you have, the more you can contribute. If you are poor, you are not as likely to be able to contribute to an RRSP. There tends to be an imbalance toward Canadians with higher incomes. Here as well reform is in the wind.

The whole issue of aging and pensions needs to be rethought in this modern era. The minister has wisely deferred on this issue pending further research and consultation.

I emphasize to my colleagues in the House, to my constituents, and to all Canadians that the public support for Bill C-76 and the budget is tremendous. It is a fair and balanced approach.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, I have listened very carefully this morning and this afternoon to the arguments presented by my Liberal colleagues across the way. I am surprised that they continue to argue we are not in a serious situation, that they are somehow being more compassionate than we are in what they are doing, that they are not seriously addressing the debt and deficit situation.

Is balancing the budget not the most compassionate thing we could ever do to preserve our social programs? Is it not the fact that we must stop borrowing more money, that we must immediately come to a situation where we stop increasing the interest payments? Are these interest payments not the most serious threat to our social programs?

(1335)

If they are the most serious threat, is not the most compassionate thing we can do to get our house in order to balance the budget as quickly as possible, decide on what is important and get there as quickly as possible?

Mr. St. Denis: Madam Speaker, I thank the member for his question.

I appreciate his suggestion that Liberals are more compassionate, although he put it in the form of a question. I would like to answer his question with a resounding yes.

The member fairly asks if it is not more compassionate to deal with the deficit. That is the essence of his question. It is logical to deal with the deficit. It is not an issue of compassion. I submit that if we were to have taken an approach as proposed by the third party, the Reform Party, compassion would have gone out the window.

When we are undertaking an operation as difficult as putting the finances of the country back on track, that is not something we can do overnight. It is like moving a huge ship. They have to have a number of little tugboats that work diligently to get the ship turned around in the harbour.

The finance minister recognizes, if the Reform Party does not, that you cannot do this overnight. With the draconian measures the Reform Party proposed in its own prebudget budget, the numbers frankly did not add up. It is something like the Harris budget plan for Ontario, for which there is a very indecipherable bottom line.

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The issue of compassion must be balanced certainly by logic. That logic must lead us to a conclusion that is fair to all Canadians. For example, let us just say we are going to have a massive tax cut and that would be fair. It is more fair to the rich and less fair to the poor. If taxes are slashed 30 per cent, as Mr. Harris pretends he will do, then certainly if I were rich, which I am not, I would have a greater benefit than a poor person.

While the member's question in the context of his own party's philosophy might seem fair, I go back to my comments in my speech that a country is not a business. While it might need to be or should be run in a businesslike fashion, it is not a business. It is first about people. There is no way we can close our eyes, turn the pages of the budget, and stroke out items with a pen without considering their impact on people.

This government has taken action. The program review undertaken by the ministers of the crown has resulted in measures that will be effective. The result is in the reaction of Canadians and the reaction of the marketplaces around the world to the budget. There has been an extremely positive, balanced, and well considered response to this budget. That is the proof that the budget has hit the mark.

With that I suggest the member go back and look at his own prebudget plan. It would be too generous for me to say it was compassionate.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, today I would like to tell a story, the story of Nibor Dooh, a mythological character from history who landed on the shores of the great country of Adanac. Adanac was a peaceful, prosperous, and tolerant place when he arrived. The people had no complaints, other than those that are inevitable in life. Nibor Dooh went about the land telling the people of Adanac that their lives could be much better than they were. They could be richer, more tolerant, and more prosperous. If they followed his scheme they would be much better off.

The good people of Adanac scratched their heads in bewilderment. "We already work the land", they said, "and we look after our families and we look after the less fortunate in our communities. How can we all do so much better?"

(1340)

"It is very good news", said Nibor Dooh. "You all remember that awful Xram, who said we have to steal from the rich to give to the poor. You were right not to listen to him. Stealing is wrong. I can make you all rich without any of that".

The people scratched their heads a bit harder. How could this work? "Well", said Nibor Dooh, "it is all a bit complicated. First we take from the rich to give to the poor and then the poor are rich, or they are richer. So we can take from them and give back to the rich. Then the rich have even more, so we can take more from them and give to the not poor any more, and so on".

The people of Adanac scratched their heads some more. They really did not understand how this all could work. "Look", said Nibor Dooh, "it is all in this wonderful book by the philosopher Sen Yek. It is called *The General Theory of Employment, Interest and Free Money*. I can't say I quite understand it myself", said Nibor Dooh, "and I am sure you wouldn't, but trust me. It will all work out".

Nibor Dooh assembled the elitist class in the country to help him rule the land. He explained that this way it would not be so bad that initially he had to take from them. He was to hire a lot of them and they could all get together, look very clever and rule the ordinary people. They would have to adopt his ideas, some of which were actually very odd. After a few years, they would even claim that it was their culture and that it was what made their country great and gave it its identity.

Nibor Dooh was able to convince some of the tribe of Aidem to explain his scheme to everyone in the land. Aidem had a lot of influence and most of his tribe were part of the upper elite class.

At first the whole thing seemed to work to perfection. The elite class paid more, but not much more. They got to be rulers and talk in very clever and compassionate sounding ways. The tribe of Aidem praised them with great praise and Nibor Dooh went up and down the great land of Adanac taking small amounts of money from the people to give back to the rich but also giving them large amounts of money that he said he had got from the rich without taking much from them.

"Look how well it is working", he told them, and the Aidem echoed him. "I take a small amount of money from you and I increase it. I do more with it than if you keep it yourself. I provide free health care for you. I will pay you a pension when you get old. I take care of the poor among you better than you could. I provide work for those without jobs, and if I cannot provide work I pay them anyway. There is no need for any of you to concern yourself with your neighbour's well-being, for I, Nibor Dooh, take care of all those who have problems".

Every once in a while some village idiot would ask how he could defy the laws of economics, but Nibor Dooh would just smile patronizingly and wave copies of the works of Sen Yek and Htiarblag. Nibor Dooh was so clever and so urbane that the people just laughed at these idiots.

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Other quite vicious people spread rumours that Nibor Dooh was actually borrowing from the rich and promising to pay them back with the money of the poor. No one listened, because if it were true he was making the poor richer and they would easily be able to pay for what they had consumed now.

No one worried about tomorrow. Adanac became known as one of the best countries to live in. As the years went by there was a gradual but marked change in society. People did not take as much responsibility for their own affairs. They did not save their money for when times were lean or when they got to be older. People did not take as much interest in helping their neighbour as they did previously. A saying became common in the land: "Don't worry, Nibor Dooh will take care of us", and Nibor Dooh became a very popular person in the land of Adanac.

Another gradual change began to occur. The poor people had to always pay a little more to Nibor Dooh every year for the services he provided. Every year there were more and more people who did not have jobs. Some of the people began to murmur and ask questions. It appeared as though they were paying more to Nibor Dooh than they were getting back in the services he provided. Some of the people from the Aidem tribe came to Nibor Dooh's rescue. They told the people Nibor Dooh was doing what was best for them. They told the people of Adanac they were becoming a more caring and compassionate society, kinder and gentler than they used to be.

(1345)

Meanwhile, Nibor Dooh was looking more tired and worried than he once had and had less time for the common people. "See how he wears himself out for us", they said. They did not know he had to spend more and more time begging the rich to lend him more and more. They knew that Nibor Dooh kept saying the rich would have to pay more, but somehow it was always them who had to pay more.

They began to listen to people criticising the whole arrangement. Some were the old time village idiots like Reklaw and Namdeirf, and others were new voices like Notserp Gninnam. Notserp really annoyed Nibor Dooh with his impertinent questions like where is all this money coming from to provide all these services? Why are we paying almost half of our hard-earned money to Nibor Dooh? Why are the services declining but the amount we give Nibor Dooh keeps increasing?

Also about this time Notserp made the discovery that Nibor Dooh was actually taking from the poor and giving to the rich. Notserp discovered that Nibor Dooh had an agreement with the wealthy in the land whereby they would give Nibor Dooh money if he gave them a portion of what he collected from the poor every year. Aidem came to the rescue of Nibor Dooh again but the word got out to the people he was taking from the poor to give to the rich. Some of the poor people saw they were not rich

enough to afford what he demanded of them and they began to demand that this stop.

Nibor Dooh began to accuse Notserp of being heartless and cruel for making such a suggestion, but Notserp contended that we must not keep giving more to the rich because it would enslave the poor. In return Nibor Dooh accused Notserp for wanting to slash and burn these wonderful programs. If we went back to allowing people more control over their lives the country would fall apart.

The Aidem tribe also contended that if Notserp had his way we would lose our identity as a nation. Nibor Dooh said the poor would be unable to defend themselves from the adversities of life. When people asked Notserp about this he explained that we are all becoming poorer because we were giving so much of our hard earned money to the rich. He said it was wrong to steal from the rich and that since we have borrowed from them we have to pay them back. He said going into debt to them had not made us richer and would not so we should stop borrowing and just pay them back.

Notserp became more and more popular with the poor people as they began to realise he was telling the truth. The trust the people had in Nibor Dooh began to disappear. The Aidem people tried valiantly to defend Nibor Dooh, but the stranger their explanations became and the wilder their attacks on Notserp the less convincing they became. People asked Notserp how he could keep attracting larger and larger audiences even though Aidem and Nibor Dooh called him such terrible names. You cannot fool all the people all the time, he told them.

Finally the people became so angry that they sent Nibor Dooh back to the land of Larebil and proclaimed Notserp their new leader. Notserp told them clearly he was not a magician, but neither was Nibor Dooh. He said: "There are simple answers to your problems, but they are not easy ones. Nibor Dooh has made us poor and we will have to go back to working hard to fix the damage he caused. It will take years but at the end you will feel better not because of what I have done but because of what you have done".

That is what happened. The people worked hard but they felt proud of the work and they learned a great lesson. They could take care of themselves better in the long run than Nibor Dooh could with his grand scheme of taking from the poor and giving to the rich.

That is the end of my story. One observant person realized Nibor Dooh is Robin Hood spelled backwards. Just like Nibor Dooh was Robin Hood spelled backwards, what he did was backwards. All his great schemes that had the effect of stealing from the poor to give to the rich were backwards. We are doing the very same thing in Canada. The government, like Nibor Dooh in my story, has convinced the people it can do more for the people than they can do for themselves.

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(1350)

I listened to the arguments all morning and I heard them repeated over and over again. The government is taking from the poor and giving to the rich. We borrow from the rich and they get richer. Every year the situation deteriorates.

A parallel to this story can be found in the history of Canada for approximately the past 25 years and it is still unfolding. What is the answer? Get government less involved in the lives of people. Let them take care of themselves; stop interfering. Reduce the size of government and government programs and reduce taxes so people have more control over their lives.

Like the people of Adanac, Canadians are becoming increasingly cynical of government and politicians. They need to realize there is absolutely no compassion in doing what we are doing, taking from the poor and giving to the rich. They need to realize there is nothing noble about being told they cannot take care of themselves, their families and the less fortunate without the help of a wise, all seeing government. That is the great lesson of this story.

Like the people of Adanac, we have the will, the imagination and the energy to live well and to share generously all by ourselves and that is what we need to do.

What are the key points in this story I created? Governments have created the impression that by borrowing money, by going into debt, we are being compassionate and caring. Nothing could be further from the truth. We are enslaving our people, especially our children. We are taking the money from the hardworking, ordinary, not wealthy people of Canada and we are giving it to the rich by our schemes.

People pay over one-half of their money to the government. What tactics does the government use to transfer this money from the poor to the rich? It convinces the people it can take care of them better than they could if they were allowed to keep their hard earned money, which is a myth. Many people in Canada are beginning to realize this myth. Another tactic government uses is to keep telling the people: "Trust us, even if you do not understand it all. The government is doing what is best for the country". This too is a great myth.

All the names in this story are spelled backwards. For example, the tribe of Aidem that helped Nibor Dooh and the elites to spread their lies across the land is the media. Aidem, like Nibor Dooh, was able to get some of the elite tribe to help him convince everyone that being left wing is more compassionate than being right wing, but it proved to be a myth. Before these left wing Liberal ideas were spread across the land of Adanac, Canada spelled backwards, we had strong families and communities to give support to those in society who were less fortunate. When these ideas of Senyek were spread across that

land it began to erode the strength of our families and charitable institutions.

Notserp, whose name I will let others decipher, began to tell the people these ideas of Nibor Dooh would not work. The agreement Nibor Dooh had with the rich to borrow money was to destroy the land. That is happening in Canada today. By borrowing money we are destroying our country.

The grand experiment this country has undergone for the last 25 years or so has not worked. Hard work, strong families, community organizations, values that emphasize responsibility, these have made our country great, not this idea that big government programs have made our country great and make us a great society. Nothing could be further from the truth; it is a myth. The government still creates the impression it can take better care of us than we can take care of ourselves if we were allowed to keep our hard earned money.

Nibor Dooh created the impression that he could multiply the money he took from the people but in the end it was a myth. The opposite actually happened. He impoverished the people. This is happening in Canada. My hope is that we can learn a lesson from the story I have told. We cannot keep taking from the poor and giving to the rich.

(1355)

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Madam Speaker, I have been listening to this fairy tale and I think there is a fairy tale within a fairy tale; some rather strange myths articulated by the member opposite.

I ask members present if they agree with the myth that perhaps the member is right about us interfering too much and that, following his logic, a person without food and shelter should be left without food and shelter.

The member is very much a proponent of the marketplace. I ask him if he believes that begging on the street is the marketplace's answer to helping people in vulnerable positions to find enough food and wherewithal to support themselves.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I have been listening all morning to the same type of reasoning, the big flaw in what is happening in Canada today. We are trying to convince the people these big government programs, the borrowing of money to sustain all of this, are the answer to our problem. This absolutely is not the answer.

We have to run government in a businesslike manner. We have to be more responsible. We have to allow people to assume responsibility for their lives. If the member is suggesting that if we remove this from them and we have big government programs we are solving the problem, she should take a look around her. She should open her eyes.

The interest we are paying on our debt and the interest that continues to grow and multiply is doing more to destroy what we can do for the people than any other factor. You missed the entire point of the story I told. The time will come—

The Speaker: It being 2 p.m., we will proceed to Statements by Members. I remind all hon. members to address the chair at all times in the matter of debate.

STATEMENTS BY MEMBERS

[English]

PEACEKEEPING

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, the diplomatic discussions between the governments of Ireland and Great Britain are apparently moving to a successful conclusion. There are new structures and processes to ensure full religious tolerance and co-operation within a new, plural Irish constitutional system.

In congratulating the political leaders involved, the Canadian government might help with our acquired historical experience in international peacekeeping in any transitional governmental arrangements.

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[Translation]

TIANANMENSQUARE MASSACRE

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, we wish to draw attention today to the sixth anniversary of the sad events that took place in June of 1989 in Tiananmen Square, where thousands of students were massacred in the violent crackdown on their democratic movement by the Chinese leadership.

Despite the hopes that this widespread movement had raised, democracy is no further ahead today in China.

All the while, this government just turns its back on the promotion of human rights by concentrating exclusively on the economic aspect of its relations with China.

By repudiating a well-established tradition of promoting human rights, the government reduces the status of Canada to that of a minor and petty market power lacking vision, with a foreign policy based on double talk.

* * *

[English]

SENATE COMMITTEE ON EUTHANASIA

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, today the special senate committee on euthanasia and assisted suicide will table its report detailing its findings and outlining its recommendations. I applaud the committee for its

careful consideration of euthanasia and physician assisted suicide.

Of importance is the emphasis on palliative care which must be addressed by the medical community and all levels of government through its promotion of public health policy. This was a consistent theme presented by witnesses before the committee.

Canadians are asking what control they and their families have in the direction of their own care. Certainly all issues surrounding the withholding and withdrawal of life support need very close attention with public education and input.

It concerns me that judges may be given leniency in handing out mercy killing sentences, once again calling into question the integrity of our justice system. Respect for life and the protection of the most vulnerable in our society should be paramount in public health policy and the law.

* * *

WENTWORTH CONSOLIDATED ELEMENTARY SCHOOL

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, recently I had the wonderful opportunity to present a new Canadian flag to the children at Wentworth Consolidated elementary school.

As we stood around the flag pole in the beautiful spring sunshine, we talked of the importance of the flag as a symbol of nationhood, the respect and care that our flag deserves, and the great price paid by our veterans to make our nation so great and free.

Inside the school the children showed me a giant aquarium in which they watched baby fish grow from eggs caught from the nearby fish hatchery. When these young fish are big enough the school children transport them to the Wallace River for restocking.

Today I congratulate the principal, Dr. Gordon Jeffrey, the dedicated staff, and the students of the Wentworth Consolidated elementary school for their environmental awareness and their community projects.

* * *

YOUTH SPORTS

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, I rise in the House today to recognize three young people from the city of Mississauga: Jane Lea, Michelle Lo and Frank Luisser. All three secondary students have been named athletes of the year for outstanding participation and ability in a wide variety of sports.

Today when the media seems to focus on troubled youth it is important to recognize adolescents who, from small children, have enthusiastically refined their skills to a superior calibre that is recognized by all. As individual athletes and successful

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team players they have been recognized not only for their skills but for their positive outlook on life.

I congratulate their families who have spent many hours supporting and encouraging these superstars. I congratulate Jane, Michelle and Frank for being the best they can be.

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MAPLE LEAF PUBLIC SCHOOL

Mr. Ron Fewchuk (Selkirk—Red River, Lib.): Mr. Speaker, it is with great pleasure that I rise today to praise the students of Maple Leaf Public School.

I have received two different projects from the students who expressed their concerns about the environment. I commend the work done by Jillian Morris and Maria Loch on their project entitled "Oil Spills".

I also commend the time and effort that Lauren MacKenzie and Jennifer Mairn put into soliciting names for their petition on acid rain.

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[*Translation*]

INTERNATIONAL TRADE

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, tomorrow is the opening in Toronto of the first official round of negotiations on the inclusion of Chile in NAFTA, which, according to the Minister of International Trade, will make this agreement more vigorous, flexible and open. We are pleased to note this sudden conversion to free trade on the part of the Liberals, who so fiercely opposed the signing of the free trade agreement with the U.S.

Today, the federal government is in favour of every free trade initiative: free trade with Asia by 2025, free trade with Europe, free trade here, there and everywhere. That is Canada's new motto. A sovereign Quebec will make an economic association offer to Canada. Given our current commercial ties, this is an offer that can hardly be refused.

With a volume of trade with Canada 150 times that of Chile, Quebec certainly has at least equal merit.

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[*English*]

EXPO 2005

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, Expo 2005 has ground down into an unpleasant east-west tug of war in which the west appears to be shafted yet again in a decision rigged to favour Ottawa over Calgary.

The foot dragging Minister of Canadian Heritage demonstrates how the momentum of mediocrity can sustain a faltering political career as his indecisiveness cripples the bid process.

How did a process based on integrity and fairness become so tainted that Ottawa is now lobbying more fiercely than ever before? The Mulroney way is back. Once it appeared that Calgary was going to be awarded Expo 2005, the backroom politics of the Mulroney years took over the process, and an incompetent minister was the perfect foil by which the emergent controversy could gather momentum.

(1405)

The Liberals are faced with a real dilemma for not only did the independent review committee unanimously recommend Calgary but this fact was also widely reported. Although choosing Ottawa over Calgary will be a difficult public choice for the Liberals, the confidence exhibited not only by the lobbyists but also by cabinet reveals that the Mulroney way is still very much a part of Canadian politics.

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TAHER S. MADRASWALLA

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, today I pay tribute to an extraordinary individual. Mr. Taher S. Madraswalla has been on a peace mission for 14 years.

In October 1981, at the age of 18, he left his homeland of Ahmedabad, India, on a bicycle tour and now 14 years and some 116,000 kilometres later he has visited 30 countries spreading his message of peace.

Throughout Africa, Europe, the Middle East, Asia, Australia and now Canada he has spread the word of international brotherhood, peace and understanding. Fittingly the last stage of his mission will be to cycle to the headquarters of the United Nations where he is hoping to bring his message to the secretary-general.

In tribute I must quote Mr. Madraswalla:

I have seen too much fighting because of religion and I don't believe that religion and skin colour should keep people apart.

On behalf of all members of the House I congratulate him for dedicating the past 14 years to an honourable goal.

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FRESHWATER INSTITUTE

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I protest the cuts being planned for the Freshwater Institute in Winnipeg, not just with respect to the Freshwater Institute in Winnipeg but also with respect to the experimental lakes project in and around Kenora which is apparently threatened by the same set of cutbacks. I say to the government that these kinds of cutbacks are acutely shortsighted.

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There is not just the fiscal deficit. There is what we sometimes call the human deficit. There is also what we call the environmental deficit. A lot of very good research having to do with acid rain and other environmental problems has gone on under the auspices of the institute.

It is shortsighted in the extreme to cut off this research. We may well regret many years from now that the government saw fit to do away with this research. I urge the government to take a second look at its plans in this regard.

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[Translation]

NATIONAL TRANSPORTATION WEEK

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, this week is National Transportation Week. In a country as vast as Canada, the transportation network—with all its railways, highways, ports and airports—is very important.

Most of the largest Canadian port, the Port of Vancouver, is located in my riding of Vancouver East.

[English]

In addition to fast growth of its traffic in the movement of goods, the port of Vancouver has a very dynamic cruise industry which in 1994 delivered an estimated \$140 million in benefits to the British Columbia economy and over 580,000 passengers.

Recently the Ballantyne pier, built in my riding in the twenties, reopened its terminal to help serve the cruise industry. This season the Ballantyne terminal will greet 64 of the 292 sailings calling on the port of Vancouver.

The terminal is now a state of the art facility for new cruise ships, boasting passenger loads of 2,000 to 3,000 people, thanks to new gangways that have the capability to be set up in a record seven minutes.

This is a unique way of protecting the past while serving the future. The Vancouver Port Corporation deserves to be congratulated for its vision.

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THE LATE CLIFFORD COREY

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, more than a week ago we lost one of Carleton—Charlotte's most noted entrepreneurs with the passing of Mr. Clifford Corey.

For many years Mr. Corey was a distinguished leader in New Brunswick's forestry industry. He resided and established several businesses in the Southampton—Nackawic areas of my constituency. Not only was he a business leader but he was also well respected as a community leader.

The country and indeed the world need more Clifford Coreys. He was admired as a leader by family, friends and the entire community. On behalf of all members of the House I extend sincere condolences and sympathy to Mr. Corey's wife Evelyn, son David, daughters Marion and Margaret; to the entire family and their many friends.

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[Translation]

NATIONAL TRANSPORTATION WEEK

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, National Transportation Week provides an excellent opportunity to thank all the men and women in the transport sector. These people work to ensure the free movement of goods and people throughout Canada at any time of the day or night, putting food on our tables and taking us home after work.

(1410)

Quebecers are fully aware of how important the transport sector is. To the workers at Orléans Express in Montreal, at the Viens bus company in Farnham, at Transport R.P.R in Cowansville, to the independent truckers across the country, to CN, CP and VIA employees, to airline and shipping company staff, to the industrious taxi drivers, to the dispatcher's secretary, to all the people of Brome—Missisquoi who are associated in any way with the transport sector, to all the people from coast to coast who maintain all kinds of links between each province and the rest of Canada, I join with my parliamentary colleagues in saying, "Thank you for all you do for us, and I wish you all a great National Transportation Week".

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REVENUE CANADA

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, yesterday, 1,400 Quebec taxpayers gathered at the Place des arts to denounce a decision made by Revenue Canada. Indeed, after allowing a research and development investment tax credit for four years, Revenue Canada is suddenly changing its mind and asking 15,000 Quebecers to refund amounts three to four times higher than their tax savings.

This about-face by Revenue Canada may force thousands of Quebecers into bankruptcy. Taxpayers should not have to pay for a mistake made by the federal revenue department. How can you expect to restore taxpayers' confidence in Revenue Canada, when that department is asking them to retroactively repay amounts which they invested in good faith?

Not only does this government refuse to undertake a complete tax review, it also makes taxpayers pay for its own incompetence.

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[English]

LIBERAL PARTY OF CANADA

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the Liberal government has a very poor record of keeping its promises on open government, independence of members, and the integrity of Parliament. We will soon see if the Liberal brass respects the right of members to vote freely in the House, or if it considers them to be nothing more than trained seals expected to show up just to make up the needed members and then bark yea or nay as they are told.

The hon. member for Notre-Dame-de-Grâce has expressed some real concerns about the federal budget. While I do not share his specific concerns I support his right to vote freely in the House to keep the promises he and the Liberals made in the red book, the promises the Liberals are now breaking.

It is unfortunate the Liberals do not support this right. We have already seen three Liberals punished for not toeing the party line. Page 92 of the failing Liberal red book talks of parliamentary reform. It says that open government will be the watchword of the Liberal program. It would be a shame if the hon. member for Notre-Dame-de-Grâce was punished by his own party for keeping his promise when his Liberal masters are breaking theirs.

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[Translation]

ONTARIO ELECTION

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, in two days, Ontarians will go to the polls to elect a new government.

At this point in time, French-speaking residents of the province must think carefully about the choice they will make. They must ensure that the new government will protect their community's acquired rights, while also promoting its vitality.

The Ontario Liberal Party has shown that it is a good protector of the rights of French-speaking Ontarians. Just think of Bill 8, or the establishment of the Cité collégiale, where young French-speaking Ontarians already receive training. In fact, it is party leader Lyn McLeod who reached an agreement with the federal government regarding the Cité collégiale, when she was education minister.

Since the past is often indicative of things to come, when French-speaking Ontarians go to the polls in two days, they must make sure to vote for the party which will best serve their interests.

[English]

ONTARIO ELECTION

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, the province of Ontario has had constant slides to the left under the NDP. Now the Conservatives are offering a four-year slide to the right. This province needs balance and the Liberals offer that balanced approach.

The Conservatives offer unattainable promises of 30 per cent tax cuts with no cost to our health care system. Ontarians know that is not possible. They know that a 30 per cent tax cut would mean a tax on health care. They know it would mean punishing the average Ontarian while rewarding the rich.

People of Ontario have a choice between a balanced approach that builds on the hopes of Ontarians for the future and a misleading radical approach that plays on the fears of people.

On Thursday Ontarians should protect their health care, protect essential services in the province, and vote for the balanced approach. Vote Liberal.

* * *

POVERTY

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, numerous studies have shown that poverty is the biggest cause of poor health. By ending national standards for social welfare and by cutting financial support for all major social programs including UI and social housing, the federal government will not only create more poverty but will put more pressure on the health care system. Bill C-76 moves us closer to the model which is being followed in the United States.

(1415)

One only has to visit any relatively large urban centre and see the many homeless people, the level of poverty, to realize that cutting social programs and giving more power to the provinces will not work without consultation.

We have always believed that Canada was a country where people cared about their neighbours, where we work toward equality and where universality meant that everyone had access to social programs.

I ask my colleagues on both sides of the House to consider these negative impacts of Bill C-76 when they vote.

ORAL QUESTION PERIOD

[Translation]

BOSNIA

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, at a meeting in Paris Saturday, European and NATO Defence Ministers agreed to create a new rapid reaction force that would be responsible for protecting and assisting peacekeepers in Bosnia. Now it seems that Russia, a member of the contact group on Bosnia, is opposed to the creation of this rapid reaction force.

Could the Prime Minister tell us whether his government officially supports the creation of such a force and whether Canada will contribute in a specific way?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of National Defence and the Minister of Foreign Affairs have made it clear that Canada supports the initiative taken by the British and the French, but so far, the Canadian government has made no decision on whether to contribute troops or equipment. Our consultations are continuing, and a decision will be made, either positive or negative.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, if this kind of force were to be limited to a Franco-British expeditionary unit, it would lose much of its credibility and effectiveness. The Dutch have already agreed to support this force and may participate. We know that Dutch peacekeeping missions have a profile similar to those led by Canada. Perhaps Canada should consider this in a favourable light.

I want to ask the Prime Minister whether in his opinion, Russia's opposition may lead to some second thoughts about setting up the rapid reaction force proposed by the United States, France and Great Britain?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not think Russia's position makes any difference in the arrangements made by the British and the French. We are continuing our consultations with other countries that may participate in this force.

I am glad to see that the Leader of the Opposition would be in favour of Canada's participation.

[English]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I said that we will consider favourably the possibility to consider it, to use diplomatic wording.

The Prime Minister should also consider the possibility that Russia will use its vote to exercise a right of veto at the security council of the United Nations. If it does that it would be very difficult to consider the force.

Oral Questions

Does the Prime Minister share the opinion of Foreign Office Secretary Douglas Hurd to the effect that unless a rapid deployment force is created the peacekeepers should withdraw from Bosnia?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not want to extract from the Leader of the Opposition a yes that he is not ready to say at this time. I know another yes that he is very keen on. I am very keen on a no.

My view is that the presence of Canadian troops and others under the UNPROFOR group is still extremely useful in maintaining some peace in many parts of the former Yugoslavia. While they are there they are available during emergencies supplying drugs and food.

They have done this very well in the last three years and have saved a lot of lives. Canadian participation is still very good. We favour what the Brits and the French are proposing but that does not mean we have to participate necessarily. We have made a good contribution.

We are very far away from that part of the world and in many ways, it is somewhat more a European problem than a Canadian problem.

* * *

(1420)

[Translation]

GOVERNMENT FINANCE

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Prime Minister.

During his visit to Ottawa, the chairman of the International Chamber of Commerce urged G-7 countries to get their finances under control in order to guarantee solid economic growth. To arrive at this end, he suggested cutting social programs, decreasing the minimum wage, reducing minimum working conditions and restricting pension plans.

As host and chairman of the G-7 Summit in Halifax, does the Prime Minister share the views of the chairman of the International Chamber of Commerce, Arthur Dunkel?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Mr. Dunkel is one of the members of the delegation, not the chairman. I find his recipe is a little strong for my taste. I think that there is a way to get public finances under control, in Canada for example, without cutting social programs excessively. This is, by the way, the position which the Minister of Finance took in the budget tabled in February.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, will the Prime Minister make the commitment that, at the G-7 Summit, amidst the recommendations made by the International Chamber of Commerce and the wind of conservatism blowing on this Parliament, he will not defend conservative economic policies even farther right than his first two budgets,

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in which he unabashedly hacked at the social security net of Quebecers and Canadians?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, a few days earlier, I had had the privilege to meet with some of the leaders of the trade union movements in G-7 countries. Our meeting lasted several hours and, obviously, their positions differed from that of the International Chamber of Commerce. Like the good Liberal that I am, I found myself squarely in the middle, between these two positions.

* * *

[English]

MINISTER OF CANADIAN HERITAGE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Minister of Canadian Heritage has done it again. Last year he attended a select \$2,000 a plate fundraising dinner in his honour to help pay off 1993 campaign debts.

The dinner was held at the Montreal home of Richard Gervais, a Liberal bagman who has received at least \$110,000 in contracts from the minister's office since the gathering. It was attended by individuals who have direct business dealings or regulatory dealings with the heritage department. It is not the dinner that concerns us but the conflict of interest which it represents.

My question is for the Minister of Canadian Heritage. Does he recognize that by putting himself in such a conflict of interest situation he undermines the integrity of his department and the government?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I did participate in a number of fundraising events, including the one that our colleague is talking about. However, he is making a lot of allegations.

There is nothing secret about anything that I have done and about the contributions I have made to special fundraising events.

In addition, I am informed that all the procedures concerning both the Liberal Party procedures and the Election Canada procedures were followed with a great deal of conscientiousness.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, we are not talking about secrecy but conflict of interest. This is just the latest in a long series of ministerial missteps. This minister has intervened with the CRTC on behalf of a constituent. He helped re-jig the government's satellite to home policy to benefit the Liberal connected Power Corp. He lunched with Edgar Bronfman Jr. on the eve of Seagram's takeover of MCA.

This minister has violated the spirit and the letter of the conflict of interest code on a number of occasions and has put the integrity of the government in question.

Therefore I ask the Minister of Canadian Heritage, will he now do what he should have done months ago and resign?

(1425)

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I have respected every directive of the Liberal Party and Elections Canada. With respect to contracts, I am also informed all treasury board guidelines were adhered to when letting out contracts.

When one respects the rules I expect this would be recognized as the proper behaviour.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the actions of the minister of heritage are part of a disturbing pattern. The justice minister places the principle of merit on the shelf to hire the minister of revenue's friends in Victoria. The minister of public works has diverted over \$26 million of highway funding to feather his political nest in Cape Breton.

Despite the government's promise to restore integrity to government, its actions prove it is no different than the Tories it replaced.

Will the Prime Minister live up to his red book promises on integrity and ask for the resignation of the Minister of Canadian Heritage?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as the minister said earlier, all the regulations have been followed. All the contributions have been made public. We have the list of all contributions that have been made to the Liberal Party, to the Conservative Party, to the Reform Party. Some of the contributors to this function had contributed in 1993 to the Reform Party.

* * *

[Translation]

ETHICS

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, in the matter of the fundraising dinners organized by the firm of the lobbyist Mr. Gervais, we discover that the Minister of Canadian Heritage has just contravened a directive from the Prime Minister aimed at avoiding any possible conflict of interest. This directive was given as the reason the Minister of International Trade declined to attend a fundraising dinner in Toronto last year.

My question is for the Prime Minister. How can the Prime Minister allow the Minister of Canadian Heritage to yet again contravene one of his directives on government ethics?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister has contravened none of our rules or directives. He did not use any list from his department. The people he met were people who had contributed voluntarily to the Liberal Party. This is the way it works in all parties. Everything we do in the Liberal Party is public knowledge. Receipts are issued, people can check.

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This is very different from what happened in the 1993 elections, when members of the Bloc Québécois refused to provide, they were not obliged to do so, but they refused to provide the list of contributions they received in the 1993 elections, and the law did not require them to. When the press asked them to disclose their contributions, they decided not to. They were not obliged to do so at the time. Only this year they will be obliged to do so.

In the matter we are discussing, however, the contributions are public and the receipts are public. Everything is public. The minister did only what every member does and what every minister does: during party fundraising campaigns they make themselves available so we may do our democratic duty, which is to have enough funds that the public knows about available for an election.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, with all due respect to the Prime Minister, we do not need a lesson from him or his party on funding political parties.

An hon. member: Right on. We know why he is rich.

Mrs. Tremblay: So, given that the Prime Minister seems to have stretch ethics, would he tell me how he can give different ministers different directives—telling one not to attend an event in Toronto and exonerating the other who attended an event in Laval—Ouest?

(1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would like to point out to the hon. member that the legislation on transparency was tabled in this Parliament by the former Liberal government, of which I was a member. It is a law.

Although the law did not oblige them to, if the Bloc Québécois has nothing to hide, why did it refuse, after the 1993 elections, to disclose the contributions it had received?

In our case, all contributions we received we made public. We were required to do so and we were happy to do so, because we comply with the law that the Liberal Party adopted in this House.

* * *

[English]

MINISTER OF CANADIAN HERITAGE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, Francis Fox, the chairman of Rogers, attended the minister's fundraising dinner. His law firm received heritage contracts worth \$150,000. Serge Joyal attended the dinner. He received a heritage contract worth \$45,000. Phyllis Lambert of the Museum of Architecture contributed \$2,000. The museum received \$300,000 in heritage grants. Andre Chagnon from Videotron

was invited. Videotron has received heritage funds. This has the makings of a Stevie Cameron sequel.

In 1987 the Liberals demanded and got the resignation of Roch LaSalle in a similar situation. Will the Prime Minister now do the right thing and ask for the resignation of the Minister of Canadian Heritage?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have said that everything has been done according to the rules and regulations of the government and the laws of Parliament.

I am involved regularly. I was in the city of Calgary this year and it was the biggest fundraiser we ever had in Calgary. I was in Edmonton and it was the biggest fundraiser we ever had in Edmonton. We do that all the time. It is the democratic way to raise money. We had a great dinner in the riding of the Deputy Prime Minister not long ago. It is all public. The press is invited. Everybody is there and can take notes. We do that.

The Minister of Canadian Heritage is like other ministers. When he is invited to a fundraiser he attends. It is absolutely normal to do that because the contributions are public. Nothing is hidden. It is according to the law, according to the regulations and according to the directives I gave to the ministers.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, let us focus on the home of Richard Gervais where the fundraising dinner took place.

Serge Joyal attended the dinner. He said yesterday that the dinner was to have been an opportunity to discuss with the minister his priorities on the future policies he wanted to implement. Serge Joyal is an official of Power Corporation. How can the minister deny that this paid access to the minister directly benefited Power Corporation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Mr. Joyal said his ticket was paid for by Madam Lambert.

Some hon. members: Oh, oh.

* * *

[Translation]

REVENUE CANADA

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of National Revenue.

Yesterday, some 1,400 angry taxpayers gathered at Place des Arts to denounce Revenue Canada's decision to make them pay back retroactively, and with interest, investments made in good faith and claimed as a scientific research and experimental development tax credit. Revenue Canada's decision affects 15,000 Quebecers and could bankrupt approximately half of them.

Oral Questions

(1435)

Does the Minister of National Revenue undertake to make a decision before the end of this session, bearing in mind that, while he and his officials are reviewing the case, thousands of taxpayers in Quebec are facing the prospect of bankruptcy?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I thank the hon. member for his question. It is true that hundreds of companies were established by promoters interested in investing in scientific research. It is also true that, in many cases, the fact that no research was carried out caused problems in a number of regions in Quebec and in other provinces as well.

At present, there is litigation between investors and promoters. This is a very complicated situation, and I can assure the hon. member that a decision will be made by the end of the session, if at all possible, and hopefully before the end of June in any case.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, does the minister recognize that it is totally unacceptable for Revenue Canada to change the rules after a few years and ask Quebec taxpayers to pay back large amounts retroactively, thereby driving thousands of them to the brink of bankruptcy?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, Revenue Canada did not change any rules. The rules have been in place for a long time and have remained unchanged. The real question is: How did it come about that the Canadian government put in place a system allowing promoters to do such things?

Since the decision was made in 1989, the question would be better put to the Leader of the Official Opposition, who was a government member at the time.

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*[English]***MINISTER OF CANADIAN HERITAGE**

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, in my six years as an MP I have seen government patronage and corruption at its very worst. I listened to Liberal howls of outrage and calls for integrity, competence and honour when they were in opposition. Now they are sitting on the other side of the House and of course the tune has changed. This government is showing the same arrogance as its predecessor and it thinks that popularity polls can justify patronage appointments, back-room deals and political payoffs.

My question for the Prime Minister is why the double standard? If Roch LaSalle resigned, why will not his minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I said, everything has been done according to the rules, the legislation and the guidelines which we have initiated.

Fundraising is an occupation of all parties. I have a list of all the contributions the Reform Party has received. I will not read it. It is legitimate. I am not complaining. That party received the money. The list is public. The people who contributed to the Reform Party have contributed to the Liberal Party, to the Conservative Party and sometimes to the Bloc Québécois. It is normal.

If you have an accusation to make, if you can link a contribution to a contract, make the accusation—

The Speaker: I would ask all hon. members to please address the Chair when they are speaking.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, we are not talking cash or contributions, we are talking contracts which arise out of those fundraisers.

The Liberals in opposition would have demanded the resignation of the Minister of Canadian Heritage. I watched them and they would have demanded it for sure. Their disgust and outrage would have echoed through these hallowed halls and in the press. The Liberals in government however dismiss the minister's dinner for dollars as harmless and then they send out the spin doctors to minimize the damage. Brian Mulroney must be smiling as he watches this as he may soon be appointed the Liberals' patron saint.

Will the Prime Minister do the right thing, the honourable thing which happened years ago and ask the minister to resign?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when the hon. member is able to make a precise accusation that someone paid for a contract, I will do what I have to do. I have been around here for a long time. I know that they are chickens. They make broad statements, never being able to pin down any contract relating to contributions. When they do that we will do what is the right thing to do. With respect to innuendoes made by people who cannot make an accusation, I do not spend a lot of time on chickens of that kind.

(1440)

Some hon. members: Cluck, cluck.

Mr. Speaker: With respect I would remind all hon. members that this is the House of Commons, not a barnyard. I would please ask you to deal with each other with respect.

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*[Translation]***HELICOPTER PURCHASE**

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of Public Works.

Oral Questions

Barely two years after the EH-101 helicopter contract was cancelled, the Minister of National Defence is said to be on the verge of recommending to cabinet the purchase of at least 47 new helicopters, 32 of them equipped for antisubmarine warfare.

How can the minister justify the fact that the government is about to acquire 47 new helicopters at a cost of \$2.6 billion, when it is still negotiating the compensation to be paid for cancelling the current contract with Agusta, a firm which is the subject of very serious accusations of corruption and bribery in Europe?

[English]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I remind the hon. member that cabinet is seized with the subject matter to which he refers. No decisions have been made with regard to that subject matter.

With regard to compensation, no compensation is being paid. I have stated this repeatedly in the House and outside the House. What is being done at the present time is the termination costs which have to be arrived at pursuant to the contract which was duly consummated by the previous administration. That has to be followed and will be followed.

[Translation]

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, since the Deputy Prime Minister refused last Friday to make a commitment to exclude Agusta from any bidding process, can the Minister of Public Works make this commitment until the inquiry into the accusations against Agusta gets to the bottom of this matter? Is the minister ready to make this commitment?

[English]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I will abide by your wishes but I believe the question is somewhat hypothetical in view of the fact that cabinet has not made any decision with regard to the procurement of the items in question.

With regard to the specific company he raises, it should be noted that there are two separate entities at play here. Cabinet has not made the decision in terms of what it will do. When cabinet makes the decision I am sure the hon. member will be well informed. He will then have an opportunity to ask questions of myself as well as of the Minister of National Defence.

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CHILD CARE

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

During the 1993 election campaign our government made a commitment to the people of Canada in particular to Canadians with young families to work with the provinces toward expanding existing child care spaces. Furthermore we committed to working with the provinces and the business community to identify appropriate incentives for the creation and funding of child care spaces in the workplace.

Would the minister please tell the House what steps this government is taking to meet this commitment?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I thank the hon. member for a question that is very important to many people across the country.

This government is still very much committed to the child care commitment we made in the red book. We have already committed \$72 million for a major child care program with aboriginal first peoples. We are negotiating those and we hope to have that program implemented by this fall.

We are very interested in continuing discussions with the provinces to see how we can arrive at a joint matching agreement for child care spaces according to the commitment we made during the election. We certainly would be interested in responding to any provinces interested in talking to us.

* * *

(1445)

CODE OF ETHICS

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, the Prime Minister claims there have been no rules broken.

Let us be very specific. I quote from the conflict of interest code: "A public office holder shall take care to avoid being placed or the appearance of being placed under any obligation to any person or organization that might profit from special consideration on the part of the office holder".

The dinner in question today is clearly a breach of this section of the code and the minister deliberately ignored this code. My question is for the Prime Minister. What will he do to hold this minister accountable for this breach?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I explained earlier that this fundraising exercise by every party in the House and every member of Parliament is a normal act of democracy.

If someone is proposing that the government pay all the expenses of all the candidates, I will entertain that possibility, but it is not the way we are functioning here.

We ask the people to contribute, but there is a clear rule that everybody who contributes \$100 or more has to be known by the public. This week, every contribution received by every member of this House will become public. The amount of money that every member of Parliament has contributed will be known. It is

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the way we operate in Canada. It is the most open system there is.

Ministers and members of Parliament meet with people who want to contribute to the party. That is very open, very public, and there is no conflict of interest because everybody is informed.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, the question is not one of secrecy or being public. If I rob a bank in public, does that now mean that I am not guilty?

Some hon. members: Hear, hear.

Mr. Epp: I cannot understand how the Prime Minister can defend and differentiate between normal fundraising and an activity that resulted afterward in specific contracts being let without tender. That is not acceptable.

My question for the Prime Minister is what good is this code of ethics if there is no accountability for it when someone breaks it? It has clearly been broken here.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member just said something. If he can make an accusation according to the rule of the House that there is a contract that has been attributed because money has been paid to the Liberal Party, he should make the proof and not chicken out from that. That is the rule of decency. They cannot prove it because the contribution is public.

I am going to fundraisers across the land every week. I have more rubber chicken in my body than any other Canadian. I do that because I believe that what my party believes in is the right thing for Canada. These years, the people are coming in the thousands to give money to the Liberal Party. Good for them.

Some hon. members: Hear, hear.

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[Translation]

OGILVIE MILLS

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

Ogilvie Mills workers in Montreal have been deprived of their jobs since a year ago today, when the company started using scabs with impunity, due to the laxness of the federal legislation. The apathy of the minister regarding this issue is simply unacceptable.

Considering that this labour conflict has been persisting for too long, and given the many public commitments made by the minister, how can she justify that, after a whole year, her government still has not taken any measure to solve this unfair dispute for the workers concerned?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, clearly, it is indeed deplorable to see a labour conflict persist for so long. Ogilvie Mills workers are obviously experiencing a very difficult situation.

(1450)

Some time ago, the union asked to meet with me. A meeting took place and the union asked to go back to the negotiating table, with a special mediator. A mediation meeting took place on May 25 and 26.

That meeting resulted in some noticeable progress. Consequently, the two sides, including the union, decided to hold another mediation meeting on June 20 and 21.

I do hope that the parties will reach an agreement.

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, it must be pointed out that the conflict is not due to the state of negotiations but, rather, to the fact that there is no anti-scab legislation.

How can the minister explain that, after claiming that such legislation was a priority, she has yet to do something about it? After all, she is well aware of the benefits of the Quebec anti-scab legislation.

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I want to make it very clear that the conflict is related to collective bargaining. Today, I urge both sides, the union and management, to reach an agreement.

As regards the use of replacement workers, I made it clear to the union that the issue was being examined as part of the overall review of part I of the Canada Labour Code currently under way.

* * *

[English]

CODE OF ETHICS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the Prime Minister says he wants specifics. How much more specific can we get, with an inappropriate diversion of funds from a federal-provincial agreement as defined by the auditor general of Nova Scotia?

This diversion of funds has been called illegal, immoral, and misappropriation. Yet the Prime Minister refuses to have his ethics chairperson look after this thing and investigate it.

An hon. member: Lapdog.

Mr. White (Fraser Valley West): My question is for the Prime Minister. Since at least one person has called the highway 104 scandal a misappropriation of taxpayers' funds for which someone will be held accountable, why has the Prime Minister silenced not only that member but the minister responsible for this unethical diversion of funds?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as I have explained many times in this House, the priorities for highways within a province are decided by the

minister of transport or highways within that province. In the case of Nova Scotia, the Government of Nova Scotia had other priorities, so we did what we have done with many other provincial governments. When there is a need to change priorities, we oblige the provincial governments, as a good government in Ottawa should do.

We can impose our will all the time, but everybody would tell us that we are not being respectful of the wishes of the provinces and are being the big brother deciding for them. When we oblige them they blame us.

For a good situation in Canada, it is good that my ministers listen to the provinces whenever possible.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I think we are looking for good government in Ottawa. We have yet to find it.

Listen to the concerns here in the House, which have been going on since last year. Ethics, integrity, honesty, and openness are all gone out the door with this government. These are all broken promises of the Liberal red book. It is Liberal, Tory, same old story, right across the row here.

My supplementary question is for the Prime Minister. Since we are now seeing the arrogance of Brian Mulroney over here with a new red book face, just how bad does it have to get before the Prime Minister sees fit to assign his ethics counsellor to this situation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when it is time for the next election all our promises listed on page 111 of the red book will have been met. I can guarantee that.

We were elected for five years and we have only been here for a year and a half so far, yet we have already met two-thirds of these election commitments. That is not bad. We will keep working to meet our commitments.

(1455)

As far as the hon. member is concerned, he has been up a dozen times with this question, and every time it has been strike one, strike two, strike three.

* * *

BREAST CANCER

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, my question is for the Minister of Health.

More funding is required to support efforts to establish breast cancer support groups across northwestern Ontario. This funding is especially warranted in light of data indicating the federal government committed greater amounts of funding on a per patient basis to other diseases than to breast cancer research.

Oral Questions

Does this government have any intention to increase funding for breast cancer research, education, and support groups?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, despite the fiscal challenges we face as a government, much is being done in terms of breast cancer.

Among other things, we have formed partnerships in order to have more dollars to put into a broad range of research projects. We have among others the Canadian breast cancer research initiative, which is a broad partnership of Health Canada, the Medical Research Council, the National Cancer Institute of Canada, and the Canadian Cancer Society.

Additional funds are also being invested by the corporate breast cancer fund started by the Royal Bank. It is estimated that this partnership will generate approximately \$55 million toward breast cancer research in the near future. Is it enough? It is never enough, but we will continue to work very diligently toward finding more dollars to look into this very serious disease.

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[Translation]

AGRICULTURE

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, my question is for the Minister of Agriculture.

The Bloc Québécois has affirmed many times in this House that the Minister of Agriculture must treat all producers fairly, including Quebec producers, regarding the Crow rate issue. The minister remained vague on the issue and, when the 1995 budget was tabled, we saw that the compensation offered to eastern dairy producers was not fair.

Does the Minister of Agriculture realize that western producers will be compensated for the loss of the Crow rate subsidy, but that eastern dairy producers, who will also be hit with cuts, will have to face the consequences of the budget without compensation?

[English]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the budget clearly demonstrates that we are handling transportation issues across this country in a way that is even handed and fair minded. We are dealing with all of those transportation programs in a consistent fashion, whether it be the WGTA in western Canada or the feed freight assistance program in various other parts of Canada or the maritime freight rates assistance program or the Atlantic region freight rate assistance program.

All of those transportation subsidies are in the process of being eliminated, and in every case there is an adjustment fund or a transition program being put in place to ease the adjustment from the old subsidized regime to a new economic order without the degree of subsidization that has existed in the past.

Point of Order

The compensation measures with respect to the WGTA are very explicitly laid out in the legislation that was dealt with at report stage yesterday. In addition to that—

The Speaker: The hon. member for Calgary Northeast.

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IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Toronto *Star* today printed a story that is nothing short of shocking. They reported that last year our immigration minister personally, with his own signature, gave permits to nine members of terrorist and revolutionary organizations to enter Canada.

These are not campus protesters. These are people from groups that have claimed tens of thousands of lives in civil wars and uprisings.

Is this bizarre story true? Did the minister give entry permits to members of terrorist organizations? If so, what will he now do to remove them from this country?

(1500)

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, a ministerial permit is a tool that is used by officials across the country and internationally to try to assist individuals in various situations.

Almost 7,000 ministerial permits were granted last year. Nine individuals received ministerial permits who were members of organizations that are automatically excluded from Canada. These individuals came here for periods of two days to a few weeks.

An example is an individual from Rwanda who was invited by the standing committee on human rights. Another individual was from the Middle East and was involved with foreign affairs in multilateral peace discussions. Another individual from an organization that has been defunct since 1970 came to give testimony on the human rights situation in Central America.

It would be very irresponsible for the member to try to intimate that these individuals were here and had gone underground, had asked for asylum or permanent residency. These individuals were allowed to come here for a short while and there was nothing untoward to the Canadian community.

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G-7 SUMMIT

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance.

We know from press comments this morning that the G-7 summit in Halifax is going to cost taxpayers about \$36 million to host. We all appreciate how important it is.

Since the conference is yet to be held, how is it that I have in my hand the Halifax summit communique, the final comment on the actual Halifax conference, which has been leaked to me. It is 11 pages of detailed commentary about all the agreements that the G-7 nations have taken. Could he explain that please?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the member is sufficiently experienced to know that prior to any international conference, the sherpas, the various delegations get together and basically attempt to narrow the issue.

The member is also sufficiently experienced to know that the discussions take place when the leaders gather. That is when the decisions are made. The ultimate decisions may well bear no resemblance to whatever document the member happens to have.

I am sure the Minister of Foreign Affairs would agree with me that ministers of finance and ministers of foreign affairs would like to control their respective leaders and get them to say what they want. However it is my experience that rarely happens.

The Speaker: That will conclude question period. I have notice of a point of order from the hon. member for Calgary Northeast.

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POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, allow me to provide just a bit of background to my point of order.

Last Friday, June 2, in Oral Question Period I asked a question of the Minister of Citizenship and Immigration in which I brought to the minister's attention the case of Mr. Victor Sumbley, who has had enormous difficulties securing a visitor's visa for a family member to come to Canada.

In reply to my question the minister of immigration responded with the following: "Today he," meaning me, "decides to do some constituency work after all because there have been a lot of complaints from Canadians in Calgary, Alberta who cannot get the time of day on immigration matters from members of Parliament. It pleases me, finally, to see the member of Parliament stand up for his constituents."

I have no quarrel with the accusations made by the hon. minister of immigration. I am quite accustomed to his style of debate. However, in the interests of accuracy I must insist that the Speaker ask the hon. minister to recognize one very im-

portant point. Mr. Sumbley, a successful Canadian for whom I have made an intervention is not my constituent. He is, in fact, represented by the member for Mount Royal, the Secretary of State for Multiculturalism and the Status of Women.

Mr. Sumbley turned to me for assistance in his immigration case because that member refused to Mr. Sumbley's face to assist.

(1505)

The Speaker: I would rule that the hon. member surely does not have a point of order. It is a point of debate.

GOVERNMENT ORDERS

[English]

BUDGET IMPLEMENTATION ACT, 1995

The House resumed consideration of the motion that Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the third time and passed.

The Deputy Speaker: I understand that the hon. member for Yorkton—Melville had the floor when we interrupted the debate for question period.

Mr. Breitzkreuz (Yorkton—Melville): Mr. Speaker, I will briefly conclude my answer.

The hon. member opposite continues to perpetuate the myth, the fairy tale, that there would be fewer poor people if we continued having more and more big government programs and big government bureaucracy.

If we borrow money year after year we will be driving our children into the poor house. Who does he think pays for big government? It is the poor people of Canada who right now are being driven into the poor house to pay for it. The government keeps saying that Canadians need to have fairer taxes. All that does is raise the taxes of everyone. The government has raised the taxes for the poor, for the hard working, for the labourers of Canada.

The people of Canada are not being fooled by all of this. This is simply a fairy tale, a myth, which the government is perpetuating, that it is kinder, gentler and more compassionate. In fact, the most cruel thing it can do is to continue to borrow more money so that Canadians have to pay more interest and continue to impoverish the people. We are borrowing from the poor to give to the rich. That is the point I want to make.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I appreciate the opportunity to raise a question with my colleague and friend from Yorkton—Melville.

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His earlier comments to the House were quite well received. However, I want to bring to his attention some comments which were recently made in a committee of the House by the Saskatchewan Association of Rural Municipalities concerning the future of agriculture and rural communities on the prairies.

One of the comments made by the Saskatchewan Association of Rural Municipalities was with respect to the government's claims that crop diversification and value added production will be a direct result of the elimination of the Crow benefit. The Saskatchewan Association of Rural Municipalities said this in its opening remarks:

It is difficult to predict with any degree of accuracy whether the elimination of the Crow benefit will expedite the move toward diversification and value-added opportunities.

It goes on to say:

It must be mentioned—that lack of capital is a significant obstacle to the realization of many successful value-added businesses.

It concluded the section by saying:

Our association has made consistent statements to federal and provincial governments that the establishment of equity and/or capital venture funds is necessary for Saskatchewan to fully realize growth in value-added processing.

I believe very strongly that the position brought forward by the Saskatchewan Association of Rural Municipalities represents the view of many communities in rural Saskatchewan. They realize that with the withdrawal of the Crow benefit their communities will lose income and will need to find alternative sources of income to maintain not only their tax base but their quality of life.

The development of equity funds is one way to ensure that investment capital will exist. However we all know that the number of communities that will lose significant amounts of money will never be in a position to attract all of the investment necessary.

(1510)

Will the member for Yorkton—Melville inform the House whether he supports the Saskatchewan Association of Rural Municipalities' position in this matter and what sort of investment opportunities he thinks will result because of the loss of the Crow?

Mr. Breitzkreuz (Yorkton—Melville): Very briefly, Mr. Speaker, I have a hard time making the connection between what I had to say previously on this question but I will offer some comments anyway.

We have clearly stated that a transition period should have taken place before the Crow rate was pulled out. This transition would have allowed much of what this member talked about to take place. If it is suddenly pulled out it is going to be much more difficult for people to adjust to the changes that will take place.

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We had a plan to do this. We would have taken the Crow subsidy and rolled it into a farm program that would have helped farmers make the transition. That should have taken place. As it stands now farmers will probably have a very difficult time.

The changes that have been made probably eventually would have had to come but because of the way it was done by the government it is going to put farmers in a very difficult situation. I hope that is an appropriate answer to the member's question.

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I will be splitting my time with the hon. member for Vancouver East.

I am pleased today to speak on third reading of Bill C-76. I begin by reading from page 16 of the Liberal red book which was the book we campaigned on during the election. It establishes in many ways the mandate of the government. It states:

A Liberal government will adopt a two-track fiscal policy, matching a drive for jobs and growth with a comprehensive approach to controlling debt and deficits. The two tracks run parallel: fiscal discipline will support economic growth, while growth and jobs will enhance government revenues.

That is the basis of our platform and of our budgets.

The 1995 budget pursues both the goals outlined in that statement. Infrastructure projects are creating jobs across the country. I am certainly pleased to have them creating jobs in Halifax West. This program is an excellent example of job creation activities as one side of the two track approach.

The other side is also very important. We are attacking the debt and deficit. This attack is an important step toward a healthy economy, toward job creation. It creates the best possible climate for job creation.

For instance, since the budget interest rates have come down a bit. We would like to see them come down a lot more. Everyone who has a Visa account, a mortgage or a loan would like to see interest rates come down. We hope they will. However it has to be remembered that if the cuts in the budget had not been as large as they were interest rates would probably have risen.

Last year over 430,000 new jobs were created. That is largely due to the fact that interest rates were lower than they had been at times in the past.

If interest rates had been raised right after the last budget a lot of jobs would have been lost. In my area of Halifax West there is some concern because of the large civil service presence in the Halifax area. People who are being affected by the reduction in the civil service are very concerned.

The number of civil servants being cut is 45,000 across the country. When we recognize how many jobs that were created last year, over 430,000 jobs, you can see how much you can lose by having interest rates rise. What we lose in civil service jobs

we hope to make up for by keeping interest rates low. That is a very important point.

Keeping interest rates low is very important in terms of the disposable income that people have to spend on things. If they are paying more for their mortgage, paying more for their Visa account, paying more for all their loans they have less to spend on consumer items, less to keep the economy going.

(1515)

As we all know, expenditure reduction is a key to reducing our deficit. We cannot reduce our deficit without reducing our expenditures. That is why the government will reduce cumulatively over the next three years \$25.3 billion. We are doing this without increasing personal income taxes.

We are maintaining our assault on the deficit with fundamental changes to the structure of government. Government must still be active but we have to find ways to reduce duplication. We have to realize the things that are the most important, find the priorities for government and reduce activity in other areas. We cannot afford to be in all areas all the time.

We are making tough choices in the budget. There is no question about it. It was not an easy budget to work out. There have been difficult decisions made. Program review involves some of those decisions; it involves going through the whole government department by department and analysing which activities and programs of government we should maintain and which we should reduce or remove. We have to maintain the most important ones. It is all about sustaining the most important activities of government. Those are the reasons we have to do this in terms of government reduction.

For those in my area and for those people who are affected by the cuts to government programs and the civil service, it is very difficult to accept and to receive those cuts. That is why it is so important we achieve our reduction in the civil service in a humane way. I spoke to the President of the Treasury Board when he was in Halifax some weeks ago about this matter, trying to maximize the flexibility so civil servants could move between the departments where there were possibilities of openings.

We are also merging and commercializing many programs of government in order to reduce our costs. We are also doing some other things I think are very positive. Most people recognize it as part of the balancing act that happened in this and the very important balance provided in the budget. We have cut business subsidies by I believe \$60 million; that is important in terms of balance.

We are trying to achieve better management of government. We have also made changes in the new Canada health and social transfer. The Reform Party is telling us we have not made enough cuts. I do not think it has a real understanding of what the

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effect of those cuts are on regions like mine. There will definitely be a real challenge in places like Halifax and throughout the Atlantic because of some of these reductions, especially in the metro area of Halifax—Dartmouth. We will rise to meet that challenge. We can do it and we know we have to. At the same time, to say we should go much further right now makes no sense to me at all. It fails to realize the impact these reductions will have in regions like Atlantic Canada.

The people in my riding of Halifax West have told me in their view the budget struck a good balance between the two tracks of our approach. There are enough cuts to get us on track regarding the deficit, to get it down where it should be quickly. At the same time we are maintaining the important principles of our government, the important Liberal principles of maintaining social programs.

I mentioned there is no hike in the budget in personal income taxes. There are new measures to ensure that taxes owed are collected. That is very important in terms of improving fairness in our tax system. There are also tighter rules for tax deferrals and for foreign and family trusts. It is certainly time the tax holiday for family trusts came to an end.

The red book platform focused in many ways on small and medium size businesses. The 1995 budget contains many continued efforts to support small business which we all know is the engine of our economy and which provides so many jobs. So many of the new jobs in our economy are being created by small business and so it is very important to continue to support small business activities.

The government looked to members of Parliament for input in terms of what we should be doing to help small business, which is why last October the industry committee came out with its report "Taking Care of Small Business". In November, 1994 the small business working committee came out with its report "Breaking Through Barriers". Many of the recommendations in those reports were adopted by the Minister of Industry when he gave response entitled "Building a More Innovative Economy" which contained among others key initiatives measures to reduce the paper burden for business. We all hear about the red tape and the number of forms people have to file and deal with when they are in small business. It is overwhelming for them.

I was talking recently to a friend who operates a small engineering business in my riding. He was talking about how he is always filling out an endless array of forms. It is important to reduce some of these forms. Also in those initiatives I mentioned there was a strategic procurement initiative which is very important to see that some of our government procurement comes more and more from small business across the country.

(1520)

We are seeing the expansion of the Canada business service centres across the country to provide more services to help small businesses getting started or that need help with advice in terms of expansion. We are seeing the reform of the regulatory systems which will help to reduce red tape. We are also seeing new export financing initiatives targeted toward small business. The Export Development Corporation has been instructed very strongly to not only help the big companies but to focus its attention toward helping small business.

That is very important. Small business told us the most important obstacles to growth and jobs and to its growth, which means growth and jobs, is the debt and deficit. That is why we attack those obstacles. The budget reaffirms our commitment to small business as the engine of growth and job creation.

I am pleased that the Atlantic Canada Opportunities Agency is assisting in those efforts and doing important work. It is one of the most important financing tools in Atlantic Canada.

The OECD has advised countries that if they want to provide for a strong future they should support the development of self-employment skills in our populations. I am pleased to recommend support of this bill.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I appreciate the opportunity to again put a question to a member on the government side.

Members have had an opportunity to review the bill, to study it in caucus, to talk to cabinet members about it, review it in the finance committee and examine it in their own ways.

The hon. member comes from a part of eastern Canada with some agricultural base. Therefore he should have some understanding of rural life in Saskatchewan. As a member of government he has an obligation to review the effect this legislation will have on rural Canadians right across Canada.

The hon. member talked about small business. When we in Saskatchewan think about small business we think not only about those who are entrepreneurs selling or manufacturing products but also those who are producing products on the farm.

In all fairness to the government to have claimed otherwise, this bill and the budget in general will have a more devastating effect on rural Saskatchewan than on any other part of the country.

With regard to the bill, the legislation and its effect on the farmers through the reduction of the Crow benefit, I ask the member if he can identify any studies that will back up his government's claim that this legislation will lead to increased crop diversification and enhanced value added production.

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At the same time, given his commitment to small business, can he tell us and the farmers of western Canada what transition measures he believes are necessary to secure the future of rural communities given the immediate withdrawal of federal support for grain transportation?

Mr. Regan: Mr. Speaker, the hon. member is not familiar with my riding and its nature. There is very little agricultural activity in my riding.

The member mentions rural Saskatchewan and that I should have some understanding of these issues. My grandfather would agree because he, my mother's father, was the member of Parliament for Meadow Lake, Saskatchewan and spoke often of the concerns of agriculture in the House in the 1950s.

The budget is balanced. Perhaps the hon. member is not aware that in last year's budget Atlantic Canada took quite a strong hit. We lost a lot of military bases. Close to my riding, the base in Shearwater was cut by 40 per cent. We lost the base in Cornwallis and have had other cuts across Atlantic Canada in the 1994 budget. It was gratifying and satisfying to see a greater balance in this budget.

(1525)

The hon. member talks about the problem of diversification in agriculture. Canola, invented in western Canada, is one of the products being grown more and more in western Canada and is providing a real good cash crop for western farmers. The area is also seeing more development and work in terms of bio-fuels. Both of these commodities are the kinds of things that can provide for western diversification and allow farmers to keep operating in western Canada, which I think is very important.

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I rise to speak to Bill C-76 for the second time. While previously I spoke on the total content of the act, today I wish to speak to part V of the act and particularly on social transfer and social programs.

While I understand the concept behind the change of payment of social services to the provinces and the need for taking some drastic steps, I am concerned about the application of the funds.

We all know the importance of social programs and the high rate of acceptance by Canadians for such programs, amounting to over 70 per cent of our population.

The legislation for the Canada assistance plan was passed in 1996, but since then over 14 million people either were born in Canada or came as immigrants. Provinces in the meantime have become more progressive and have asked for more autonomy. The new legislation will offer greater flexibility to the provinces to deal with the distribution of social programs.

[*Translation*]

All this would be fine if the government did not have to cut payments to the provinces. These cuts are necessary to deal with the debt and the deficit. If payments were to continue on the same basis as in the past, they would soon have to be phased out altogether.

Although these are sensible decisions, we cannot forget those who will suffer most as a result of these cuts. When Canadian taxpayers asked us not to raise taxes, I often explained this would mean cutting services and programs, which would not help the poor and those who need social assistance.

[*English*]

Being on welfare has become a stigma. Society has a tendency to label people without taking into consideration that life is not treating everybody in the same manner. We know that as long as there are rich there will be poor, but it is up to the rest of society to make sure the needy are treated fairly. People on welfare are very vulnerable and have to struggle to keep afloat.

Too many people are poor in Canada. One child out of five lives under the poverty line and where there are poor children there are poor parents. Statistics do not mean much. They are just numbers and behind them there are real people. Every percentage point means several human beings, each one of them with rights and privileges like everybody else.

In my riding many of the children in the inner schools eat only one meal a day provided by the school board. They wear clothes donated to them and never want to go home because they do not have a home, they have a house, often empty, where there is no warmth or affection. Often children look for affection elsewhere with the consequences we all know.

Last week the Minister of Health was in an inner school of my riding to announce the head start program for aboriginal families. The children in the school, many aboriginal, gave the minister a great welcome. She spoke to the children. She spent time with them and this, for the children who spoke to the minister, was probably the highlight of their school year and was a great shot in the arm for the parents who were present and for the teachers and the principal who live with all the difficulties day in and day out.

Some say God made mothers because he could not be everywhere. Long ago I added to the word mother, intended for parent, the word teacher because of the hard work many of them do with many of our children, especially with those who need it the most.

These children are not mere numbers. They are individuals, our men and women of tomorrow. What an opportunity we miss. They could be the professionals and the tradesmen of tomorrow and a lot of potential is going to waste because of the lack of resources they are faced with. These children represent one-fifth of the population of tomorrow.

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(1530)

[Translation]

The other day I visited skid row in Vancouver. In one of the hotels I met a young aboriginal man, and we had a conversation. This young man, who is very intelligent, had finished high school, went to college for two years and to university for three, and had lived a decent life until he started using drugs. What a shame and what a waste.

There was also a very young woman who was coming out of the hotel. She was too young and too vulnerable to be going to a hotel on skid row. What a shame and what a waste.

[English]

This misery can be found all over the world, but in Canada we should not allow it to happen. CAP exists to try to give some dignity to people who would otherwise live in sheer poverty.

My concern about the new system is the loss of the five rights which up to now have been imposed on CAP: the right to income when in need; the right to an amount of income that takes into account budgetary requirements; the right to appeal; the right not to have to work or train for welfare; and the right to income assistance regardless of the province you are from.

Part V of Bill C-76 only maintains the fifth right requiring that "no period of minimum residency be required or allowed with respect to social assistance". Maintaining only this right is not enough. Each province could go in a different direction and deny welfare for other reasons. This would increase poverty and crime and would put even more people on the street. If a province denies individuals welfare, it is possible to move to another province, but if all the provinces do the same, where would people go for help? South of the border?

[Translation]

Poverty is everywhere. Last week, my opposition colleague said that in a separate Quebec, there would be no more poverty, but I think we will have to think very seriously about all of us working together, if we want to reduce poverty and improve the circumstances of so many Canadians. I believe that united we stand and that together we can get the best results.

I know that the bill provides for consultations with the provinces to reach mutual agreement on social programs. But I also believe that if we maintain the five principles of the welfare program at the federal level, we can at least have a discussion based on these principles.

[English]

The House finance committee in its recent report has backed the right of appeal. This is a very sound decision and an important recommendation. I would like, as would many other people, to see this recommendation implemented and the remaining rights maintained.

Let me go back to my riding where there is the only emergency day care in the city of Vancouver. The greatest majority of children in day care have drug related and alcohol related syndrome. The reason: poverty. In my riding, there is the food bank where tons and tons of food are distributed on a regular basis to hundreds of people. The food bank is not alone in offering this service; other good hearted people do the same. This is found all over Canada. If we abandon the rights of CAP, we also abandon these people creating a new category of poor. Because of this action we will have many more program disparities than we have now.

I have met several people since budget day. These people have the poor at heart. They are those who work on skid row, those who teach in the inner schools, those who deal with people with disabilities. I thank these people for their assistance to me over this month. They really hope that when the minister of human resources meets with his provincial counterparts they will find a consensus and will keep the five rights.

[Translation]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I was not sure I could take part in this questions and comments period. Thank you for recognizing me. I would just like to ask my hon. colleague a question.

She talked about poverty in general, mentioning Canadian unity and Quebec sovereignty of course, and finally, quoted the principle of strength through unity. That is a principle often quoted even in my riding. However, based on fact rather than principles, in 1980, the Canadian debt was approximately \$90 billion and unemployment was much lower than it is today. In Quebec alone, there were half as many people on welfare in 1980 as there are now.

(1535)

So it was decided in 1980 that Canadian unity should be maintained. Fifteen years later, the debt has skyrocketed to nearly \$550 billion and will reach \$700 billion in just a few years, we are told; it is growing very fast. Unemployment is not double what it was, but almost. We now have 808,000 people on welfare. During these 15 years, we have come to realize that the gap between rich and poor is widening. The middle class is disappearing before our very eyes. Could the hon. member please explain how the strength through unity principle applies in that context?

Mrs. Terrana: Mr. Speaker, I think that what my hon. colleague just said is incorrect because, as you know, this matter has implications not only in Canada but also throughout the world. I also think that in 1980, when Quebec decided against separating from the rest of Canada, the battle for separation was not over and this has been a source of major instability across the country. I think that while it may not be the only cause of poverty, it certainly is a contributing factor.

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[English]

(1540)

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the hon. member for Vancouver East, like the hon. member from Halifax before her, has an obligation to all Canadians to review and ensure that their support for legislation is fair.

I am wondering if the hon. member for Vancouver East understands that if the bill before us cuts \$1 million from various rural communities that it will result in the loss of elevators, increased input costs for farmers and decreased prices for farmers. I have newspaper clippings galore here that indicate all sorts of problems will result in agriculture trade as a result of this legislation.

How can the hon. member in all good conscience support this legislation when these immediate and long term impacts will be so devastating on prairie people?

Mrs. Terrana: Mr. Speaker, not only the prairies and the farmers have been hit in this budget but many other people have as well. This budget is not good at all for the people in my riding. They will suffer.

We have subsidies and subsidies were cut which of course is not a pleasant thing to do. However they had to come to an end. There is a transition period and \$1.6 billion is being offered to the farmers to adjust to the new situation. In my duties as a member of the transportation committee I also asked a question about the effect of Crow for instance on transportation. It seems they are not very concerned about it. I would like to see the situation adjust. It is tough we have had to do that, but we have taken great care to be equitable in our cuts.

[Translation]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I wish to inform you right away that I will share my time with my colleague from Terrebonne.

I am very happy to speak again today to Bill C-76, which is a major bill allowing this government to implement various provisions of the hon. finance minister's budget.

As everyone will agree, one of the key elements of Bill C-76 is the planned cuts to the federal government's transfers to the provinces. With some \$7 billion in cuts to be spread over the next three years, \$2.5 billion will be cut in Quebec alone. For the Quebec government, this is in keeping with its relations with the federal government, which, in the last 12 years, has deprived Quebec of \$14 billion. This represents over \$1 billion a year, which easily explains why the Quebec government is in a difficult financial situation. This can be seen throughout the health care sector. In the Montreal region alone, there is talk of closing between seven and nine hospitals, if I remember correctly.

We must be aware that the cuts imposed on Quebec by the federal government are at the heart of the problem, particularly as far as hospitals are concerned. It is too easy to blame the messenger for the bad news. Real courage means taking responsibility and facing the situation, as the Quebec government is doing, unlike the people here who prefer to hide their decisions.

All the cuts made in recent years have led, as my Vancouver colleague pointed out, to the proliferation of food banks, which unfortunately have become increasingly important in the daily lives of too many Canadians and Quebecers. Cuts are therefore the first element of the Canada social transfer.

The second element is implementation. To add insult to injury, the federal government is not only cutting transfers to the provinces but also imposing its own standards. The provinces will not be free to use the amounts still available as they see fit. We know that in a few years cuts will not even be an issue, since there will be no more federal transfers. Yet, the federal government dares to impose standards.

As the provinces already have to comply with federal health and welfare standards, they will now be required to conform to federal standards in social services and post-secondary education. Federal involvement in these areas violates the constitution.

The rules for running the country are set out in the Canadian constitution. Section 93, in particular, provides for this kind of thing. For a great many years, we have been aware that the federal government contravenes the Canadian constitution, in particular section 93, by disregarding provincial jurisdictional claims in the areas of health, post-secondary education, social services and welfare. Despite its cuts, the federal government dares to impose and expand standards in areas that are none of its concern.

The third and last element, which is related to the Canada social transfer, is the fact that the UI fund is currently growing. Need I remind members that contributions to this fund are made by those workers lucky enough to have a job and by their employers?

Thanks to the insight of the hon. member for Mercier, who is the Bloc critic on social issues, we feel, and rightly so, that the federal government is preparing its strategy against the provinces by letting the UI fund grow, while at the same time going after the provinces by imposing cuts in the transfers made to them.

Soon, the government will be offering to the financially strapped provinces money—that is money which does not belong to it but, rather, to the workers and companies contributing to the UI fund—to help meet new needs, or to implement readjusted manpower training programs from coast to coast.

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The government will tell the provinces: We have money. You do not have any, but we do. However, that money will not be the federal government's money. It will be money contributed to the UI fund by ordinary workers and by the companies which employ them. There is something immoral in all this, something which we will denounce as long as we are here.

Our position regarding the Canada social transfer is very simple: It should not exist. The federal government should mind its own business; it should comply with section 93 of the Constitution and withdraw from provincial fields of jurisdiction. The savings thus made could be used to reduce taxes, and the federal government could give the tax points to the provinces, including Quebec. The situation would then be much clearer and certainly more normal.

(1545)

Bill C-76 was the subject of debate on the last opposition day, last Thursday. The official opposition denounced the operation that it saw taking shape, the scheming, and that is perhaps just the tip of the iceberg, with Bill C-76 that we are looking at today, Bill C-88 on internal trade, Bill C-46 on the new Department of Industry, and Bill C-91, an act to continue the Federal Business Development Bank under the name Business Development Bank of Canada.

We see in this bill, and that is our right, a scheme first to stop Quebec in its tracks and surround it and then to quietly lay the groundwork for a post-referendum scenario in which Quebecers will have decided to stay in Canada. And, in that scenario, the other provinces will find themselves in the same boat as Quebec, whose decision not to leave will be disastrous.

We denounced this scheme last Thursday. At that time the member for Edmonton Southwest applied some, I would think, rather unparliamentary terms to us, and I quote: "The Bloc Quebecois is suffering from tribalism, with its constant harangue that certain federal policies are centralist and target Quebec".

I would simply like to remind our colleague for Edmonton Southwest that we are doing our job, that we are perhaps showing some vision of the Canada of tomorrow, and that it is also the responsibility of the members of the Reform Party to help preserve the integrity of this Canada, because we are witnessing an insidious move by the federal government to centralize Canada to the detriment of the provincial governments that they are supposed to be representing, which will soon become regional governments. That is what the future holds. They perhaps have the right to see it this way, but this view is certainly not unanimous throughout Canada. It is disastrous for Quebec. If this scheme succeeds, a nation that has the right and the desire to exist may disappear.

To be accused of tribalism is rather insulting. I wonder whether it was ignorance or bad faith that made the hon. member for Edmonton Southwest and his colleagues use such language and show so little understanding and respect for the position of the Bloc Quebecois on the future of the people of Quebec.

Finally, I would like to draw your attention to a recent initiative that hardly reflects the intent of Bill C-76. I am referring to a flyer distributed recently in Quebec under the auspices of Power Corporation—friends, and we know who they are—and to all Canadian homes. This flyer, and we do not know how much it cost, describes the attractions of Canada Day.

To spend that kind of money now is rather obscene. I may recall that the Department of Canadian Heritage, which is responsible for publishing the flyer, had a budget of \$1,066,000 for community groups which lost one million to cutbacks. This leaves \$66,000. Imagine how much this flyer costs, compared with the remaining \$66,000?

This seems rather unethical. Furthermore, after the flyer was sent to all Canadian homes, a poll was taken, and my wife had the privilege of being called by the Comquest firm, always at the expense of the public purse. While vaunting the merits of the National Capital, some leading questions were asked with the emphasis on Canadian unity, while pretending there was no connection at all with the referendum, certainly not.

You get people like the ineffable President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, who make fun of the Government of Quebec and its public consultations on the future of Quebec, a government that wants to provide information and find out what people think and still has a 1-800 line to give this information to the people of Quebec.

Instead of sending these flyers, perhaps the federal government should write to the citizens of Canada and explain its vision of and its plans for the Canada of the future. That would be a lot more democratic than this miserable little flyer.

(1550)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I would like to make a brief comment and put a question to the hon. member with regard to the social transfer.

As the member well knows, under the Canada Health Act the federal government is empowered to enforce the provisions of that. Those provisions are that our medicare is universal, portable, accessible, publicly administered, and comprehensive.

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The transfer presently to the provinces with regard to health care is in the form of both tax points and cash. The member will well know from the current example with regard to the clinics in Alberta that the Minister of Health has indicated that in the event that the Alberta government does not respect and uphold those principles of the Canada Health Act there will be a withholding of the cash amounts relative to the extra billing in Alberta.

Under the Canada health and social transfer, the government has combined the transfer mechanisms primarily because of the cash component. In the event that there was no cash component with individual programs, the government would have absolutely no leverage whatsoever to help to protect those standards and those principles of the Canada Health Act and of the other programs.

The member will well know that the provinces do not necessarily spend the moneys transferred to them. Whether it be post-secondary education, health, or social programs, they do not necessarily direct those funds received for the purpose for which they were given. In fact the provinces have the latitude.

Since the provinces are already spending the money in a form they believe is appropriate for their province, how would combining the transfers for all the programs under one impact, if at all, the present operations of the provincial governments?

[Translation]

Mr. Rocheleau: Mr. Speaker, what struck me in my colleague's question is that, in the spirit of the Constitution, a jurisdiction like health falls strictly under the purview of the provinces. It is unconstitutional for the federal government to intervene in the way it does, exchanging assistance for adherence to standards. From an historical perspective, this is an abuse of its power to spend. And historically, it has also always granted itself the corresponding powers to tax, and this has been going on since the end of the second world war.

This allows it to intervene today, some might argue in a responsible way, but I must say that we in Quebec have no need for this. We are stuck with the federal government, stuck with paying it \$30 billion each year and stuck with its standards in areas for which Quebecers already have institutions. We have no pretensions, but we also have nothing to learn from it regarding social democracy and sound social organization principles.

This order of things may well suit the rest of Canada. We see that the Canadian government holds a larger place in the hearts of Canadians than Quebecers: our first allegiance is to the government of Quebec. Therefore, the internal logic of Canada may make a central government in Ottawa work well. That will be your decision to make in the post-referendum context. But, now, the logic of Canada contrasts with the logic of Quebec, and we ask Canada to withdraw from this kind of thing and to let the

government of Quebec keep its tax points in order to administer health, all social issues and education.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, I am pleased to rise today in this House to speak on a bill that, according to the government opposite, gives the provinces more decision making room, while taking \$7 billion away from them, in the space of two years.

With absolute seriousness, the Liberals are proclaiming for all to hear that this is new flexible federalism. The provinces are not being given the right to withdraw; the federal government is clearly opting out financially with the aim of reducing its debt and balancing its budget, if possible. In reality, the federal government is cutting off the provinces and giving itself more right to supervise and to intervene.

(1555)

During the course of this debate you have heard words like demagoguery and bilge. I am going to quote documents of the present government, not documents of the Conservatives and not documents of the wicked separatists, but documents of the Liberals, who lacked the courage to note in their red book that they would drop the most disadvantaged after cutting them off.

They also failed to note that they would make students in Quebec and Canada meet national standards after they cut off their financial support. I am going to quote documents from members and documents from ministers, who are present today in this House. The \$7 billion cuts are contained in the latest budget. It provides for \$2.5 billion in 1996-97 and \$4.5 billion in 1997-98; 2.5 and 4.5 add up in my books to \$7 billion in cuts, as set out in the budget.

As regards the national standards, which cause the Minister of Finance to say, and I quote: "[I] will be inviting all provincial governments to work together on developing, through mutual consent, a set of shared principles and objectives that could underlie the new Canada Social Transfer". This is a quote from the minister, the member for LaSalle—Émard.

What happens if there is no agreement, no mutual consent? It seems to me that, in 1981, there was agreement and mutual consent in the case of nine provinces out of ten. Since that agreement, Quebec has suffered the shame and affront of unilateral patriation. Our motto is: "Je me souviens", and we remember.

We must also bear in mind that the current Prime Minister was a major player in this coup against Quebec, and that he is now promising to be reasonable, as he told this House. But if the future is anything like the past, in Quebec, we are in for more unilateral encroachments.

They talk about agreement, respect and mutual consent, while at the same time federal officials are producing documents that I would describe politely as somewhat centralizing. The report of the national education standards committee, a 130 page report submitted to the Prime Minister recommends among other things—this is recommendation No. 1—that standards of ex-

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cellence be defined at every level and in every field of education and training. These standards should reflect the highest national and international levels of performance and should be regarded as the primary objective to be achieved by students.

This recommendation, made in a report dated May 1994, under the Liberals, clearly shows the direction taken by this government even before any consultations were conducted: cuts and growing interference in an area which, I remind you, has been under exclusive provincial jurisdiction since 1867. That gives us an idea of what to expect from Bill C-76 and mutual consent.

That is not all; there is more. Recommendation No. 2 states that a higher percentage of education spending should be directed to research and development. What spending? Who will control that spending? Every one in Quebec, including Ghislain Dufour and the Liberal MPPs, wants control over manpower training to be returned to the province.

Further in the report, it is recommended that the federal government provide assistance for the development and administration of tests on every basic subject. It should be pointed out that we are talking about a provincial jurisdiction here.

Another recommendation: That every level of government make it a priority to earmark sufficient funds to analyze and make maximum use of the results and implement recommended changes.

It so happens that, in Quebec, we have a Ministry of Education with 5,000 employees. Other provinces also have ministries of education. In addition, in Quebec, we are currently holding a summit conference on education. That shows how little respect the federal government has for local and provincial authorities. Why is it so bent on increasing costly duplication and overlap?

Through Bill C-76, the federal government makes \$7 billion in cuts here and there. As was mentioned with regard to the report on national education standards, its presence is being intensified in exclusive local or provincial jurisdictions.

(1600)

This report refers to an annual conference on national education problems, to a national review organization, and so on. From the outset, I have been trying to demonstrate that Bill C-76 provides for national standards, that the federal government's centralizing approach has led us to expect the worst as far

as the definition of these standards is concerned. The only report on national education standards reflects the education policy contemplated by this government.

Unfortunately, I have been unable to address the issue of social services or that of health care, which, as my colleague from Trois-Rivières said earlier, has also been under exclusive provincial jurisdiction since 1867. Other reports by the Bloc Québécois have demonstrated the federal government's irresponsibility in these areas in connection with Bill C-76.

In conclusion, I would like to quote two excerpts from an editorial by Michel Vastel. The first excerpt relating to Bill C-76 reads as follows: "Any province that does not mention the federal government's contribution will be fined. The financial penalty, to be recommended by the federal minister, can go as far as withdrawing the total contribution under the Canada social transfer. Such a penalty could amount to roughly \$7 billion".

A Liberal member asked earlier why we objected to putting social programs, health and education in the same bag. Failure to comply with a given agreement may lead to the loss of the whole package. For Quebec, this would translate into a \$7 billion penalty simply on the recommendation of the federal minister.

The second excerpt from the same editorial is this: "Notices saying something like "This service is provided thanks to a contribution from the Government of Canada" will now be displayed in hospital lobbies and on Quebec health insurance forms". The size of letters, the colour of the maple leaf will be determined by memorandums of understanding, mutual agreements and umpteen meetings of federal and provincial officials.

Thank you, Mr. Speaker, for giving us the opportunity to speak to Bill C-76.

The Deputy Speaker: The hon. member for Mississauga South, for a question or a comment.

As the hon. member may know, I always try to give the floor to a member from a party other than the one represented by the previous speaker.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I expect that another hon. member would also like to comment.

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With regard to the social transfers, the question has been raised as to whether they should be going into one pool. If the Bloc has a problem with grouping them together, knowing full well that the provinces spend the funds wherever they want anyway, would the member agree to mandating that all dollars transferred for health care be spent on health care, that all dollars transferred for education be spent on education, that all dollars transferred for social programs be spent on social programs, and that the provinces would have absolutely no discretion in that spending?

[*Translation*]

Mr. Sauvageau: Mr. Speaker, I thank the hon. member for his question. I find that, when it comes to streamlining this whole transfer process, Quebec probably has the ideal solution: we pay our taxes to the province and we make our laws in the province. This is what we call sovereignty. This is what we want to do, so as to avoid all these problems.

The reason why we oppose these national standards and these costs is very simple. As I said earlier, the number one recommendation of the committee on national standards for education provides for basic national standards on all subjects taught and on all training programs. The federal government also says in the report that it wants to see more science and technology courses. Sure, but if, for example, Newfoundland would rather offer more courses related to fisheries or social issues, what will happen if national standards are in place? That is my first example.

Let me give you another. Do we really want to allocate the money earmarked for education to education, and the budgets for health care to health care?

(1605)

I am personally convinced that the Canadian provinces as a whole are responsible and that they will allocate the funds where it is necessary.

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I want to thank the hon. member for Terrebonne, who wants certain powers. It is said that all the English provinces are getting together to demand more autonomy, that they are also in favour of decentralized government. Mr. Johnson says he keeps hearing the same message when he travels across Canada. And Mr. Bourassa said the same thing.

Everyone wants more power. No one is satisfied, and especially not Quebec. Why do we go on making these demands year after year? Why do we keep saying we must do something that is very worthwhile and make Quebec sovereign?

My colleague talked about education, and we realize that Quebec is lagging behind, because they wanted to create a lag in research and development. In the Gaspé alone, 10,000 students have left the region. I want to ask the hon. member: Why is Quebec not, and never will be—in my estimation—satisfied with the situation in post-secondary education?

Mr. Sauvageau: Mr. Speaker, I want to thank the hon. member for Matapédia—Matane for asking me this question.

Education is my specialty, and although I do not think I have the answer, I may have part of the answer.

First of all, as he said earlier, at the post-secondary level students, like workers who have trouble finding a job, have to cope with overlapping programs and duplication, whether we are talking about federal or provincial programs.

I believe that as members of the Bloc Québécois, we are more interested in education, which is a provincial jurisdiction, than members on the other side of the House, and I know why. They have other things on their minds, so let the government render unto the provinces what belongs to the provinces, like education, so they can get on with other business.

Now I would like to explain why young people are against national standards for education. As my colleague said, in Matapédia—Matane, for instance, they might need special emphasis on a particular sector, and that is what the *états généraux de l'éducation au Québec* are bound to conclude.

But how can we have national standards in an area that, when the Fathers of Confederation signed their agreement, was a provincial responsibility? Or so we are told. But how can we have similar standards for health care in Quebec, Ontario and Newfoundland? The federal government has imposed national standards for health care. What Bill C-76 wants to impose is the same medicine—no pun intended—this time for education. They want to set national standards for education.

When? Just when the government is going to cut funding. In other words, it gives less money to a province, gives more orders, and the province has to fall in line, otherwise funding for all programs will be cut: social assistance, education and health care. That is why we object.

[*English*]

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, approximately a year ago Canada began an incredible transformation, a change that has had a profound impact on all of us in this Chamber and on Canadians everywhere.

I am talking about finally coming to grips with our national debt, which over the years has now reached the unconscionable level of \$550 billion and which demands so much of our interest that one-third of all of the tax revenue paid by Canadians to the federal government goes just to pay the interest. One-quarter of all federal government expenditures today are simply to pay the interest on our debt, let alone not paying it down at all. We have had to come to grips with that, and ever increasing annual debt adding to it. It has not been easy.

In the past governments have always been in the mode of giving things to people, of increasing programs, of increasing expenditures. Maybe it does not come easily to a lot of us to start to look at the reality and come to grips with our debt and deficit crisis. We have done it. One of the amazing things that we on the finance committee learned as we travelled across the country is that Canadians, from the richest to the poorest, all said we must get the deficit and debt under control. There was a lot of legitimate debate on how to go about it, but as we opened up the

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public hearings Canadians were committed to the reality that we had to find a new way of doing things.

(1610)

In the budget bill before us, Bill C-76, we have really attacked what in the past have been three sacred cows in Canadian government. The first is the western grain transportation subsidy, which for all of this century has given an incredible subsidy to grain farmers in the west to help them get their grain to market and to help them be competitive in what is really a dirty international market wracked and plagued by subsidies of enormous quantities in many countries.

It will not be easy for our prairie farmers. There are transitional provisions to help ease the burden and help them find ways to bear some of the brunt of the burden. It is not easy for us to have to say that this can no longer be the way we do business.

The second sacred cow we have had to gore is our public service. We have had to cut 14 per cent of our public service, or 45,000 public service jobs over the next three years. This is not easy for us. Those of us who have been in government for a long time realize that we are fortunate to have a highly competent public service, with people who could be earning much more in the private sector but who feel they have a pride in actually serving their government.

This tradition was built up in Canada over this century, a position of great pride in our public service. Names that come to mind are the Robertsons, the John Holmes, and people who gave Canada a name internationally because of their intelligence and their commitment. They were the ones who got us into international peacekeeping. We can find individuals like this in every department.

For us to say we have to cut them, let us say to our public servants that we recognize that maybe they do not deserve it. They do not. We recognize they have made a great contribution to our country, and it is with heavy hearts that we have to put 45,000 people on the street.

There are a couple of ways you can do it. We went through a program review. Every program was looked at to see if it could be eliminated or whether it could be done better elsewhere or whether it was really necessary in order to eliminate expenditures and bring down the deficit.

The normal way to go about making the cuts is that all those people in a program that is axed would be asked to leave the public service. There are severance packages. We are contributing a large amount of money to ease the burden of transition from public to private life. However, we would be losing many very competent public servants if that were the way we were to proceed. From a management point of view it is quick and certain. After we on the finance committee listened at length to

many of the public service unions we thought there might be a better way. We learned from them that there are people in many departments who might want to take the early retirement package and leave the public service, even if their program or department was not going to be axed.

The concept of substitution came out. The government tried to negotiate with the public sector unions and they almost had an agreement on how all the cuts could be made on a voluntary basis. At the last minute the agreement did not come about.

(1615)

In listening to the witnesses we determined it would be very important to approximate some type of voluntary substitution program. Those who wanted to avail themselves of the early retirement package could, and people could switch from one department to another.

We were told all of these 45,000 jobs could be replaced on a voluntary basis and we therefore have encouraged the ministers and the finance committee to do that recognizing that in many cases this might not be practical. We have also asked the public sector unions to work with the minister in not only the promulgation of the guidelines for alternates but also in their carrying out.

The minister has been very responsible in responding to these entreaties on our behalf and the unions. From what I understand we are to have a much more humane and practical way of downsizing the public service than if we took the easy way out. It may take longer but we will have public servants who want to stay in the public service.

The third sacred cow we have had to take on is transfer payments to the provinces. By way of brief background, under the current regime that has existed up until now we have four types of transfer payments from the federal government to the provinces. One is for equalization to the poorer provinces to give them a certain level of public service. In the budget we have not cut any of these equalization payments.

The second type of equalization payment is under the Canada assistance plan from the federal government to match the funds put forward by provinces to deal with Canadians who are in need or who suffer from disabilities, the most disadvantaged and the poor. The province establishes the program and we match its funding. There are very few controls or strings over this money right now.

The third area is established programs financing which has two components. One is for post-secondary education where there are no federal strings attached whatsoever. The second is for health. We have a number of strings on this. The Canada Health Act says a province has to meet the five criteria of the Canada Health Act or else we can cut back the funding.

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We are cutting back the \$7 billion of transfer payments over a two-year period. We do not do this with alacrity because we know how important expenditures in these areas are. If anybody thinks we can cut the deficit without cutting in this area, they are wrong.

Under this new regime there will be a combination of the three programs, the CAP, the EPF for post-secondary education, and the EPF transfers for health, into one transfer payment instead of the two; combining the two into one, called the Canada health and social transfer.

We have not touched equalization. In the bill we have mandated the Minister of Human Resources Development through mutual consent with the provinces to develop principles and objectives for social assistance and post-secondary education.

Members of the opposition and many Canadians who appeared before us said that if we continue on the trend established in the budget for the next two years we will run out of cash payments. There will be no more cash payments to the provinces. In some cases it will be after 4 years; in some cases maybe after 11 or 12 years.

How can the federal government have any voice? How can we have any voice if we do not have cash? This is why our committee recommended in the future there must be a cash component. What will this do?

(1620)

For the first time where we have very few standards today the provinces will have a major voice in determining the standards applied.

Because the amount of the cash transfer under the Canada health and social transfer is to diminish by \$7 million over two years, people say we will have less clout with the provinces to force them into national standards, objectives, shared principles or whatever.

The object is not to force the provinces into anything. We have said we want the minister to sit down with them and develop through mutual consent. That means talking with them about the principles they want. This does not mean we are imposing them.

In the future, supposing we agree on shared principles or objectives, we will still need some money as part of the cash transfer to the provinces to enforce standards such as with the Canada Health Act which we are not touching. This is why we went beyond the budget and did something which a finance committee has not done in the past to my knowledge. We not only reported Bill C-76 back to the House but we did so with an additional report, report 16 of the finance committee wherein we said that in future years future Ministers of Finance—we know it will be this one for a long time, many decades perhaps—must have a cash component in order to ensure the standards under the

Canada Health Act or new standards developed with the consent of the provinces are enforced.

Another concern related to the most disadvantaged economically, those at the bottom of the heap, those who do not have jobs, single parents whose children are living in poverty, those who are not working and the working poor, those referred to as the ones who get welfare or social assistance which were part of the Canada assistance plan in the past.

In the Canada assistance plan we matched transfers but we are no longer doing it. It is all combined in one payment. We heard a tremendous amount of testimony from the National Anti-Poverty Organization, from community groups such as the one here in Ottawa working with the poor, giving them health care and other assistance through a number of volunteers, many right across the country.

The federal government is cutting its transfers to provinces that are not the neediest, those with the least political clout, the provinces that will stop giving them the money. We have no control now over whether the provinces give support to the needy. If they do, we will match it.

When the finance committee set out last fall to prepare for the budget, we reported we would have to make massive cuts. We said we did not want these cuts to be made on the backs of the poorest because they are already down and out. They are the ones who in many cases cannot stand more cuts.

This is why in our report to the House of Commons we urged the finance minister and particularly the Minister for Human Resources Development when he talks to the provinces to make sure the most in need are not the ones who are cut out of the programs, children in poverty, the working poor and the others who are not there.

(1625)

We heard testimony from the National Anti-Poverty Organization that according to its best estimates only about 3 per cent of those who are on welfare today are abusing the system. Even if its figures were twice what it is they were, are the abuses of a few people sufficient to bring down our wrath on all of the people?

We have to be very careful when we are making these cuts that we have our priorities straight and that we do not prejudice those who are already the most vulnerable, those who are most deserving of our support in what we consider and always want to consider to be a compassionate and caring society.

Because we are combining the two or three transfers into one, even though it is smaller there will be greater economic clout in the short term to enforce standards that might be agreed to and to protect the five principles of the Canada Health Act.

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Over the longer term and in the more distant future we are urging that future budgets retain a cash component so these principles can be observed.

I started off by saying our national debt is a crisis we could not ignore. Past governments have overspent. It is not for us, I believe, a fruitful course to say—

[*Translation*]

“It was the Liberals, it was the Conservatives, or because of the NDP’s support”. It is up to us, to all Canadians, all Members of Parliament from all parties to deal with crises and to do better to build a better future.

We have begun our all out battle against the deficit. We must do it fairly, humbly and with the knowledge that by doing something about it today, we can build a stronger and more prosperous Canada for our children and our children’s children. Such is our duty, and we will do our duty.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I was very appreciative of the comments the member made referring to the Canada Health Act and other social programs like that. He said, and I agree with him, if anybody thinks we can cut the deficit without cutting in this area they are wrong. I am being quite serious, not sarcastic. I hope he and other people who are responsible in the Liberal caucus get that message through to certain backbenchers like the member for Halifax or Beeches—Woodbine.

I wonder if the member would agree that in the case of the Public Utilities Income Tax Transfer Act and the doing away with the PUITTA grant, that very specifically was a tax increase.

The second question is with respect to the downsizing of the civil service. The member will recall that in committee I was trying to draw the minister out about the reverse of the hiring quotas or numerical targets. Does the member understand there will be absolutely no attempt on the part of the Liberal government to achieve its numerical targets under employment equity when it is laying people off by using that process selectively to simply do a reverse hiring procedure on the way it is planning on doing the hiring procedure to gain its balances?

(1630)

Mr. Peterson: Madam Speaker, with respect to the public service, we will not do away with the public service act or the protection which any public servant has through the Public Service Commission and the rules regarding employment equity. If the hon. member thinks we are, he is wrong.

The beauty of the way we are going about the layoff is that it is being undertaken in consultation and in co-operation with the public sector unions as well as with management in Treasury

Board and the various departments. That is why we have something which can work and which will achieve the level of substitution on a voluntary basis that we were hoping for.

In terms of PUITTA, members will understand that in the last budget year we spent \$249 million reimbursing public utilities which had been privatized and which were in the provinces. We were reimbursing them for the income tax we collected.

How did they get into the private sector in the provinces anyway? They were privatized originally by the provincial governments in order to make them more efficient and in order to create capital funds for deficit reduction for the provinces. Now they are working in the private sector. They were a function and a creation of the provincial governments.

These utilities and the provincial governments were insisting that we continue to give them \$249 million a year. Were the provinces prepared to rebate the corporate taxes collected by the provinces to these utilities? Not one was, even though they were creations of the provincial governments. If the provincial governments are not prepared to rebate the corporate taxes to them, why should the federal government? It is a real anomaly.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne, BQ): Madam Speaker, I would like to take the floor to briefly thank my Liberal colleague for so respectfully listening to all of our speeches. I would like to make a few comments before asking him my question.

As he said at the beginning of his speech, he shed some crocodile tears because of the abolition of 45,000 public service positions in Ottawa and across Canada. I have half a mind to ask him where the Liberals boasted about cutting 45,000 positions in the red book they talked so much about during the election campaign. Since everybody already knows the answer to that question, I will not ask it.

However, I would like to say that public servants probably have more reason to fear a Liberal federalist government in Ottawa than to fear the sovereignists who promise that they will be integrated into the Quebec public service—a promise that will be kept—in their draft bill. These public servants have much more to fear, and we now hold the proof—45,000 jobs cut—from the other side of the House, because that is where the cuts are coming from, and not from our side.

I would also like to mention something that my colleague did not deem worth repeating in his speech. The cuts for the next two years will be in the order of \$7 billion, I repeat \$7 billion. If we, on this side of the House, are mistaken, if this is not truly what is written in the Martin budget, perhaps they could give us proof and give us other figures than those that the Minister of Finance already gave us.

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Now to my question. Earlier in your speech, hon. member, through you, Madam Speaker, you said to us: "There are no strings attached whatsoever to post-secondary education. Of course, we have a number of strings attached on health". So, why does a committee on national education standards exist and why has this committee already issued a 130 page report on national education standards?

Mr. Peterson: Madam Speaker, I would like to thank the hon. member for Terrebonne for his questions. First, as regards the public service, the minister and the committee insisted on some form of co-operation between the unions and the government concerning substitution, that is that the retirement arrangement must be accepted by individual public servants. Perhaps, and I hope so, in the next three years, all government retirees will follow the course of substitution making use of the generous benefits offered by the government.

(1635)

Secondly, as concerns national standards in education, neither our committee, nor the minister nor the budget will require national standards in education. This is surely part of the negotiations undertaken by the Minister of Human Resources Development.

In listening to all the witnesses, we were very grateful to a group that suggested the standards in the area of education be not national, but international, standards of knowledge and excellence, given the area is a competitive one.

And we, like all Canadians, in Quebec, in British Columbia or in any province or territory, must take international competition and our own system of education across Canada into account, if we are really to take advantage of it.

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, the hon. member opposite apologized twice. First, he admitted that the Liberals and the Conservatives were responsible for the national debt. I thank him for admitting that. Of course, everyone agrees that we must reduce the deficit.

The hon. member also referred to three sacred cows, but he forgot one. He forgot the multinationals. Again, everyone agrees that multinationals often enjoy tax shelters which are far too generous. The same goes for banks. It is a disgrace when banks hardly pay any taxes.

The cuts in transfers hurt the poor and the young. Our young people have almost lost all hope, since they basically have two options, particularly in rural areas: unemployment or income security. This situation hurts them a great deal. I wonder if we could provide more help to these young people.

The hon. member did not mention the cuts affecting the Eastern Quebec Development Plan. The plan had a budget of \$6.5 million. That money will not be available next year. The provinces will have to pay. Our farmers will have to put up with a 15 per cent cut this year, and another one next year, which will amount to a 30 per cent reduction in their subsidies. Again, Quebec will have to pay.

I know that everyone must make sacrifices. People back home, and elsewhere, are prepared to make sacrifices. However, this does not mean that the poor have to make the biggest sacrifices. I ask the hon. member: How could his government provide a little help in rural areas and give some hope to people?

Mr. Peterson: Madam Speaker, the hon. member was right when he said that the poor should be a concern for every party and every member in this House.

He also referred to the deficits. Indeed, the federal deficits were the responsibility of the Conservative and Liberal governments, just like the Quebec deficit is now the responsibility of the PQ government, whose last budget did not do much to solve the problem. I urge all provincial governments in Canada to rise to the challenge and do what we are trying to do now.

(1640)

[English]

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Notre-Dame-de-Grâce, nuclear non-proliferation treaty; the hon. member for Bourassa, immigration; the hon. member for Essex—Kent, agriculture.

Mr. Grubel: Madam Speaker, I have a very quick question for my colleague.

The Acting Speaker (Mrs. Maheu): I am sorry. The time for questions and comments on the last debate has expired.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, it is an honour to stand again in the House, this place where Canadians look for leadership, for the proper fiscal management of the country, to speak to Bill C-76, the budget implementation act.

I must share with everyone that I have considerable frustration in this place. Since being elected to the House I am convinced that one reason we have the huge problem of debt is that we lack an effective mechanism to control it. The reason is simple. Governments basically respond to their election platform and rightly so.

Taking it back one step, unfortunately during election campaigns we have trained Canadian voters to be very selfish. Over the last 30 years we have assisted Canadian voters to not make prudent fiscal decisions but simply ones that appeal to their greed. My obser-

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vation is that this has happened at all levels of government. I know it happened in Alberta for a number of years. Albertans were persuaded by politicians to vote in favour of spending their money in order to put the party into power that promised the most using the taxpayers' money.

It never made sense to me. I feel to this day that politicians who engage in that practice somehow are being unfair to the Canadian public. What kind of an option is it to give a person when one party says: "Vote for us and we will give you these benefits" and another party says: "If you vote for us we will not give you those things". People will vote for the party that will give them the most.

I am very happy that has now turned around. I am happy that a sizeable proportion of Canada's population is beginning to face reality. People are voting for and electing members who stand on a policy of fiscal responsibility, of reducing government spending, of reducing the amount borrowed each year, of reducing the debt and hopefully in the long run of reducing the amount of taxation.

It is a false assumption that if the government stops taxing the taxpayers or borrowing against the future taxes of our children and grandchildren somehow our economy will suffer. That very process erodes our economy more than if we were to stop doing it.

We need to stop and think what happens when we as a country borrow money. We borrow a certain proportion from ourselves and it stays in the country. Presumably it stays in circulation and aids the economy. When people clip coupons from their Canada savings bonds and collect the interest, they may use the money for goods and services which adds to our economy.

(1645)

Canada also borrows a great deal of money offshore. Every year it sends large amounts of money for interest out of the country. It is only logical that if it did not have a foreign debt then that money would stay in the country and would not just disappear.

Members need to be very serious in responding to what is the new fiscal wisdom of Canadian taxpayers in electing parliamentarians who are committed to reducing government expenditures and taxes. In the west where many Reformers were elected, it was the pivotal point in the platform which attracted a lot of voters. I hasten to add that to a certain degree it was what attracted voters who voted Liberal because the Liberals also included in their red book promises of more honesty in government, more openness and better fiscal responsibility. They promised it but what needs to be asked is whether they are actually delivering it.

Here again I want to be as gentle as I can but I must also as honestly as possible, level with the Canadian people on what is actually happening.

I have referred to some of these numbers in a previous speech but they bear repeating. When speaking of millions of dollars some people understand, but when speaking of billions a lot of people do not have the insight on what a number of that magnitude means. A good way of explaining it has to do with what happens if a person has a lot of money and is able to spend a dollar every second.

If I had a million dollars it would take approximately 11 and a half days to spend it at one dollar per second. If I had a billion dollars and I was spending it at the same rate it would take 32 years. When you put that into perspective you realise that the government is still overspending this year in the budget which we are being asked to approve, more than \$32 billion. That is how much the government is borrowing in addition to the present debt. People need to grab hold of the magnitude of the problem, its severity and its urgency.

If you have ever done any boating you will know that if you have a hole in the hull the water will come in. Depending on the size of that hole, it may be insufficient to take a little cup to bail out the water because the water may be getting too deep to bail. Maybe what you need to do is to plug the hole. You need to put something into the hole to prevent the water from coming in.

The same thing is true with the national debt. The debt is so large and the interest payments on that debt are increasing at a rate over which we have no control. It is true the government is borrowing less now than it did last year. Can I be so brave as to commend the government for borrowing \$32 billion this year instead of the \$40 billion that it borrowed the year before?

Let us also put this into perspective. A good way to compare this is to use straight ratio and proportion. Let us consider the debt picture, the expenditure picture and the borrowing picture as it might relate to a family. I have used some of these numbers before.

A \$120 billion expenditure, which is approximately what the government spent on programs three years ago, might equate to a family expenditure of \$48,000. At that time the government was borrowing \$40 billion, which equates to \$16,000 borrowed by the family. Everyone understands this family is in trouble. Its income is \$48,000 but it has spent \$64,000. It has borrowed \$16,000 in order to make up the difference.

(1650)

It is true that the picture is now a little better. Instead of earning \$48,000, this family is now earning about \$52,000. Lo and behold, the borrowing, which has gone down to \$12,800, results in a total value of \$64,800. It has actually gone up.

However, the frightening thing is that in proportion, this family, with an income of \$48,000 per year in 1992, would have had a debt in proportion to the Canadian debt of \$168,000. The government was elected in the fall of 1993. After one year the debt had grown from \$168,000 in proportion for this family to

Government Orders

\$184,000 and now in proportion to \$220,000. Clearly we are not heading in the right direction.

Somehow I wish we could impress the government with a better sense of the urgency of attacking government spending faster than it is because the water is still coming into the boat at a rate considerably faster than it is able to bail it out. The budget needs to be balanced and it needs to happen fast.

One of the problems is the mechanism of approving the budget. In my view and I believe in the view of most Reformers and probably a number of Liberals and some of the members from the Bloc, certainly many constituents have expressed to us that it is just not good enough. Is it not then regrettable that we have an inability to actually represent that?

The member for Notre-Dame-de-Grâce has made the news because he has had the courage to stand up against the government's policy on the budget and is voting against it. He is voting against it for completely opposite reasons from where I am coming from, but he believes that he is representing his constituents. That puts a finger right on the problem. The person who says this budget is not good enough ought not to be making news. He should be simply applauded because he is in the majority.

I do not often dream at night because I have late nights and early mornings here, as we all do, and usually when I hit the pillow I am unconscious, but I had a little dream last night. This is a fictitious dream, because I do not want to tell a lie.

I dreamed that in the House we actually had individually the freedom to vote on the budget as we really believed. I wonder what proportion of the members in the governing party would, if there were absolutely no ramifications to their decision, honestly express themselves and actually say: "No, this budget is not quite good enough". I really wish that members could have that freedom in the House. If they did, with that would come a mechanism which would force the bureaucrats, those who drive the agenda here in Ottawa, to go back and say: "Look, we need to do some more cutting. We can be more efficient. We can save money".

Members of my party have identified many areas where there is rampant wastage. It is not attributable to the government now. It is just the way it has always been done. The government, with its majority, have it in its power to fix it if it would only have the courage. I wish it would. Perhaps my dream will come true. Perhaps tonight there will be sufficient numbers of the governing party that will say: "I will stand on principle and I am going to vote the way I really believe".

(1655)

I will respect those people who vote in favour of the budget if they honestly, truly believe that this is the best way to manage

the fiscal affairs of the country. I have no problem if they vote in favour of the budget because of that honest and sincere belief.

I have a tremendous problem with people who believe that it is not good enough but who do not have the freedom to so express themselves. To me that is an aberration of the democratic process and is the root cause of the huge debt, the deficit, the huge interest payments, payments of \$40 billion plus per year. These payments would be more than adequate to provide a wonderful health care system, to subsidize adequately the post-secondary education and give Canadians the ability to invest in the future of our country and in the future of these young Canadians.

It is a missed opportunity. Let us blame the past. Let us say that it was the governments of the past that did this to us. That is fine. It does not really matter who did it. As it says in the good book, the borrower is a slave to the lender and we have become slaves to the national debt. The member for Willowdale who just spoke pointed out very clearly—he did not use the word obscenity, but I will use it—the obscenity of the fact that \$1 in \$3 is used for paying the interest on the debt. I really wish we did not have that.

The politicians of the last 30 years, which is before most of us were here, so arranged the affairs of the country that we now have the problem and we have to deal with it.

I sincerely hope that my little three-year old grandson can some day say: "My grandpa when he stood in the House of Commons was able to persuade members on the government side to have courage and he thereby helped to save this country from going even deeper and deeper into debt".

We would set a tremendous precedent if this happens tonight. If enough members of the House of Commons would have the courage to vote against the budget I believe it would be the first time that it would have ever happened. It would be headline news tomorrow. It would say we finally have in Ottawa a group of people who stand on principle, who do what is right.

The government has failed to attack the problem of government spending. Instead it has replaced that by adding additional revenues. I am very much offended by measures like the rescinding of the Public Utilities Income Tax Transfer Act. I believe it is very unfair.

This is a country where we believe in free enterprise, where we know that business has built this country. It is extremely unfair to think of two Canadians standing side by side, one of them buying natural gas or electricity from a utility that is owned by a government and another buying utilities from a privately owned firm. Because one of these Canadians buys utilities from a government owned organization he or she pays no income tax but the other one pays income tax. To me that is unfair.

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Members can stand up and try to defend that. I do not want to sound just like a person whining about my region. That is not the total picture. We need to look at all of Canada. I submit very seriously that if it is good for one province, it is good for the country. We need to seriously ask ourselves the question whether such an inequitable tax is good for the country because it differentiates between Canadians based on their situations.

(1700)

I have appreciated the opportunity to speak on this matter. I would be delighted to respond to any questions members have.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the member used some words that seemed a little contradictory. In one instance he was admonishing the members to vote the way they believe, yet depending on some other questions, the member is admonishing members to vote along with their constituents. I simply raise this contradiction. If the member really believed that, then he along with at least the other three Reform Party members who are supporting gun control would also represent their constituents and vote for gun control.

The Reform Party took the liberty to produce a pro forma budget to put on the table what its plans would be. As we all know, they were basically to trash social programs and particularly to tax seniors. In the hypothetical situation that the Reform Party did form a government and did have that budget, would the member admit here and now that the Reform Party would have to borrow at least \$100 billion before the deficit would be reduced to zero over the term of the mandate?

Mr. Epp: Madam Speaker, I appreciate the opportunity to respond to what is indeed a very good question.

The hon. member used the word that our prebudget suggested trashing the social programs. Those were the words he used. There is a huge difference between trashing something and replacing it with something better. There is a huge difference between breaking down a house and leaving a hole in the ground and breaking down an old house in order to make room to build a new and better one.

If we were to analyse what the Reform Party is proposing for social programs, it is proposing a better system. We believe in individualizing social security so as to do away with all of the problems which arise when UIC and social security are competing.

The poor person on UIC or social security has to refuse a job at \$8 an hour because if he or she makes a little money in effect they are taxed 100 per cent on it. There is a tremendous disincentive to taking a part time job because of the loss of benefits. If that were individualized according to our plan, then the individual could take a part time job, supplement their

income and use their personal retirement and their personal security plan only as needed to top up in order to meet the needs of the day.

If the member would like to take the time to do the arithmetic on it, I would be pleased to sit down and help him with this. If he were to do the actuarial math on how the money grows, if he were to look at the employer's and employee's contributions he would see how they grow. He would see how quickly the total benefits substantially exceed what can be given through a bureaucratically driven and inefficient UIC program. Perhaps then the member would have a different view of what it means to replace a social assistance program that is not working with one that is logical and defensible.

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Madam Speaker, I feel constrained to rise because of the comments of the hon. member opposite about this wise and logical social program for Canada that his party is suggesting.

(1705)

I would suggest to the hon. member that the program the Reform Party seems to be proposing is a program that would work for the rich and not for the underprivileged or for people who just need a leg up in our country. It is a program intended to put more money in the pockets of people like the hon. member, people who have an upper middle class income and is not a program to support the people who need our assistance.

There is another interpretation for the fact that Liberals are voting together on the budget. As Liberals, unlike members of his party, we have the same common goals. We have the same common core set of beliefs and we do agree on this issue.

Mr. Epp: Madam Speaker, I appreciate this question and would like to answer it by asking another question.

A good economic system will benefit all Canadians. If we look at the history of the industrial world going back over the last 150 or 200 years, there have been some very rich people. It is also true when there are some rich people that it generally provides many good jobs and a good livelihood for a lot of people.

What is better, for everybody to be taxed to death and we try to help a few people with handouts, or to allow those with good leadership abilities, good business skills to set up an economic environment in which they could thrive? Maybe they would do fairly well and perhaps the people in the neighbourhood who had been on UI and social welfare and were making \$12,000 a year could now have jobs with the new firm at \$30,000 a year. That happens. If we look at history, that is the way the economy works.

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When businesses are excessively taxed there is the exodus which has been experienced and observed in Ontario. Excessive taxation and a bad economic climate are not a promotion of business. Ultimately everybody, not just the rich, but the working class as well suffers more than they would under the other regime.

At the same time we need to be very careful here. Over and over I hear Liberals saying that we are a compassionate society. I believe that too. I believe in individually helping people who need help. If that is really true and a government system is taken away, we can count on individuals and organizations moving in to fill the gap and they will do it more efficiently.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Madam Speaker, I carefully listened to the speech made by the member from the Reform Party. He talked abundantly about the debt. He used good images to explain it, especially when he used the family as an example.

I realize today that no matter what the debt is and no matter what the cuts are, the debt will go up anyway. My friends from the Reform Party very often say that we are going to hit the wall, which is what I think also.

My friend says that the situation is urgent, that we have to move rapidly and find a solution to the problem because water is getting into the ship. At the same time, my friend tells us that he has dreams and wishes, but the dreams and wishes will not lead to a solution. It does not matter what solutions we bring here, if they are not accepted by the government, they mean nothing.

Does my friend have the sensation sometimes that he is doomed to paint the ship while the ship is sinking?

Mr. Epp: Madam Speaker, it definitely does seem sometimes that the ship is going down, but I am not totally pessimistic. I believe there is a window of opportunity. That is why I am so sincerely urging that government members set a precedent today. Defeat the budget in order to force it to take more dramatic measures to balance it quickly so that the ship does not go down. My dream is for the individuals to do that based on their own conscience.

(1710)

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Madam Speaker, it is a pleasure to speak in the twilight moments of the debate on Bill C-76. If I may say, the House is in a mood of detente and relaxation which it is not always in. I have appreciated the comments made on both sides of the House in the last hour or so.

Bill C-76 represents a translation of the undertakings made by the government when it was elected and basically its program that it would conquer the deficit, reduce the national debt by a

dynamic program of creating new jobs, generating new revenues. This is essentially the thrust of the budget.

Members will notice the attention to prudent economies, the cutting of government operations, new approaches to federalism and federal-provincial relations. At the same time there is a redefinition because it inevitably follows in the federal-provincial balance.

I think this was the basic promise made by the Prime Minister and it is reflected in the budget, that in approaching the economic crisis our emphasis would be on job creation.

We have also undertaken to maintain the integrity of the social services structure, in particular medicare; to maintain the Canada pension plan, the social security structure that distinguishes Canada from the United States and other countries committed to the free market economy; and interesting and new approaches to unemployment insurance. We are getting away from the static approach intended to present a situation of continuing dependency by a new emphasis on job training and a new emphasis on training people for a better future and giving them some confidence in their ability to achieve that.

Last, in the area of federalism the approach to federal-provincial transfers in some senses redresses a balance in federalism that had occurred by glosses on the system established by the federal government entering what we could say in retrospect, were areas of provincial constitutional responsibility. There the argument was and it was a necessary one, that if the federal government had not moved in these areas the provinces would not have moved either and there would have been a vacuum in terms of important areas of social policy.

I will have something more to say on each of these particular issues at a later moment.

I do note that Bill C-76 will implement a savings of \$29 billion over the next three years: \$5 billion in 1995-96; \$10.6 billion in 1996-97; and \$13.3 billion in 1998. We think this is a responsible, realistic way to go. It sets out a program. A budget not less than any other type of law is itself a system of law in the making. It is a dynamic system and we build upon the achievements of one year in the next year. We have set up those goals on the basis of a three year period.

I think this is a very important part of the government economic structure. We have honoured the undertaking of no increases in personal income tax rates. We are closing the tax loopholes and we look for continuing guidance from Parliament and members on that. We are trying to improve tax fairness. That is an objective. At the same time the incentive to get the economy moving again will be to avoid increases in personal income tax rates. I mention in social services the maintenance of the integrity of the pension system because this has been a very important part of retirement planning for senior citizens and

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others approaching that condition. That is maintained and it is very important in terms of—

(1715)

The Acting Speaker (Mrs. Maheu): I regret to interrupt the hon. member.

Pursuant to order made Monday, June 5, 1995, in accordance with Standing Order 78(3), it is my duty to interrupt the proceedings and put all the questions necessary to dispose of the third reading stage of the bill now before the House.

Mr. Taylor: Madam Speaker, I rise on a point of order. Correct me if I am wrong, but I was under the impression that government orders were extended by some 12 minutes because of a ministerial statement made earlier in the day. I am wondering if perhaps we are not ahead of ourselves here.

The Acting Speaker (Mrs. Maheu): The clerk tells me that you are indeed right.

The hon. member may continue. Government orders have been extended by 12 minutes.

Mr. McWhinney: Madam Speaker, I thank the hon. member for that very graceful reprieve, if I may call it that. It gives me an opportunity to continue the dialogue. I think I can pick up from the middle of the sentence if I can recall the beginning of the sentence. Here it is, in any case.

We have tried to emphasize a policy of fairness to all regions, which brings me into the area of federal-provincial powers. One of the great dilemmas in establishing the new system of transfers to provinces is you are recognizing that these are areas, constitutionally, of provincial responsibility. They are in essence moving back. One is in effect cutting through the gloss of custom that has been established over the last 20 or 30 years. In fact the general feeling in Canadian political circles is that if the federal government had not acted the provinces would not have either and this was the reason for the federal initiative. If the power returns effectively to the provinces, it will be done through the system of the block transfer, the new Canadian social transfer.

Some statistics are relevant and important. The average cut to the provinces in terms of transfers will be 4.4 per cent, which is less than the 7.3 per cent the federal government is imposing on its own programs, and there is a period of two years' notice built into that, which becomes very important in areas such as education, where planning far ahead is very important to individuals entering the structure, not merely to administrations.

One issue raised here is the ability to maintain national standards. Can it be done solely on a matter of reliance on the good faith of individual governments? Will there not be somebody out of step? I think this is a matter on which we are still waiting for the work the minister of intergovernmental affairs is doing, but let me say that I think there is no doubt that

constitutionally in certain areas we still have the power to impose and enforce the national standards. Enforcement, as such, is an ineffective system of social control. "Friendly persuasion" and "example" are the bywords. I think in this particular area we will find a large and increasing degree of federal-provincial co-operation because of what are, after all, the common goals.

I was examining on the weekend, in the constituency of one of my colleagues, in Richmond, the area of intergovernmental co-operation, not merely federal-provincial but federal, provincial, and municipal. The process of co-operation can work. It is not our belief, in any case, in contrast to prognostication of gloom and doom, that in making the block transfers to the provinces the national standards will disappear and we will get an anarchic system of different standards such as Voltaire described with the situation of the French civil laws. As he said when he left Paris, every time he changed his horse he would be under a different system. I do not think we are dealing with that.

(1720)

Our message on this is that the status quo of the federal-provincial arrangements, the practice that had grown up over the last 30 years, was bound to come to an end as provinces accepted their own obligations of maintaining common standards throughout the country and not falling behind. Here the finances are related directly to the power and there is the two-year building in period in which federal and provincial governments can work out and eliminate any contradictions.

There in essence is the budget. It is best to finish on the general philosophical note that it does reflect the promise the Prime Minister made during the election and it would not be a negative, give it up approach to eliminating the deficit. We would expand the economy and would generate new revenue by creating new jobs. The budget cannot be divorced from our work in manpower. It cannot be divorced from other activity in other departments directed toward this goal, and it does rest on a large degree of faith in the ability to manage federal-provincial relations in a renewed spirit of co-operative federalism.

I think this is one of the keynotes of the present government, that it is reviving attitudes of co-operative federalism that for various reasons and for various attitudes of political parties have been dormant for some years.

On this basis, I am happy to commend Bill C-76 to the House for adoption.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Madam Speaker, I appreciate the hon. member's remarks, but I must take him up on the fact that the day after the Reform Party issued its alternative budget we were together on a radio program in Vancouver, at which point he hammered me because in that budget we had similarly proposed the maintenance of standards through co-operative agreements among provinces. This is very

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consistent with Reform Party policy that we should have less power at the centre.

I will never forget the hon. member saying that as an expert in constitutional law he would tell me that it will not be possible for the central government to either create or enforce such arrangements because there is no leverage. I am now very pleasantly surprised to hear that he has come around to the policy the Reform Party had pronounced before this budget came out and which he now feels is doable.

I have a practical question for him. Even though the Reform Party says that it would support this kind of an effort, does the hon. member really believe that a maverick province like Alberta would slow down its efforts to privatize and rationalize medicare by for example allowing more of the services to be provided by the private sector? Does he believe he could get from Alberta agreement of the nature he thinks is necessary if even at the present time, when there is a threat of withholding funds, this province, according to the minister, apparently is doing all those nasty things?

Mr. McWhinney: Madam Speaker, it is a pleasure to respond to the learned hon. member. He has, in spite of his dour mien, a delightful sense of humour for those who know him very well.

I do recollect this debate conducted at a distance of 3,000 miles with bad telephone connections. I feel his telephone connection was not as perfect as mine on this. When he presented his shadow budget I did suggest to him that perhaps he had not paid enough attention to structural problems of government, that he had to spell it out.

(1725)

By the way, I should never be as egotistical as to suggest in a public debate or elsewhere that I was an expert in this or in anything else. The hon. member will remember Lord Justice Denning's reply to somebody who quoted to him somebody and said "This is an expert". Lord Justice Denning replied "Is he dead?" The answer was "No, milord, he is among the living". Lord Justice Denning said "Well he is not an expert. The only expert accepted by the common law is somebody who has been dead for 20 years." This status will undoubtedly occur to the hon. member at a certain period in his career.

What I did try to suggest was that he needed more work on examining the unstructured approach to co-operative arrangements between the federal government and the provinces he was presenting. I think the hon. member will recognize that there are gaps in his armour. I know he is an expert on the South Seas, on skiing, and on very many things, and I respect his knowledge of economics. However, on this thing I did suggest that the Reform Party program was rather light.

To return again to his basic question, I think it is a matter of changes in attitude. The attitude of federal-provincial relations is different from what it was 20 or 30 years ago. One sees the arrangements in the province of Quebec, a province where the government is committed to a program of separation from Canada. But if we look at the structure of administrative arrangements developing between the two governments, there is

a good deal of solid empiricism in that. I would predict that the Premier of Alberta will also recognize the advantages of co-operation.

We have no objection in this government to privatization. In fact if one examines the budget there is great emphasis on privatization. Getting rid of the CNR is something the hon. member himself has proposed in the past. If one in looks at it, we are very much into privatization too. However, in the examination of national standards, we will use friendly persuasion to ensure co-operative—

[*Translation*]

The Acting Speaker (Mrs. Maheu): In accordance with the order made Monday, June 5, 1995, and pursuant to Standing Order 78(3), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of third reading of the bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour will please say ye.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 243*)

YEAS

Members

Adams
Anderson
Assad
Augustine
Bakopanos
Beaumier
Bernier (Beauce)

Alcock
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bertrand

Government Orders

Bevilacqua	Bhaduria	Caron	Chrétien (Frontenac)
Blondin—Andrew	Bodnar	Crête	Dalphond—Guiral
Bonin	Boudria	Daviault	Debien
Brown (Oakville—Milton)	Brushett	de Jong	Deshais
Bryden	Bélaïr	Dubé	Duceppe
Bélangier	Calder	Dumas	Duncan
Campbell	Cannis	Epp	Fillion
Catterall	Chamberlain	Frazer	Gagnon (Québec)
Chan	Clancy	Gauthier (Roberval)	Gilmour
Cohen	Collins	Grey (Beaver River)	Grubel
Copps	Cowling	Guimond	Hanger
Crawford	Culbert	Hanrahan	Harper (Calgary West)
DeVillers	Dhaliwal	Harper (Simcoe Centre)	Hart
Dingwall	Discepolo	Hayes	Hermanson
Dromisky	Duhamel	Hill (Macleod)	Hill (Prince George—Peace River)
Dupuy	Easter	Jacob	Jennings
Eggleton	Fewchuk	Kerpan	Lalonde
Finestone	Finlay	Landry	Langlois
Flis	Gagliano	Laurin	Lavigne (Beauharnois—Salaberry)
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway	Lebel	Loubier
Gerrard	Godfrey	Manning	Marchand
Goodale	Graham	Mercier	Meredith
Gray (Windsor West)	Guarnieri	Mills (Red Deer)	Morrison
Harb	Harper (Churchill)	Nunez	Paré
Harvard	Hickey	Penson	Plamondon
Hopkins	Ianno	Pomerleau	Ramsay
Irwin	Jackson	Riis	Ringma
Jordan	Kirkby	Rocheleau	Sauvageau
Knutson	Kraft Sloan	Schmidt	Scott (Skeena)
Lastewka	LeBlanc (Cape/Cap-Breton Highlands—Canso)	Silye	Solberg
Lee	Lincoln	Solomon	Speaker
Loney	MacAulay	St-Laurent	Strahl
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi	Taylor	Thompson
Maloney	Manley	Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Marchi	Marleau	Wayne	White (Fraser Valley West)
Massé	McCormick	Williams—85	
McKinnon	McLellan (Edmonton Northwest)		
McTeague	McWhinney		
Mifflin	Milliken		
Minna	Mitchell		
Murphy	Murray		
Nault	Nunziata		
O'Brien	O'Reilly		
Ouellet	Pagtakhan		
Paradis	Parrish	Asselin	Bachand
Patry	Peric	Bellehumeur	Bernier (Gaspé)
Peters	Peterson	Bernier (Mégantic—Compton—Stanstead)	Bélisle
Phinney	Pickard (Essex—Kent)	Cauchon	Dhaliwal
Pillitteri	Proud	Fry	Gaffney
Reed	Regan	Godin	Guay
Richardson	Rideout	Hubbard	Lefebvre
Robillard	Rock	Leroux (Richmond—Wolfe)	Leroux (Shefford)
Rompkey	Scott (Fredericton—York—Sunbury)	MacDonald	Maheu
Serré	Shepherd	McGuire	Ménard
Sheridan	Simmons	Payne	Picard (Drummond)
Speller	St. Denis	Robichaud	Skoke
Steckle	Stewart (Brant)	Stewart (Northumberland)	Verran
Szabo	Terrana	Wells	de Savoye
Thalheimer	Tobin		
Torsney	Ur		
Valeri	Vanclief	(1755)	
Walker	Wappel		
Whelan	Wood		
Zed—141			

PAIRED—MEMBERS

Asselin	Bachand
Bellehumeur	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bélisle
Cauchon	Dhaliwal
Fry	Gaffney
Godin	Guay
Hubbard	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
MacDonald	Maheu
McGuire	Ménard
Payne	Picard (Drummond)
Robichaud	Skoke
Stewart (Northumberland)	Verran
Wells	de Savoye

(1755)

[English]

NAYS

Members

Abbott	Ablonczy
Allmand	Althouse
Benoit	Bergeron
Blaikie	Bouchard
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Brien
Brown (Calgary Southeast)	Canuel

The Speaker: I declare the motion carried.

(Bill read the third time and passed.)

The Speaker: The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS***[Translation]***CRIMINAL CODE**

Mrs. Christiane Gagnon (Québec, BQ) moved that Bill C-277, an act to amend the Criminal Code (genital mutilation of female persons), be read the second time and referred to a committee.

She said: Mr. Speaker, my heart is filled with emotion as I open debate today on Bill C-277, an act to amend the Criminal Code (genital mutilation of female persons). It is filled with emotion because this bill deals with a cruel practice to which millions of women are subjected in the name of a so-called cultural value.

What I am trying to do today is help prevent mutilation of female genitals at least in Canada and Quebec. My heart is also filled with emotion because I realize that I am speaking for a great many women who will never get to speak publicly. I am referring to the victims of this practice.

Finally, I will be delivering my speech with great respect, respect for immigrant women, foreign cultures and ethnic communities. This respect should underlie every word spoken on the subject of traditions, for traditions are part of every human being's make-up and respect for human beings is what my bill is all about.

The purpose of this bill is twofold: to deter and protect; to protect innocent victims, and deter any would-be offender. That is why the bill has two parts: criminalization of the act per se, and punishment for anyone involved.

Moving to the heart of the matter, allow me to set the problem in context by briefly recapitulating the facts and figures regarding genital mutilation of female persons, then summarizing arguments in favour of such practice and, finally, setting this practice in the Canadian sociopolitical context.

First, the facts. To give a better idea of what genital mutilation means, let me describe briefly the three different operations currently performed. The first one is circumcision, or sunna, in which the tip of the clitoris is removed. The second is called extended circumcision, and involves the complete excision of the clitoris or partial excision of the labia minora and labia majora and the stitching of the genitals except for a small meatus. As for infibulation, it is similar to extended circumcision, with the added feature of suturing with a product supposed to fasten the wound.

Depending on the country, the act is performed by a barber, a midwife, an elder, or a health professional. It is estimated that there are currently between 80 and 120 million excised women and young girls, mainly in Africa, the Middle East and Asia.

In October 1994, *La Presse* reported that 6,000 girls between the ages of 7 and 22 are excised everyday. Six thousand per day, Madam Speaker. This is a situation of concern to me and I hope that it will be of concern to other members as well. On May 22, the international press reported the case of a ten-year old Egyptian girl who died after being excised; her 12-year old sister was admitted to hospital in serious condition.

Having heard the technical description of the operation, we can easily imagine the serious effects it must have on the women on whom it is performed. Here are a few among those on record: haemorrhaging, infections, obstetrical complications, cysto-vaginal or rectovaginal fistula, cysts, violent pain, impaired sexual response, psychological disorders, and death.

(1805)

In addition to this long list of possible consequences, there is another specific problem affecting excised women who immigrate to Canada. When these women realize that they are "different", they may experience problems in their social and love lives. For example, during a medical consultation with female practitioners who were not aware of that practice, a social worker helping immigrants told of many mutilated fiancées or wives who were abandoned by their partners after these men had sexual relations with women who had not been excised. Imagine the double trauma experienced by these women who are mutilated and then abandoned, which is of course contrary to the expectations generated by their traditional family environment.

Because this operation is still common in many regions of the world, there are many explanations justifying it. Some are more esoteric than others, but all are objectively wrong. I will mention a few of the more surprising ones, without commenting.

Childbirth is easier for the excised woman. Female genital organs produce smelly and unsanitary secretions. Male circumcision is done for aesthetic reasons; consequently, women should undergo a similar type of operation. The clitoris could kill a first child, especially if the child's head touches it during delivery. Women whose clitoris is intact become nymphomaniacs. The clitoris generates too much excitement for the man. Virginity is preserved. Fertility increases, since female genital secretions kill sperm.

Those are the arguments most often used to justify these types of genital mutilation. I want to point out that, contrary to popular belief, no religion prescribes genital mutilation of female persons.

Although genital mutilation may seem a problem occurring far away from us, according to some witnesses, it happens here, in Canada and in Quebec. Since our society is open to immigrants, this tradition that goes against our values has unfortunately been imported along with other values more similar to ours.

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Between 1986 and 1991, Canada has accepted 40,000 immigrants from countries where mutilation is an accepted fact of life. In 1992 alone, 3,245 persons from countries where genital mutilation is tolerated or encouraged have settled in Canada.

As I said earlier, we have been told that little girls are subject to genital mutilation here, in our country. These last few years, health professionals and people working with some cultural communities have been able to confirm this situation. It is hard to put a figure to such a taboo. However, physicians have reported being asked by parents to perform mutilation on their young daughters. Other physicians have had to operate on children to repair the damage caused by such mutilations.

Social workers have been in contact with victims or families of victims who have told them about this practice. Recently, in May 1994, the director of the Ottawa African Resource Centre stated that many African immigrants manage to subject their daughters to mutilation in Canada, despite a directive to the contrary from the College of Physicians of Ontario. He said that families were sending their daughters overseas to be mutilated. We know that several Canadian physicians have been asked to perform genital mutilation. He adds that the fears publicly expressed by a Somalian woman were founded, since the African community checks whether the girls have undergone this operation.

This is a serious issue that calls for action in the name of the moral and human values we share. One of the reasons why no action has been taken against this practice may be the Canadian multiculturalism policy, which has been rejected by Quebec and is highly controversial in English Canada and also among the Liberal members themselves. Some people attribute the lack of legal action to the confusion experienced by social workers, community stakeholders and the police. Others feel that they should respect the traditions of the various groups now living in Canada, since all cultures are equal, whatever their customs.

In the current multiculturalism context, more than a few people are paralyzed by the fear of being labelled as ethnocentric or racist.

(1810)

Moreover, it would appear that this uncertainty, which is the direct result of the multiculturalism policy, is far from being removed. For example, we recently read in the daily *La Presse* that, because of this policy, Canada was identified by the world Islamic movement as an ideal place for Muslim immigrants to be exempt from the application of civil laws and instead be subjected to the sharia which, as you know, does not respect at all the principle of equality between men and women.

When you read things like that, the feeling of helplessness of social and community stakeholders comes as no surprise. In fact, these workers might be reluctant to sue members of

immigrant families perpetuating the practice of female genital mutilation.

We talked about the Multiculturalism Act. Let us now take a look at the overall legislative framework related to genital mutilation. This is an important issue, because the Minister of Justice refuses to amend the legislation. Currently, there is no legislative provision which expressly prohibits that practice.

However, as the Minister of Justice pointed out, proceedings could be instituted under some sections of the Criminal Code which relate to assault and bodily harm. It should also be mentioned that this practice violates the provincial acts protecting children, various charters of rights and freedoms and international agreements.

Our bill would complement the existing legislation by reinforcing it. As I said at the beginning, the bill is twofold. By adding another provision to the section dealing with dangerous bodily harm, we would officially recognize that this practice is harmful and dangerous to the individual. Also, the operation itself would be criminalized, and a penalty is provided for those directly or indirectly involved in the procedure.

To include that clause in the Criminal Code would leave no doubt as to the legal status of the practice. It would become a criminal act carrying a term of up to five years imprisonment. The members of cultural communities which promote this practice will immediately be informed and warned officially that in our country, genital mutilations are considered mutilations, not just a tradition. There is no reason for us to hesitate about adding a section to the Criminal Code regarding this issue.

In fact, the Code already contains sections prohibiting acts which are foreign to our culture and no one ever formally complained. I cite as examples sections 290 and 293 which prohibit bigamy and polygamy. In my humble opinion, these acts are much less harmful to the health of women, yet they have already found their place in the Code. This refutes, I believe, the minister's argument that we should not unduly encumber the Criminal Code.

Another reason the Minister of Justice says there is no need to act is that charges can already be laid under existing sections in the Code. Theoretically, the minister is correct. However, for the reasons invoked to explain why to this day no lawsuits have been filed, in particular those I mentioned earlier, I am of the opposite opinion and I firmly believe that we must adopt a very precise section which unequivocally sets out the nature of the prohibited act and prohibits participation in such an act.

In addition to this need for judicial precision, adopting a bill would meet another need which the government rarely addresses: defining the social policy of multiculturalism. We must bear in mind that the act is not just applied and interpreted in this House, but well beyond it. Acts are written for the whole public, and the public is feeling the concrete effects of this problem. We have this problem precisely because of the big fuss that our

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governments have made over the wonderful multiculturalism policy.

(1815)

To correct this problem we must formally define the limits of government policy by clearly stating which cultural practices are not acceptable and are against the principles of our society.

Finally, the Minister of Justice believes it is preferable to concentrate on educating immigrant communities instead of introducing special legislation. I agree with the minister that public awareness campaigns and educating the public are important. They have their place in this case as they did when Parliament passed legislation on drunk driving. Members will recall the massive advertising campaign that accompanied these amendments to the legislation. The government did a good job.

Why could it not repeat the exercise, this time to prevent genital mutilation? Why not pass Bill C-277 and at the same time organize a public awareness campaign targeted to health care and social workers and immigrants from countries where mutilation is practised?

Canada would not be the first country to adopt specific measures in this respect. Other countries like Great Britain, Sweden, the Netherlands, Switzerland, Italy and one Australian state have already done so. Two American states are considering similar action. Like Canada, these countries are host countries that have to deal with cultural practices that differ from theirs and are against their principles. They have responded to this challenge.

Before I finish, I would like to mention the many instances of support for legislation against genital mutilation. First I would like to mention the now defunct Canadian Advisory Council on the Status of Women which in March 1994 published a detailed study on the problem in Canada and firmly recommended adopting such measures. There is also the resolution passed by the international conference on population development, which I attended, and the Canadian Council on Refugees; also the resolution passed by the International Federation of Obstetricians and Gynaecologists and by the Canadian Federation of Business and Professional Women's Clubs.

The following organizations have also spoken out in favour of legislation: the Association of Country Women of the World, the Commission des droits de la personne du Québec, the Quebec Minister of Justice, the Conseil multiculturel des femmes professionnelles, the Service d'information en contraception et sexualité du Québec, the Cercle des fermières du Québec, Violence Info, the Ukrainian Canadian Civil Rights Association, the Mouvement des femmes chrétiennes, Quest for the Eradication of Female Genital Mutilation and the Réseau des femmes

noires francophones de Toronto. When the minister declares in the House that groups concerned do not support the legislation, I really wonder where he got his information.

Here is one example. In her letter of support for my bill, Janis Burgaski, the chair of the Conseil multiculturel des femmes professionnelles wrote the following: "We have come to realize that not all traditions are to be encouraged and that some are even cruel and undesirable. From having spent time in certain communities and being of the same sex, we discover that stories we considered part of the past are still true today. Under the circumstances, we believe the bill is a step in the right direction. Women oppose this type of abuse".

The Liberal Party has promised to make up time lost in the area of health and women. This government prides itself on being one of the most ardent defenders of the rights of women on the international scene. In September, it will proudly send a delegation to the conference in Beijing. I invite it to use the opportunity to announce that it has put words into action and has adopted legislation making it a criminal offence to mutilate women's genitals, as other countries have done.

I would also invite the Minister of Justice to take time to reflect. For the past several months, he has been working to criminalize certain behaviour involving the possession and use of firearms in order to protect the public and resolve certain problems. Why would he not do the same thing in another area, that of genital mutilation?

I would also invite the members of this House to support my bill and thus reaffirm women's right to bodily security. We have a responsibility to all women, regardless of where they come from or their culture of origin. In choosing a country, women should be assured that they will find there the protection to which they are entitled. This is the intent of my bill.

(1820)

[English]

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Madam Speaker, I commend the hon. member on her initiative in bringing forward the motion today. This is an issue like many horrors that is easily ignored, an issue we must face and about which I feel very strongly.

This is not an issue, however, that the government has ignored. The hon. Minister of Justice assured me in discussions we have had that it has been on the agenda for approximately one year, that he has taken the time to meet with members of cultural groups and to meet with women in Canada concerned about the particular issue, and that he has studied it carefully. He also indicated to me and to members of my caucus that he will

continue to listen on the subject. That is obviously witnessed by the fact that he is present for the debate today.

In 1991 by a unique set of circumstances I made the acquaintance of a young professional couple who was fleeing an extremely oppressive situation in a north African country. I will talk a bit about them and about my indirect personal experience with this terrible subject matter.

These people were secular Muslims. They were persecuted by a fundamentalist regime for expressing their more moderate views and for associating with persons who shared those moderate views. I am straining here not to invade their privacy and I am of necessity therefore being vague about details of their professions, nationalities and other identifying features.

In any event, I am happy to say the Canadian immigration system worked. It delivered for this couple. They became refugees and then immigrants. Now they are citizens living and working in the freedom of our great country. They became friends of our family and particular friends of my daughter who is the same age as the young woman.

Shortly after achieving refugee status they came to see me. The woman needed to consult a doctor because she wanted to have children and she needed advice. She had been the victim at the age of 12 of female genital mutilation. Her clitoris had been crudely removed, her labia minora excised and her labia majora incised to create raw surfaces so they could be stitched together forming a cover of skin and scar over the vagina. There is in this type of mutilation a small opening left to allow for urination, for menstruation and for the pleasure of the man who would ultimately become her husband.

Like most Canadians I had never been confronted with it before although I knew about it. We were able to find a surgeon who was of assistance and who performed a procedure that gave some relief and ultimately allowed my friend to more comfortably perform bodily functions and happily to bear two gorgeous children who are Canadian citizens. One of them was a Canadian before her parents were.

I was struck then and I remain struck now by the image of this beautiful young woman, the same age as my daughter, intelligent, alive, youthful and because of our system politically free.

Even with what we have done for her we can never put things back the way they should be. She can never, ever enjoy sexual relations with her husband. She bears scars and will suffer physical side effects for the rest of her life. She will have pain both physical and spiritual that we can only imagine. She will bear this pain stoically, with dignity, and thankfully with the support of her husband. She bears the terrible memory of the mutilation act, of the midwife with a razor, of no anesthesia, of her mother and others holding her down, of the blood, the pain,

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the fear, the convalescence, and to what end? The end to be served was that of her own oppression.

They mutilate women, damage them. In this rite women are treated like chattel, like livestock. They exist to be used for labour, to bear sons and for sexual gratification that they cannot share. They mutilate them so they will be faithful, so they will not enjoy sex, so they will not run away, so someone else will not take them. It is done in the name of manhood, in the name of God or religion, in the name of the preservation of a way of life and in the name of a culture; but nothing comparable is done in these cultures to men.

(1825)

I believe passionately in the diversity of this country; in the right of Canadians and of people who come here to display their religions, their cultures and their ethnic origins; in the equality of the sexes; and in respect for religious and cultural practices of others.

I believe religious headgear like the keppah, the turban and the Muslim veil should be accepted by Canadians in our everyday life. I believe we should be colour blind in our policies. I believe in employment equity.

As much as I believe in all these things, I also believe that practices like female genital mutilation cannot and must not be tolerated in Canada. Throughout the world between 85 million and 115 million girls and women have suffered this tragedy. Its defenders say, quite incredibly to me, that it is a right of passage like ear piercing or the male right of circumcision. The mutilation of female genitalia cannot be compared to these other minor procedures. It has no purpose but to suppress.

I do not want to impose my views unilaterally on foreign lands or cultures, but I believe that we can and must come to grips with this practice within our own borders.

I know and I accept the assurances of legal experts that female genital mutilation is covered by the more general sections of the Criminal Code concerning assault. However, as a woman, as a mother, as a sister, as a daughter and as a citizen of the global village, I do not think that is good enough.

I urge the government and all members of the House to take the extra step to help to educate others, to help to educate across the world and to educate within our borders so that people understand that if they participate in the act of female genital mutilation we believe it is wrong. If it takes an amendment to the Criminal Code in the final analysis after we have studied it, after it has perhaps gone to committee and after we have looked at all factors, I will rise in the House and support it.

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, it is with respect that I rise to speak to Bill C-277 presented by my colleague for Quebec.

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I will read the bill as she has presented it to bring the impact once again of the horrible mutilation to the public view. The amendment will include:

A person who

(a) excises or otherwise mutilates, in whole or in part, the labia majora, labia minora or clitoris of a female person; or

(b) aids, abets, counsels or procures the performance by another person of any of the acts described in paragraph (a),

is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years.

In 1992 the Ontario College of Physicians and Surgeons expressed concern over a rise in the number of requests for infibulations, which is the cutting off a young girl's genital parts including the clitoris and the subsequent sewing together of the opening leaving room for only urination and menstruation. We are addressing the issue today because the increase is reason for concern.

Canada has been cited by the World Health Organization as being one of 40 countries involved in the practice of what has euphemistically become known as female circumcision but is more correctly referred to as female genital mutilation or FGM.

FGM causes any number of both short and long term problems including excruciating pain; hemorrhaging; occasional death; exceptionally high rates of infections to the urinary tract, bladder, reproductive organs and bowel; menstrual and pregnancy problems; anaemia and disfiguring cysts which not only reduce or eliminate sexual pleasure but often result in extreme pain during intercourse and can even prohibit it.

Unlike male circumcision there is no dispute within the medical community as to the benefits versus the harm of female genital mutilation. The medical community judges FGM to have no benefits and is harmful in many ways with both the short and long term implications already cited.

Charles Kyazze, head of Ottawa's African Resource Centre, believes that FGM is being performed primarily by members of African communities where it is accepted and perpetuated as a legitimate cultural practice. It is also being performed in hospitals by doctors who argue that if they were not performing the procedure in a controlled environment, the child would be exposed to a much higher risk of infection and would suffer much more pain during and after the procedure. In some cases, Kyazze says, families are sending their children to Africa for the procedure.

(1830)

That Canada has been recognized as a state in which this procedure is practised, in private homes as well as in hospitals, validates our argument to codify female genital mutilation in Canadian legislation.

Christine Hodges cited recently in the *Globe and Mail* the story of a Chadean woman who, reluctant to have her daughter suffer the procedure and despite pressures from her mother and grandmother to have it done, had decided not to have the procedure performed on her children. However, because her daughters became so distraught and unhappy at being singled out as different because they were the only women in their cultural community not to be so altered, she agreed.

She chose the least mutilating of the procedures which would not carry with it the high risk of infection and would not result in the inability to have normal pleasurable intercourse. Despite her western ideas about the procedure, she recognized that her daughters had to live in this cultural context, remaining supported by the community and sharing many of the same beliefs. As appalled as Ms. Hodges was at the idea and action of FGM, she had a better understanding of the motivation behind it as it was presented within the context of the community in which it was practised.

The point of this story is not that culture and ideas of what is right and wrong are relative but that within their own context cultural practices can be understood, tolerated and at times respected and admired. We certainly have no power as a nation to impose our own ideas and beliefs on other nations. We may voice our displeasure, concern or even contempt but we cannot expect another nation to abide by our laws and practices on their own soil any more than someone coming from another nation should expect to impose their laws and practices on Canadian soil.

When a cultural action is taken from its original context and placed in our own, it is therefore our obligation to examine it and rightly judge whether it conforms to Canadian social and cultural norms.

I may not wish to judge FGM as an action that is inappropriate in Africa, but I do condemn it as an action that is inappropriate within the context of Canadian culture. With that in mind I would like to pose the following questions with regard to not only this particular bill but how we address and judge the cultural practices of residents and citizens coming from countries with sometimes different and even conflicting beliefs and ideas.

Where do we draw the line on how much of each culture we are willing to promote? What criteria do we use to judge the appropriateness of an action of an ethnic group? If we are not able to use our own cultural and state criteria then how do we justify prosecuting some men who claim that physical abuse of their wives is a cultural thing? It is one thing to allow people to promote their own cultures, but at what cost? Do we compromise what we as Canadians hold to be worth preserving and maintaining in the name of cultural diversity and cultural tolerance?

Canadian laws and values should not be so cheap that we are willing to make compromises for the sake of not offending the sensibilities of others. That should not simply be with regard to female genital mutilation but with regard to any cultural practice that contradicts Canadian laws as well as social and civil practices.

In answer to the above questions I suggest the following: that the only criteria which we as Canadians can use with regard to the judgment of an act are the common beliefs and laws of our land. If this were not the case we should be willing to tolerate all cultural practices from FGM to the cutting off of someone's hand when he or she is caught stealing or the physical abuse of women and children because it is culturally accepted elsewhere.

One might wish to argue at this point that clearly the above acts are either directly or indirectly in violation of our laws and cannot be permissible; therefore, the point is moot. I would suggest, however, that it is inconsistent to fund and encourage some cultural practices while criminalizing others. What we are saying to new Canadians is: "We encourage you to continue to live according to the standards and beliefs of your country of origin, but only those that we find palatable".

A Somali family may wish to have its daughter's genitalia removed because in its culture such a practice meets religious standards or preserves a sense of identity to their community or it is believed to help maintain cleanliness and health or it is believed to preserve virginity and family honour and prevent immorality.

(1835)

As Canadians do we support such views? I suggest we do not. If we continue to advance the current multicultural policies that we do, we are facilitating a platform from which practices such as FGM can be justified.

I am not trying to imply that we prevent people from promoting their culture of origin privately. It is important in life to have continuity, to know where you are from and who and what has been instrumental in shaping the person that you are and will become.

By making the promotion of foreign cultures a matter of public policy, we are essentially saying that although we have values that are Canadian they do not need to be embraced by those immigrating to Canada as they already have cultural and moral framework that we encourage they uphold.

I wish to applaud the hon. member for coming forward with the proposed bill. I applaud her not only for what the bill means for the women who are subject to what I believe to be an inhuman act but also for the implicit statement it makes about Canada's values and beliefs.

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As Canadians we must be clear in our condemnation of a practice that is so mutilating. We cannot continue to stand by as the international community perceives us as a nation which tolerates such abuse.

Finally, the Reform Party suggests that the current bill as proposed does not go far enough in its condemnation of the act. We recommend amending the bill at committee in the following manner, that Bill C-277 become an addition to section 267, rather than of section 244, of the Criminal Code. The bill would then read:

Bill C-277 is amended by adding the following after section 267:

267.1 A person who

(a) excises or otherwise mutilates, in whole or in part, the labia majora, labia minora or clitoris of a female person; or

(b) aids, abets, counsels or procures the performance by another person of any of the acts described in paragraph (a) is guilty of an indictable offence and liable to imprisonment for a term not exceeding 10 years.

The hon. member put forward five years. As it stands the bill will codify the act of female genital mutilation as an offence carrying a lesser charge that it might currently carry not codified. Presently a person performing the procedure in Canada could be charged under sections 267 or 268, assault causing bodily harm, but there is no codification.

I thank my hon. colleague from Quebec for having brought forward this most important piece of legislation.

Mrs. Sue Barnes (London West, Lib.): Madam Speaker, I am very glad to have the opportunity to speak to this bill.

The perpetuation of the practice of female genital mutilation, while it may be confined to certain communities, has serious implications for all Canadians. Ultimately this is an issue of human rights. As such it concerns us all and we all share the responsibility for putting a stop to it.

When I came to Parliament Hill a year and a half ago I would never have foreseen myself speaking to such an issue. Today I stand here with my blinders removed, having been made to understand in some measure the brutality of this procedure and the devastating physical and emotional impact on the victims. I have risen in the Chamber to speak out on this issue before, as I did in Copenhagen at the interparliamentary union last fall.

It is imperative that we take the strongest possible stand opposing violence in all forms against women, both in Canada and around the world. Female circumcision, as it is so euphemistically called, is the manifestation of an oppressive patriarchal philosophy. It physically mutilates girls and young women, destroying their capacity in the future to enjoy normal sexual relations in order to ensure that they reach a marriageable age in the state of virginity.

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It is estimated that 80 million women around the world, 600 every day, undergo this torment, often in the most primitive and barbaric circumstances, frequently without anaesthesia or properly sterilized equipment. The pain and the loss of blood may lead to shock, permanent injury, both physical and physiological and in some cases to death.

The physical manifestations, although seldom reported to authorities, are still well known. Less is known about the psychological and emotional effects of the operation.

This practice is not restricted to the third world. It is today an increasing concern for Canadians. For example, between 1986 and 1991, 40,000 people immigrated to Canada from northern and eastern Africa. In these areas the practice is routine enough that it is naive to think it has not been imported. It is naive and is in fact dangerous to ignore.

At the same time the argument has been made that we have no business imposing our cultural values on Canadian communities, especially Canadian ethnic communities. Canada is a society premised on the foundation of tolerance. Culture cannot and must never be used as an excuse to perpetuate criminal acts and violate human rights.

(1840)

As a multicultural society, we must balance our respect for cultural variation with protection of the rights of children, women, indeed all humanity. Female genital mutilation is a cultural practice, nothing more. It is not and has never been sanctioned by any religion. Let us be emphatic on this point when we say that no religion sanctions such practice. As great as our concern for cultural freedom, greater is our concern for the lives of our young immigrant and refugee women.

The very fact of this debate indicates clearly the development of our understanding and our concern about this important issue. Our legal structures are evolving to accommodate the changing needs of Canadians. For example, I note the gender related persecution provision used by Canada in its refugee determination process. Members will recall the new guidelines being applied to a woman whose daughter faced potential ritual genital mutilation in their homeland. Canada in that case granted them refuge.

At the same time, it is critical that in addressing this problem we must target our legislative response to bring about the most effective prevention. We must move with care in order to prevent the practice from moving still further underground and we must be sensitive to the communities involved.

I commend the member for her intentions and for her work in bringing this bill forward. I fully recognize the critical impor-

tance of the principle. However, at this point, I also want to bring out the reservations that I have about the bill, not the issue.

The bill essentially proposes to amend the Criminal Code to create a specific offence of genital mutilation, punishable on indictment, and carrying a term of up to five years' imprisonment. Compare this to the existing code provisions which contain, among the various assault provisions, the offence of aggravated assault which applies to everyone who wounds, maims, disfigures or endangers the life of another person and carries a sentence of up to 14 years' imprisonment.

Moreover, section 21 of the code makes it clear that any party who aids or abets in the commission of an offence is guilty of the offence. As well, it is an offence under the code to remove a child from Canada who is ordinarily resident in order to commit any of the listed assault offences. Any person performing such an operation is also liable to prosecution.

Certainly then the existing code already covers these offences. Let us make no mistake, the Criminal Code when properly applied can be a formidable tool in this battle.

Bill C-277 is not tough enough. If the police were to charge under the specific offence, such as is stated in this bill, they would not be entitled to the stiffer penalty that we have now in the code.

I am concerned about driving the practice still further underground. This practice is very well entrenched and hidden and we must ensure that it does not slip entirely from view. I have been advised that there has not been a single prosecution in Canada of this practice. Is this just because it does not go on? I do not think so. We are not catching it.

Why are we not catching it? It is a brutal practice and it has been entrenched by the passage of time. In some communities the practice has great social prestige, marking the girl's transition to womanhood. Believe it or not, many girls look forward to this procedure with excitement and terror. They have been coerced by social pressures, the desire to please parents and communities or the fear of not finding a husband, into undergoing this brutal torment.

It will come as no surprise that even in those areas of the world where the practice is common, there are still women working against it. The Canadian Advisory Council on the Status of Women notes in its brief on the subject:

Women from various African countries now living in Canada who had the operation as children remember sheer agony. They speak bitterly of how they were held down by several women despite their resistance. They strongly agree that they will not circumcise their daughters, would never inflict such pain upon them.

As the document notes:

—there tends to be agreement that young girls put pressure on mothers to do it.

As long as such social pressures continue to exist, the Criminal Code is of limited value in this fight. I understand the argument that a specific provision of the code would draw greater public attention to the offence, but we must recognize that education is the best tool to make Canadians understand the barbarity of this custom.

To recap, the existing Criminal Code provisions are adequate in so far as the problem can be addressed through the code. A progressive and an aggressive campaign of public information is crucial.

(1845)

The attorney general in Ontario has a task force on female genital mutilation. We have to study the recommendations and at this point I look forward and will not rule out having a specific Criminal Code offence on this issue.

I am very grateful to the member for allowing me to add my voice with women and men in this country and around the world and say this is a barbaric practice that has to be stopped. I am very glad we have people willing to stand up and talk very openly about these issues which have been for too long left undebated.

I really appreciate being able to stand in a public forum like this to discuss something so normally sensitive an issue and say with conviction this is an issue that violates our human rights. I am proud Canada is speaking out about this. I put my support behind whatever tools are out there to eradicate this offence.

I will give very hard thought to how I will vote on this issue because I have not yet made up my mind as to whether I will vote in support of the existing Criminal Code amendments. I know they are useful. I have concerns about limiting the length of time and I wish the members opposite to know those concerns.

[*Translation*]

Mr. François Langlois (Bellechasse, BQ): Madam Speaker, first of all, I wish to commend the hon. member for Québec for putting forward this bill and convincing the Standing Committee on Procedure and House Affairs to make it a votable item. This issue speaks to our fundamental values. I also wish to thank the hon. member for providing me with extensive documentation on the subject.

This issue concerns me as a citizen and a parliamentarian, of course, but also as the father of a 16-year old daughter. I shudder at the thought that, had she been born in a different country, in a different culture, she could have been subjected to the same treatment.

It is surprising and even astounding that the Canadian Criminal Code criminalizes cockfights but contains no specific provi-

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sions against female genital mutilation, because it is indeed a form of mutilation. We should not fool ourselves or try to hide behind euphemisms. Female circumcision is simply a euphemism designed to take the edge off a cruel reality. There is no comparison between male circumcision, which can even be a religious rite in some regards, and female genital mutilation. We talked earlier about the full or partial excision of the clitoris. We talked about infibulation, in which healthy organs are mutilated on purpose.

There is something absolutely outrageous about this procedure, and I was surprised to hear my colleague, the hon. member for London West, say earlier that the current provisions of the Criminal Code may be adequate, since they cover bodily harm and assaults causing bodily harm. The problem is that these provisions have been in the Criminal Code for a long time. They have been there for so long that people from other cultures who come to Canada and engage in female genital mutilation do not feel at all that they are guilty of causing bodily harm or of assault causing bodily harm.

These people feel, rightly or wrongly, that they are acting in accordance with their culture. The time has come to send them a clear message. We certainly have no mandate to become cultural imperialists, but we can say: "From the moment you cross the Canadian border, here is what the Parliament of Canada has to say. As long as you are on Canadian territory, you must adopt the following value, which we have adopted as our own—if you mutilate the genital organs of a woman, you are guilty of an indictable offence". I will come back later to the penalty which could be imposed.

(1850)

This is the message that we should first and above all send, a clear, cultural message that, although we accept certain multi-cultural values, and many are acceptable, we have to draw the line somewhere, and we draw it here. We must say: We do not want any of this going on in our country. All the better if others follow our example and take the same legislative approach as we have. But we must send the message loud and clear that we have zero tolerance when it comes to the mutilation of female genital organs. We must make sure that everybody gets the message, because we are not only targeting people from other cultures; we are also targeting people on the inside, people who are culturally already Canadians and who, for one reason or another, are looking for excuses for shirking their responsibilities.

The criminalization of genital mutilation of female persons would involve the application of section 21 of the Criminal Code under which everyone is party to an offence who actually commits it, which includes conspiring to commit the offence, being an accessory and attempting to commit the offence. This

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would cover far more people, in fact all those who willingly observe the so-called omerta, the law of silence, which is unacceptable in this context, and they will realize that as soon as Bill C-277 is passed. They ought to know that now, and in fact they do. There is an element of wishful blindness on the part of members of the medical profession who agree to engage in the genital mutilation of female persons because they say that if it is done by lay people there would be a risk of infection.

This does not make sense. It is like people who say that at least if we do the excision or infibulation, it is under anaesthetic. There is something very wrong with that type of reasoning. Whether it hurts or not is not the point. The point is whether we are prepared to tolerate such a brutal, I would even say bestial act.

The hon. member for Québec said earlier that 6,000 young girls or young women undergo this horrifying operation every day. I saw it on television once. It was very painful to watch, and it turned my stomach to see a girl of ten or not even that, tied up with a piece of wood in her mouth to keep her from screaming or to stifle her screams. It was awful. These images were horrible. And I think no Canadian who would see this violation of the integrity of the human body could remain unmoved.

I have no problem supporting the bill sponsored by the hon. member for Québec, for the reasons I just mentioned. We must put an end to this because, by tolerating or claiming to tolerate genital mutilation, we are merely giving further credit to a status that for a long time was and in some respects still is the lot of women in Canada and in the western world, to be a second class person.

Remember that female suffrage in Canada only came after the First World War. The first woman to sit in this House, Agnes Macphail, was elected in 1921. For a long time, members of the female sex were considered mere subordinates. It has not always been easy. It is still not easy in this country to take one's womanhood and assert it right to the top.

The reason you are in the chair today is not because you were given the position, but because you and your parents and your grandparents fought to put you there. What a vibrant symbol to have a woman in the chair. We could set an example in various ways, but the point should be made in another respect that, in terms of the status of women, major changes are still required in areas where this still applies.

(1855)

Equal treatment for women, obviously not only equal under the law—we already have this pretty well everywhere now—, but equal in fact. Equal in fact means having people understand, from the earliest age, that men and women are born, live and die equally—not only in law but in fact. When we accept these principles, we will then be able to advance the status of women in Canada.

One comment on the proposal by my colleague for Québec: the punishment for the offence she proposes to make of the mutilation of genital organs is, in my opinion, not nearly severe enough.

Since a charge of assault causing bodily harm can result in a maximum term of 14 years' imprisonment, I will suggest in committee, because I am sure the House will refer this bill to the Standing Committee on Justice and Legal Affairs, that the maximum sentence be at least 14 years as well.

The maximum sentence must be the sentence given the worst criminal in the worst situation. In the case of a repeat offence or multiple offences, the five year sentence seems inadequate. This can easily be done in committee. On the principle of the matter, I will support Bill C-277 when the vote is taken.

[English]

Mrs. Anna Terrana (Vancouver East, Lib.): Madam Speaker, I am pleased to lend by support to the private members' bill of my colleague for Quebec. The issue is extremely important and deserves the attention of all of us in the House.

During the recent hearings by the standing committee on citizenship and immigration we discussed and heard evidence on gender based immigration. Canada was the first country to recognize gender based persecution, and women who fear genital mutilation have been granted refugee status. Experts say over 100 million women have been subjected to genital mutilation—what horror.

[Translation]

In Montreal, the Human Rights Commission is threatening legal action against anyone performing such an abomination on young girls. The mutilation is practised on young girls for religious and cultural reasons.

We know how difficult it is to change traditions and customs, but we can at least forbid such violent acts in Canada, thus protecting naive young girls who do not have access to other cultures and traditions. The amendment to the Criminal Code will ensure that such a practice is neither accepted nor justified in our society.

The procedure is carried out by a woman who does not even need to have the necessary expertise or instruments to operate on the young girls.

Even though we cannot intervene in other countries, we must make sure that such tragedies do not occur in Canada where multiculturalism protects us, but does not condone practices which are contrary to human rights or criminal in nature.

[English]

Multiculturalists can help with educating Canadians on this and other issues. Nowadays new surgical techniques are being developed to undo the damage so that women who were subjected to infibulation can have children without having to suffer excruciating pain and can have almost the same type of life as

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adult woman is entitled to. This is only a way to cure and we need to be proactive.

We are learning more and more about genital mutilation. We are also learning that in some countries it is inflicted on all young girls. It is known that after an extremely painful operation conducted without anaesthetics or proper surgical tools the young girls will never be able to enjoy a full life as an adult and they often die.

[*Translation*]

Because of the facts I just mentioned and for many other reasons mentioned by my colleagues, I will support Bill C-277 regarding the genital mutilation of female persons. I also want to thank the member for Québec for bringing this piece of legislation forward.

The Acting Speaker (Mrs. Maheu): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

(1900)

[*English*]

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

NUCLEAR NON-PROLIFERATION TREATY

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Madam Speaker, on May 11 I asked the Minister of Foreign Affairs what was being done to assure the extension of the non-proliferation treaty, which was then being negotiated in New York City. In particular, I asked what was being done to oblige the nuclear weapon states to respect article VI of the treaty.

According to article VI, the nuclear weapon states are obliged to reduce their nuclear weapons. That was part of the non-proliferation treaty bargain. The non-nuclear weapon states agreed not to develop nuclear weapons, while the nuclear weapon states committed themselves to reducing their nuclear arsenals.

What happened? Since the treaty was implemented in 1970 the non-nuclear weapon states, Canada included, developed or acquired no nuclear weapons. In other words, the non-nuclear weapon states totally respected the treaty. On the other hand, the three nuclear weapon states, the United States, the Soviet Union,

and the United Kingdom, ignored their obligations under article VI.

In 1970, when the treaty was brought into force, the United States and the Soviet Union had 8,000 nuclear weapons. By 1990 they had 50,000 nuclear weapons. Not only did they not reduce their nuclear weapons, they increased them in a spectacular way.

Since the treaty was limited to 25 years, until March of this year, was necessary to renegotiate its continuation, and that is what was being done this spring in New York. However, one of the major problems with many of the countries that were brought to reconsider the treaty was the failure of the nuclear weapon states to live up to their obligations under article VI. Many non-nuclear weapon states asked why they should support the extension of a treaty that was not respected by the nuclear weapon states.

That was the question I put to the minister on May 11. Unfortunately, the parliamentary secretary did not answer that part of the question. He told me, and I was extremely pleased, that on that very day there had been an agreement to extend the non-proliferation treaty for an indefinite period of time. He did not, however, mention the conditions. He did not say what was being done to oblige the nuclear weapon states to reduce their nuclear weapons in accordance with article VI.

I have since learned that review conferences will continue to be held every five years to promote full implementation of the treaty and that there was a commitment to approve the comprehensive test ban treaty by 1996 as well as the establishment of certain nuclear free zones.

Once again ask the parliamentary secretary what measures are being taken to assure that the nuclear weapon states will comply with article VI of the NPT. Also, what is being done to assure universal adherence to this important treaty?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Madam Speaker, the hon. member for Notre-Dame-de-Grâce is to be congratulated for his work nationally and with international organizations in bringing about security and stability to this planet.

A few weeks ago the 176 member nations of the nuclear non-proliferation treaty, or the NPT, together took a historic decision to extend the life of this key international treaty indefinitely, which is unquestionably the most important international arms control agreement in existence.

The indefinite and unconditional extension of the NPT was a key Canadian objective. This treaty is vitally important to Canada for three essential reasons. First, the NPT establishes a barrier to the further proliferation of nuclear weapons. This is the treaty's most fundamental purpose and its most outstanding success. Canada and the world are more secure as a result.

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Second, the treaty commits all states to work toward disarmament, including nuclear disarmament. Our long term goal is the complete elimination of nuclear weapons.

Third, the treaty provides the framework for the peaceful uses of nuclear energy by establishing a system of effective international safeguards. Our exports of nuclear technology under safeguard agreements have helped to sustain an industry that employs 20,000 Canadians directly and 10,000 Canadians indirectly.

Canada played a leading role at the NPT review and extension conference by marshalling the support of over 100 countries from all regions of the world for a resolution to indefinitely extend the treaty.

(1905)

With the continued existence of the NPT no longer in question we have laid down the basis for long term security and stability, the essential elements necessary for further reductions in global nuclear inventories.

We have now turned the corner. The cold war is over and we are on the road to a world with fewer and fewer nuclear weapons. We have a long way to go, but we are on the right track. Without the NPT the world would be a much more dangerous place and Canadians would be much less secure.

We can be justly proud of the key role Canada played in securing the benefits of the NPT now and for future generations to come.

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, on May 11, I asked the Minister of Citizenship and Immigration about the enormous number of rejected applications for landing made by immigrants and refugees unable to pay the \$975 immigration tax at the Mississauga claims processing office alone.

The minister denied the figures published in the media but recognized that 3,800 applications were returned because the required fee was not attached and that 400 loan applications were made. He failed to say however how many of these applications were rejected.

In fact, both the minister and his officials refuse to see how serious the situation really is. His department has refused to provide us with accurate information. In the coming weeks or months, the minister will no doubt realize and be forced to admit that this problem is taking disastrous proportions.

The only figures available so far are for Mississauga. But what about the Végreville centre, the largest claims processing office in the country? The fact is that only 38 per cent of all loan applications are accepted. Rejections are motivated for the most part by the fact that processing officers believe that claimants are not solvent.

A few weeks ago, I visited a number of agencies that provide assistance to immigrants in the Montreal area. Among them were the Bordeaux-Cartierville support centre for immigrant communities, which is located in your riding, Madam Speaker, and the Service d'aide aux réfugiés et aux immigrants du Montréal métropolitain, or SARIMM. The people I met there told me they had seen people desperately looking for money in order to pay this tax. Some abandon the idea of having their spouse or children join them in Canada because they cannot pay. How can the minister ignore this reality?

Immigrants contribute more to the public treasury than citizens born in Canada, says Professor Ather Akbari, from St. Mary's University in Halifax, who recently testified before the immigration committee. His studies show that in 1990 immigrant families paid on average \$22,528 in taxes while they received only \$10,558 worth of public services.

Why should immigrants have to pay a tax even before they land here, on top of the \$500 fee required to have their record processed? In most cases, this is cruel, immoral, unfair, and discriminatory.

Many recognized refugees cannot get permanent residence in Canada because they cannot afford to pay the tax. What is their status, then? Nobody seems to know. In the meantime, they are not eligible to social benefits because they are not Canadian residents. How, then, are they supposed to become part of the Canadian society?

In 1988, a new program was initiated to help female refugees, especially from countries at war. Up to 1993, Canada has admitted only 655 women under that program. One of the barriers is that many of those refugees do not have the money to pay their fare to Canada. As a matter of fact, the government has refused to lend them money because they are deemed incapable of paying that money back.

The least the minister could do is make loans available to recognized refugees when they request that kind of assistance and want to bring their family to Canada.

(1910)

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Madam Speaker, I am greatly disappointed by the remarks made by my colleague from Bourassa. It is too bad, but what can you do?

[*English*]

The hon. member means well but his acquaintance with the facts is still at best nodding. The numbers that he quotes are very preliminary. The numbers in the press were not correct and even were they correct, too preliminary to create any kind of a trend.

It will take some months before we see the consistency of rate that can give us some idea of the trends. What is important, très important pour mon cher ami de Bourassa, is that since the

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February budget announcement the number of requests for landing has gone up, not down.

Since the announcement 18,000 applications for landing have been processed. Of the 18,000 applications, less than 3 per cent have requested loans. Sponsors who have had their applications returned because they did not include the new fee are resubmitting applications very quickly and with the correct fee.

Any applicant who does not initially qualify for a loan may reapply at any time without penalty. In addition, as the member well knows, refugees have had permission to work since February 1994.

The important thing for the member to know is something I have said to him before. The minister has said it to him. We will say it again. No refugee will be denied protection. That is the important thing.

The other important thing for the hon. member is that he should not believe everything he reads in the papers.

AGRICULTURE

Mr. Jerry Pickard (Essex—Kent, Lib.): Madam Speaker, in rural Canada there is a tremendous concern about agriculture employment services. These services do a great deal to make certain that agricultural communities throughout Canada can provide labour and work in those communities.

Farms very much depend on this service. Through federal government studies, we see that 55 per cent of our farm communities feel there would be a large problem within the sector if they did not have some type of agricultural employment service.

In my riding of Essex—Kent, in the Leamington office alone we have approximately 3,670 placements annually. The office expense is approximately \$189,000. The cost per placement or per job for the federal government is \$50. In my community it generates \$4 million worth of labour earnings.

That \$4 million justifies those placements dramatically and certainly cuts back on the cost of government across the board. The Chatham employment office has very similar statistics with 2,500 job placements annually.

This service is extremely important to both employees and employers. As the federal government has done studies on seasonal work it realizes that people with \$15,000 incomes will draw on the federal and provincial governments in excess of \$5,000 in support payments. With seasonal work, each dollar that is paid to a worker is reducing both the federal and provincial costs. This is extremely important to all in Canada.

The agricultural service provides quick placements for labour when a crop is ready to be harvested, planted or when some other service is required. People have to be readily available and placed into those jobs.

In my riding of Essex county and in Kent county it is a 12-month a year service with greenhouses operating all winter, dairy farms with crops having to be harvested through the summer, in the spring and the fall pruning and harvesting. These are very important and add diversity and part time labour all year round.

The minister's working group has cited that this is one of the most successful examples of meeting seasonal labour demands in the country in its studies. It cites that it is a very timely, important industry for the agricultural market to make our seasonal industries operate properly.

It is very clear that as CEC is in transition at this time it would be unable to pick up the slack if agricultural employment services were withdrawn. I think it is very important that the minister review this scenario and attempt to meet the rural needs.

There is absolutely no question when I look at the minister's approach that I am pleased he has decided he will set up a committee to investigate and operate within the structure and possibly reinvestigate the funding that may be possible for the agricultural employment service. It is important that we look at this for all rural communities throughout Canada and make certain our agricultural industry is successful and prosperous.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, the government recognizes the importance of human resources development services to rural communities across Canada.

As announced in the budget, HRDC is carrying out a thorough review and reorganization of programs and services to reduce overhead costs and find new ways of delivering services more efficiently and effectively. Every effort is being made so that services are accessible relevant to local needs and service oriented.

As the minister of HRD has previously stated, there will be more points of service in rural communities after reorganization than there currently are. Priority will be on ensuring that all clients including those in smaller communities will not have to travel for more than one-half hour to have access to basic services. The addition of 300 to 400 electronic kiosks means that HRDC will have the potential to reach 97 per cent of the working age population in all areas, including those in smaller communities.

In the context of that reform the minister is looking at developing new partnerships with the private sector, the unions and local stakeholders in the delivery of our services.

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One specific area in which this approach is being pursued is the area of agricultural employment services. The minister has already announced that his department will continue to provide these services for the next year. At the same time, he has announced that AES and CECs will be involved in the development of transition plans at the local level to involve more players in the delivery of agricultural services.

Regions will work with industry partners to recommend co-operative agreements that will continue to serve employers

in the agricultural industry. CEC is exploring options to handle the labour exchange function currently provided by AES. HRDC remains committed to the agricultural community and will continue to provide the best services possible.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.19 p.m.)

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