



House of Commons Debates

VOLUME 133

NUMBER 162

1st SESSION

35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Wednesday, March 1, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Wednesday, March 1, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*Translation*]

SAVE YOUR VISION WEEK

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, March 5 to 11 is “Save your vision week” in Canada. This is an annual event to foster public awareness sponsored by the Canadian Association of Optometrists.

This year’s theme is: “Hope is in sight. Good vision and literacy: There is a clear connection”.

Many Canadians are unable to read simply because they do not see well. Children do not learn to read if they cannot focus on the blackboard or on the words in a book. One child in six has a vision problem, which makes it hard for him or her to learn and to read. The key is prevention. Early detection of vision problems really helps improve literacy. It has been established that three quarters of adults with literacy problems also have vision problems.

I join, therefore, with the 2,800 optometrists in Canada to remind Canadians that good vision is a must for good reading.

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PUBLIC SERVICE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, the president of the Public Service Alliance called upon his members yesterday to make a decision on a work-to-rule action and other pressure tactics to protest the public service cuts.

The Liberal government refuses to enter into a constructive dialogue with the Public Service Alliance. Yet the alliance has stated its willingness to join forces with the government to ensure better management of staff reductions and to maintain services to the public. In deciding against negotiations and partnership, the Liberal government is in essence denying the very principle of collective bargaining.

With a work-to-rule action by civil servants on its hands, the government is now reaping what it has sown. All Canadians and Quebecers will pay for the contempt displayed by the Liberal government.

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[*English*]

FIREARMS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, it gives me great pleasure to recognize the mayor of Dauphin, Manitoba, Mr. Inky Mark.

This gentleman took upon himself to compile resolutions from approximately 200 municipal governments from all provinces and territories. These resolutions support the principle that all Canadians now and in the future shall continue to enjoy the lawful, responsible and safe use of all firearms.

He took these efforts upon himself because he felt the voice of the tax-paying, law-abiding citizen was seldom heard. He has consistently asked for the establishment of a national firearms advisory council whose members would be made up of a cross-section of non-partisan people.

I would like his message to be heard loud and clear and to pay tribute to his tireless efforts on behalf of responsible recreational firearms users.

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HEALTH CARE

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the Prime Minister has finally admitted with his budget that his government has no intention of maintaining national standards in our health care system. Today the Prime Minister was quoted as saying: “Social programs such as medicare will revert to meeting more basic needs as they did when they were started half a century ago”.

Fifty years ago someone in my family suffered from a major illness. We were fortunate as a family that it only took us 10 years to pay off the bill. Fifty years ago others lost their farms and businesses for reasons of health and health expenses. Because of that they also lost hope for the future.

It is clear now that this government is intent on doing away with national standards with the national health care system. In fact rather than building Canada, the Prime Minister has

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confirmed today the government has set us on a course to dismantle this country.

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[*Translation*]

SIMCOE COUNTY BOARD OF EDUCATION

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I am very pleased to announce to the House that, as of next September, the Simcoe County Board of Education's intensive French language program will be offered at Bradford West Gwillimbury elementary school.

Five out of the six major centres in Simcoe county now offer a bilingual curriculum to their English speaking students. This year, over 500 elementary and secondary school students registered for the program, which is in its sixth year. I wish to congratulate the school board, its staff, and above all, the parents of Simcoe county for participating in this program and for their contribution to bilingualism in Canada.

The intensive French language program is another example of the importance placed on the French language in Ontario and elsewhere in Canada.

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[*English*]

MICHAEL BARNES

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, today I rise in the House to congratulate Mr. Michael Barnes, a constituent from my riding of Timiskaming—French River.

Mr. Barnes is a teacher and historian who has chronicled the history of northern Ontario. This region is as rich in exciting history as any other in Canada but is often ignored by the majority of Canadians.

Mr. Barnes has researched our history from the early days of the gold camps and the construction of the railways. In all his works Mr. Barnes has celebrated the resilient and rugged people who came from across Canada and the world to settle and prosper in this bountiful region of our great nation.

Northern Ontario and indeed Canada should be proud of Michael Barnes. I call upon all members of Parliament to join me in congratulating him today as he rightly becomes a member of the Order of Canada.

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(1405)

LIGHTHOUSE KEEPERS

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, today I would like to bring to the attention of this House a long and

storied Canadian tradition, that of the lighthouse keeper. Recently, Transport Canada announced that the remaining lighthouse keepers in Canada would be replaced by an automated system.

Today I would like to speak about two historic and treasured stations located at Cape Spear and Cape Race in my riding.

Cape Spear, Newfoundland is the most easterly point in North America. It is where man meets the sea. The lighthouse station at Cape Spear, in operation since 1835, is still manned by a lighthouse keeper. Yet on the 160th birthday of this lighthouse, Transport Canada wants to have machine meet the sea at this historic point.

The second lighthouse, Cape Race located in southeast Newfoundland, has for decades been the reference point for European ships bound for the Americas. Since 1856 European ships have approached a manned lighthouse station at Cape Race.

I urge Transport Canada to re-examine its decision regarding the demanning of these lighthouses. One hundred and sixty years of history and tradition—

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[*Translation*]

IMMIGRATION

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, in a move of extraordinary cynicism, the Liberal government has decided to impose what amounts to an immigration tax. The members of the Bloc Québécois deplore this virtual tripling of the fees required upon submission of an immigration application. In addition to the basic \$500, an adult immigrant will have to pay a tax of \$975 to have his application considered.

This government, which has loudly proclaimed its openness to immigration, which wants to boost its citizenship profile, which produces one overblown speech after another on Canada as the country of choice for immigrants, is practicing the exact opposite of what it preaches.

The message sent by this fee hike could not be clearer: Canada is no longer interested in taking in immigrants, and is particularly uninterested in those with low incomes. It has decided to close the door and exclude those whose contribution has been and is still so important for Quebec and Canadian society.

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[*English*]

VISION AWARENESS WEEK

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, next week is Vision Awareness Week in Canada. It is an annual public awareness campaign sponsored by Canadian optometrists. This year's theme is "Hope is in sight. Good vision and literacy: There is a clear connection".

Can you imagine if all of us who wear glasses went without them for a day or even half a day? That would put us in the position of those I am addressing today.

Many Canadians cannot read well because they cannot see well. Children will not learn to read if they cannot focus on the chalkboard or on the words in a book. One in six children has a vision problem.

Not all vision problems are easy to detect, therefore the earlier problems are detected and corrected, the better. Prevention is the key. The fact is that three-quarters of adults with poor literacy skills also have problems with their vision.

As literacy critic for the Reform Party, I join Canada's 2,800 optometrists in reminding Canadians that good vision is necessary to become a good reader.

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INTEREST RATES

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, now that the federal government has tabled its 1995 budget, a tough budget that will suit the wishes of international investors, it is time to get down to the serious business of controlling our financial destiny.

The federal government must instruct the Bank of Canada to bring the effective interest rate down from the present superficially high level. A lower interest rate will result in increased job growth for Canadians. It will greatly assist small and medium sized businesses.

Interest rates should be brought down by at least 2 percentage points. One result of this move would be lower interest payments to foreign investors. Another would be that small and medium sized businesses could afford to borrow money for expansion, thereby creating jobs.

We need a made in Canada interest rate. We have to control our interest rates in order to achieve a balanced budget in the long run.

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[Translation]

INTERNATIONAL WOMEN'S DAY

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, this year, International Women's Day falls during our week off. That is why I rise today to pay tribute to all Canadian women from coast to coast.

Let us look around us. There are now 54 women sitting in the House of Commons. We have come a long way since Agnes McPhail became the first woman elected to the House of Commons in 1921; since the judiciary committee of the Privy Council finally recognized, in 1929, that women were persons in the eyes of the law; since Carine Wilson became the first woman appointed to the Senate in 1930.

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Women have left their mark in all their fields of activity despite the obstacles that keep springing up in their way, simply because our society is still tainted by widespread and offensive sexism.

To our mothers, sisters, wives, daughters, colleagues and friends, to all women in Canada, I say thank you.

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(1410)

[English]

RODGER DUSKY

Mr. Joe Fontana (London East, Lib.): Mr. Speaker, I would like to pay tribute today in the House to Mr. Rodger Dusky from my riding in London, Ontario.

On February 16, Mr. Dusky received the Prime Minister's award for teaching excellence in science, technology and mathematics. This award recognizes teachers across Canada who have had a major proven impact on student performance and interest in these areas. Mr. Dusky was nominated for this award by one of his former students.

Mr. Dusky has been a teacher for 32 years and has been teaching science and chemistry at London Central Secondary School since 1987. Most notable in his achievements is "The Mentor Connection". This program twins high school students with professionals from the community in order to support and enhance the autonomous learning projects of the students.

This program has been a tremendous success locally. Mr. Dusky is presently in the process of trying to expand the program so more students can benefit from this unique opportunity. It is through these types of initiatives and teachers such as Mr. Dusky that our children have the skills and knowledge to effectively compete in the constantly changing workplace.

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[Translation]

QUEBEC'S CULTURAL COMMUNITIES

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.): Mr. Speaker, in the past two days, the Bloc member for Louis-Hébert and his colleague from Chicoutimi have missed their chance to make amends for the racist and discriminatory remarks they made about Quebec's cultural communities.

After their leader had rebuked them, these two members found nothing better to do than issue releases stating that they regret any embarrassment their remarks caused the Leader of the Opposition and any harm they have caused their colleagues in the Bloc Quebecois or those involved in building a sovereign, open and profoundly democratic Quebec.

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The truth of the matter is that the two Bloc members are probably not sorry they made such blatantly racist and discriminatory remarks about our cultural communities; they are just sorry their party and the separatist cause may have been hurt by their remarks.

How can the people of Quebec believe in their plan for an independent, supposedly open and profoundly democratic Quebec, when in fact the very people responsible for promoting this plan, like the two hon. members opposite, have no regard for the most fundamental of principles?

We demand no less than formal apologies to be made in this House to our fellow citizens newly established in la Belle Province de Québec.

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FEDERALISM

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, when he tabled his budget, the Minister of Finance said, with a smile on his face, that the era of flexible federalism had now arrived. However, we had to be suspicious of that smile, which was more akin to the kiss of Judas.

How can the minister be serious about flexible federalism when he is considerably limiting the financial margin of the provinces by reducing transfers, while at the same time maintaining national standards for welfare, health and post-secondary education?

After promising to reduce overlap and duplication between the two levels of government, the minister has now decided, despite all the opposition, to keep control over a sector as vital as manpower training.

In its editorial of today, *Le Devoir* says that current federalism “manages without us and clearly declares itself to be imperial”.

This is what federalism has become.

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[English]

MEMBERS OF PARLIAMENT PENSIONS

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am pleased to present the third instalment of the Liberal’s copy Reform awards.

Today’s winner is the member for Vancouver Quadra whose personal proposals for pension reform are suspiciously similar to the Reform blue book. At a time when the cabinet has approved a two tier pension plan that will make millionaires out of defeated politicians, it is indeed outstanding to have a government backbench MP suggest that the treasured gold plated pension plan be based on the principle of matching funds.

Imagine a Liberal actually saying that MPs should live by the same rules as other Canadians, collecting their pensions at age 65, or that they should be forced to tighten their belts like those living outside planet Ottawa. Reformers have been calling for these changes for four years.

I commend the member for Vancouver Quadra for joining our cause. I call on the Prime Minister to stop comparing his salary and pension with professional hockey players and start comparing it to those who actually pay his salary and pension, the Canadian taxpayers.

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[Translation]

THE BUDGET

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, last week, the Bloc member for Roberval was concerned by the decision of the American rating agency Moody’s to put Canada’s credit rating under review.

(1415)

The opposition member said in this House, and I quote: “The pressure from the financial community is a signal that the Minister of Finance should tackle the deficit problem by making massive cuts in government spending, which has to be the preferred approach, rather than raise the taxes of the middle class”.

I am pleased to see that the wish of the hon. member for Roberval was largely met in Monday’s budget.

I want to further reassure the member by reminding him of the comments made by his colleague, the official opposition critic for finance, on the CBC’s French radio network yesterday morning: “The economists and the financial community seem relatively pleased with this budget—and rightly so since, from a strictly financial point of view, Mr. Martin seems to be willing or able to reach his objectives—”.

The Speaker: Regrettably, I must interrupt the hon. member. The hon. member for Scarborough Centre.

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[English]

THE BUDGET

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, last Monday the Minister of Finance brought forth a trustworthy budget that will put our country in a new era of financial responsibility.

Not only do we feel this is a good budget for Canada, even the international community approved. Within two hours of the budget the dollar began to rise and the interest rates began to fall. These are signs of recognition that we are indeed on the right track. I am happy to add that most reasonable citizens have

Oral Questions

come to realize this and have accepted the budget as truly a progressive budget.

One reasonable citizen, I am pleased to note, is the Reform Party's financial critic who was so approving he led the applause in the House. In fact at one time he gave the finance minister a standing ovation, an act earning him reproof from his Reform Party colleagues.

Reform Party members accused us of smoke and mirrors during our prebudget consultations while they spread false information throughout the country. Yet the budget shows Canadian citizens that we were listening.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, in its budget, the federal government is downloading part of its deficit to the provinces by cutting \$7 billion from transfer payments for social programs. As a result, Quebec alone will lose \$650 million next year and \$1.9 billion in 1997-98. The Quebec Minister of Finance roundly criticized the negative impact of a budget that will force the Quebec government to reduce services or raise taxes or both.

Will the Minister of Finance have the basic honesty to admit to the House that cuts in transfer payments mean that Quebec will have a shortfall of \$2.5 billion three years from now, including \$1.9 billion for 1997 alone, which is 41.7 per cent of total transfer payments for that year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we intend to sit down with the provinces to discuss how we will approach the changes in transfer payments. There is only one correct figure: In 1996-97, compared with this year, there will be a cut of \$350 million.

If we consider the potential for eliminating duplication and overlap, I think this can be absorbed.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I beg to differ with the minister on a matter as basic and simple as arithmetic. If the budget had not interfered with transfer payments this year, Quebec would have received \$300 million more, according to the estimates for transfer payments. The minister cancelled the \$300 million increase and cut an additional \$350 million. According to what I learned in school, 300 plus 350 equals 650 million.

Mr. Loubier: The Minister of Finance cannot count.

Mr. Bouchard: The minister tells us that as far as the \$2.2 billion over a three year period is concerned, there is some uncertainty, since the \$4.5 billion that will be cut in the third year will have to be distributed among the provinces, after negotiations with the federal government.

If there is any uncertainty, and in fact there is not, since the technical document published by the Department of Human Resources Development says this will be done on a per capita basis, and the minister says, on page 17 of the budget speech, that he will apply the same criterion—if there is any uncertainty, then it should be cleared up.

(1420)

Yesterday and again today, the minister said that he was ready to meet the provinces the very next day. Perhaps the minister would like to tell us whether he agrees the provinces should be summoned immediately to a formal federal-provincial conference, where he would clarify the issues and tell us what the repercussions will be for Quebec?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, when I met the provincial finance ministers before the budget and we discussed the changes in transfer payments, I told them I would be ready to meet them as soon as the budget was brought down.

So the answer to your question is yes. In fact, I have already made that clear to the finance ministers. The Leader of the Opposition mentioned arithmetic. Well, there is a difference of at least one billion dollars between the figures quoted by the leader of the Bloc Québécois and those quoted by the Quebec finance minister, so you will have to check with headquarters.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I would appreciate a clear answer. I would like the minister to tell us whether he will immediately call a federal-provincial conference to discuss how the cuts in transfer payments will be distributed.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I certainly intend to schedule a meeting with the finance ministers. They asked me to wait until they had all tabled their own budgets, so let me know when Mr. Campeau tables his, and I will tell you when we will have this meeting.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, is the Minister of Transport having problems? I think this is my question and not his. If the Minister of Transport misses being in the opposition, he will be back here soon enough. In the budget speech, the Minister of Finance proposed that the funds paid into the Canada Assistance—

An hon. member: Give him his valium.

Oral Questions

The Speaker: Order. I realize today is Wednesday, but, nevertheless, it is the hon. member for Roberval's turn to ask a question.

Mr. Gauthier: Mr. Speaker, in the budget speech, the Minister of Finance proposed that transfers under the Canada assistance plan for social assistance now be allocated among provinces in the same way as established program financing transfers for health and post-secondary education—by combining, in 1997, all transfers into a single one: the Canadian social transfer.

Will the Minister of Finance acknowledge that his government's intention to pay the amounts involved in the Canada assistance plan according to the criteria for the established programs will deprive Quebec, in 1997, of several hundreds of millions of dollars in social assistance, in favour of Ontario?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): No, Mr. Speaker.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my supplementary question is as follows. In his budget, the Minister of Finance announced that he will change the bases, the criteria for allocating money under the Canada assistance plan. He said himself that the transfer will be on the same basis as for the other programs, that population will be the criterion for allocation.

If the Minister of Finance is using population as the Canada assistance plan allocation criterion in order to transfer to Quebec the money involved as a lump sum, will he acknowledge that this approach will take hundreds of millions of dollars away from Quebec in favour of a province like Ontario? If he will not acknowledge this, will he tell us what basis he is using?

(1425)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I indicated very clearly that we intend to sit down and negotiate with the provinces. We are bringing about changes in federalism. I think that this will require face to face discussions. I have a hard time understanding the questions. I think the hon. member has been briefed by Bob Rae.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday officials of the Department of Finance were telling investors that Canada would balance its budget by the year 2000. Today they are reassuring those investors that even a downturn in the American economy will not stop the government from balancing the budget because the effects will be offset by cuts to social programs and transfers to the provinces.

My question is for the Minister of Finance. Why were Canadians not given more details about the impending social

cuts in Monday's budget? Will the minister reveal his real agenda for social spending reductions, a hidden agenda which must exist if the budget is to be balanced by the year 2000?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, this is the second day in a row on which the leader of the third party has referred to apparent briefings or statements by unnamed Department of Finance officials.

I think we should make the record clear. I do not know what the leader of the Reform Party is talking about. That makes me a fairly typical Canadian.

The fact is that I am really not able to respond. I would like to respond to the leader of the third party's statement, but I do not know about the briefings that he is raising and that he raised yesterday.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I refer to stories in a number of the financial papers about assurances being given—

Some hon. members: Oh, oh.

Mr. Manning: There are also broad hints in the budget that the minister is obviously contemplating deeper cuts in social spending and transfers if he is going to balance the budget.

If these plans are in progress they are being developed behind closed doors, without Canadians knowing. We even wonder whether the Minister of Human Resources Development knows about them. The finance department is planning major cuts. The human resources minister yesterday said that what they were going to do was reshuffle existing funds to his department.

My question is for the Minister of Human Resources Development. Is that minister personally aware of the changes the finance department has in store for social programs? If so, will he share that agenda with the Canadian people and with the House?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I have read very carefully the document that was tabled in the House on Monday. I am prepared to share it with the hon. member for Calgary Southwest because obviously he has not read it.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if the chief financial officer of a publicly traded company put out a prospectus on Monday and it was found out on Wednesday that they had hidden plans which affected the bottom line and all the shareholders, that CFO could go to jail under Ontario securities law.

None of us would like the Minister of Finance to go to jail, so my question is: Will he come clean and tell Canadians what social program cuts the government is planning in order to balance the budget after 1997?

Oral Questions

(1430)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): It is somewhat incongruous watching the Reform Party trying to defend social programs. It is like watching an elephant tap dance.

The Reform Party has to be very desperate and it is quite clear it is so disconcerted by the very favourable reaction that the financial markets have given to this budget but it has lost its issue and is trying to make one up.

There is no hidden agenda. The only agenda that people are looking for today is the Reform Party's and they cannot find it.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the finance minister announced in his budget that he intends to tackle old age pensions. One of the budget documents states that the reform of old age security will be based primarily on the following principle: old age security benefits will be calculated on the basis of family income, as is the case with the guaranteed income supplement.

Can the finance minister confirm that calculating old age security benefits on the basis of family income will mean that, in the future, old age pensions will no longer be the same for everyone and that thousands of senior citizens will see their pensions drop?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, to answer the question directly, the exact opposite is true.

Having said this, the federal government and indeed the provincial governments are duty bound to protect old age pensions, the Canada and Quebec pension plans. We intend to sit down no later than this fall to work out a sustainable system. You have seen the actuarial report on this subject.

So I cannot understand the position of the hon. member who would not protect Canadian seniors' old age pensions.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, if the finance minister protects old age pensions the way he has protected unemployment insurance, we are not out of the woods yet.

Will the finance minister admit that calculating old age pensions on the basis of family income will directly penalize for the most part women whose financial independence will be compromised?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, no firm decision has been

made on this matter. We intend to consult, and it is indeed our duty to do so, but nevertheless let me answer your question directly.

According to the study by the Caledon Institute of Social Policy, women are not only protected, their pensions are in fact increased. It is a good thing for women.

I put the following question to the hon. member: He is against seniors, is he also against women? The hon. member should get his numbers right before asking questions.

[English]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, a centre-piece of the government's budget is the creation of something called the Canada social transfer.

The government's motive for creating this transfer is that this government was planning to make larger and bigger cuts to sacred cows like health, post-secondary education and welfare in this and possible future budgets.

To clarify the situation and to clarify the answers that the minister just gave, will there be any additional cuts to this new super transfer beyond those announced in the current 1995-96 budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we set out a very clear plan to preserve our social programs. The Canada social transfer provides us with a basis to do that. It provides us with the basis to do that in very straightened circumstances.

(1435)

I continue to have some difficulty understanding the nature of the question. I have a great deal of respect for the member but he must understand that he is with a party that recommended two weeks ago that we take \$15 billion out of those social programs which would effectively gut them. We are certainly entitled to have a little consistency on economic policy in this country by at least one of the two opposition parties.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I certainly appreciate the answer by the hon. minister.

The Reform Party was up front. We laid it out that we would reduce by \$15 billion the social program spending.

What I am asking the minister and the government of this country to do is to lay it out for Canadians and tell them the truth about what is going to happen. That is what we want.

If we look at this 1995-96 budget, the government's transfer proposals provide no additional tax points and actually cut cash transfers to provinces by 20 per cent to 25 per cent. What else is going to happen?

Oral Questions

Is this one of the ways that the government is planning to decentralize the deficit but there is a hidden agenda that provinces do not understand?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have had numerous meetings with the ministers of finance of the provinces. The minister of HRD has had numerous meetings with his counterparts in the provinces. The provinces understand full well the nature of the federal fiscal dilemma. They understand also that it is very important that the federal government get its fiscal house in order because that has enormous benefits for them.

What the provinces said to us was no surprises and there are no surprises. They said hit yourselves first and we have. They have said hit yourself harder than you hit us and we have. We have lived up to every one of our commitments. There is no hidden agenda. There is one very public agenda and that is that we are going to preserve the social programs of this country and clean up the nation's finances.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

In the budget speech, the federal government announced that it will be setting up a human resources investment fund of several hundreds of millions of dollars, which the federal government will use to meddle in the area of job training.

Will the minister concede that this fund infringes on the powers of the provinces, does nothing to decentralize government and, in fact, increases even more overlap and duplication between governments?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I do not know how the hon. member arrived at that conclusion because what we are proposing to do is eliminate many of the old programs that were under the Canadian job strategy which no longer are relevant to the kind of situation we face.

By consolidating our existing resources into one human investment we can then sit down with the provinces, as we are doing now on issues of child care and literacy, and work out new partnerships and new arrangements with the provinces, the municipalities and private sector partners. It gives us the flexibility we need to now engage in a new generation of social programming that really fits both the reality and the changed circumstances the country finds itself in.

That is the same kind of flexibility we are achieving through the new form of Canada's social transfer. We are also achieving this by putting up a new form of funding resource in our own department so that we can undertake those kinds of partnerships I just outlined.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, will the minister also admit that the human resources investment fund goes in the opposite direction of where Quebec wants to go regarding job training, since, instead of withdrawing from this sector, the federal government plans to infringe more and more on Quebec's jurisdiction?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member is in some strange vapour today. He is drawing a conclusion that has no basis in any kind of fact. I have just told the hon. member that creating a new kind of investment fund puts us in a position of being able to start with a clean slate to sit down with the provinces and other stakeholders and work out new partnership arrangements.

I would remind the hon. member that we have already tabled with the provinces, including the province of Quebec, offers for serious transfer responsibilities in the area of training and the province of Quebec has not responded in a positive way. Certainly other provinces have and I would issue the invitation again to sit down and we are prepared to turn over responsibility for managing institutional training. I would hope that the hon. member would use his good offices with his colleagues in Quebec to say come back to us with a good offer.

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(1440)

CANADIAN BROADCASTING CORPORATION

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Yesterday Tony Manera, the president of the CBC, resigned because the Liberals broke their red book promise for stable multi-year funding to the CBC. Manera says that in the next three years the government plans to cut \$120 million more from the CBC than the \$45 million that was stated in the budget.

The minister has a secret agenda about the future of the CBC which he has failed to disclose. Why has the minister failed to provide this information to Canadians?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague is out of luck. Her assistant is no better as a researcher than he was as a candidate in Ottawa—Vanier.

Oral Questions

The information she put forward is false. The government has given a clear indication of what it will do in the budget and that is to fix the CBC budget for next year. All the rest is invention. Mr. Manera has resigned because of personal reasons.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, with all due respect to the minister, cheap political shots against an honourable and professional candidate in an election are clearly out of order in this House.

The Department of Canadian Heritage did send a secret document to the president of the CBC confirming its plans to cut the CBC over the next three years. That includes \$120 million in the cuts that the minister has failed to report.

How can the minister justify wasting more taxpayers' dollars on another review as stated in the budget plan when according to the president of the CBC the government has already made up its mind?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, talking about cheap shots, let me quote the hon. member: "Mr. Manera is not staying to fight. It is an abdication of leadership which means that he is not up to the challenge of developing a blueprint for changing broadcasting".

The only figures that have been passed on by my department to Mr. Manera and the CBC are the figures of the program review. The government established one year of budget for the CBC, the next fiscal year. The other figures amount to 15 to 10 per cent for the next three years. They were contained in the program review of last August.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is also for the minister of heritage. Mr. Manera agreed to become president of the CBC after the minister had assured him that there would not be any cuts to the CBC's budget.

(1445)

Instead of claiming that Mr. Manera resigned for personal reasons, would the minister be honest enough to admit—

Some hon. members: Oh, oh.

The Speaker: Dear colleagues, it must be taken for granted that questions and responses will be honest. I would therefore ask the hon. member to withdraw the expression she used.

Mrs. Tremblay: Mr. Speaker, it is not a matter of honesty.

Could the minister admit that this resignation is directly related—

Some hon. members: Oh, oh!

The Speaker: I would ask the hon. member to put her question, please.

Mrs. Tremblay: Instead of claiming that Mr. Manera resigned for personal reasons, will the minister admit that this resignation is directly related to his failure to honour his commitment as heritage minister not to make further cuts to the CBC's budget?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, there is a passage in the Gospel—

Some hon. members: Oh, oh!

Mr. Dupuy:—about "whited sepulchres". Only a few weeks ago, our colleague rose in this House, loudly demanding that Mr. Manera resign. Did she undergo a conversion? She is now defending him. Did she undergo a conversion and decide to defend the CBC, this great federalist, national institution?

Some hon. members: Hear, hear.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, does the heritage minister admit that he is no longer either a friend of the corporation, as he himself claimed, nor, as heritage minister, a friend of cultural organizations and the arts community, whose interests he has been unable to protect, since culture is one of the sectors hardest hit by the federal budget?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the Leader of the Opposition referred to the fact that arithmetic is taught in grade school. I am surprised that a former teacher cannot do simple arithmetic and realize that if there is one sector that was not hit hard, it is the cultural sector.

I therefore categorically deny our colleague's allegations and I can reiterate that Mr. Manera did not resign because of the budget. He said so himself in writing. She is in fact questioning the good faith of the former President of the CBC.

* * *

[*English*]

THE BUDGET

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, my question is for the Minister of Finance.

Since Monday's fiscally responsible and fair budget we have heard speculative statements about how the budget impacts on Ontario. After four and a half years, the current premier of Ontario will soon have to do his own accounting to the people of Ontario.

Would the Minister of Finance please clarify how the budget affects Ontario, a province with 37.5 per cent of the nation's population?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would like to thank the member for London West for her question because it gives me the opportunity to correct the exaggerated claims being made by the Government of Ontario.

Oral Questions

We have gone to great lengths, we have taken great pain within the budget to make sure that it is fair and equitable and does not impact disproportionately on any single region of the country.

Ontario's share of the downsizing of the public service is in line with its share of the national population. We could go one step further. Nearly 161,000 jobs were created in Ontario last year. We are going to maintain this recovery with a good budget so we can create jobs in Ontario at the same level next year. That is why we acted the way we did.

(1450)

The member has asked me to deal with the facts. Ontario's share of budgetary actions is in the same range as its current share of federal spending and it is actually less than its share of Canada's population. If Bob Rae wants to play politics, he can do it. However, he should stop playing politics with the facts because he will never get re-elected that way.

The Speaker: May I appeal to hon. members once again? All questions put in the House are deemed to be reasonable questions. I believe that all hon. members should have the chance to hear reasonable answers. I would ask please, when questions are put to give enough time for the answer to be given.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, today the Prime Minister, when speaking of the budget changes said: "Social programs such as medicare will revert to meeting more basic needs as it did when it was started a half century ago".

What exactly does the Prime Minister mean by basic services?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Prime Minister means what he said this morning and what he has repeated. He intends to support and maintain a universal, accessible system of health care across the country where treatment is based not on the size of your pocket book but on the serious illness you face.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, Reform has stated time and time again that what health care needs is flexibility. We do not need the solutions of 50 years ago. We do not need poor technology. We do not need poor innovation.

Will the Prime Minister recognize in front of all Canadians that his budget will gut health care?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the absolute hypocrisy of the Reform Party is never more evident than when its members rise to defend the benefits of universal health care. This is the very party that would have cut the heart and soul out of the health care system.

We are not going to let them do it because they will never form the government.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is for the Minister of Finance. In the budget tabled on Monday, the minister decreed that a \$975 fee will now be charged to every person who wishes to immigrate to Canada. This large amount of money is on top of the \$500 processing fee all immigrants already have to pay.

Does the minister not realize that it makes no sense to ask prospective immigrants to pay \$975, as this may represent up to a year's salary or more in their countries of origin?

[English]

Why do future immigrants have to pay for the government's deficit?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I do not think the hon. member is in any position to lecture the government on how it treats immigrants when members of his party in the PQ would not even extend democratic rights to immigrants in Quebec.

The Minister of Finance said on Monday that all Canadians, fishermen, farmers, public servants, business people, Canadian families had to sacrifice for nation building and to maintain Canada's prosperity. We have chosen to extend that invitation to those wishing to join the Canadian family and also to recover some of the costs for immigration settlement.

(1455)

There are two options. Immigrants either share with us in the cost of settlement or we go the route of the United States of America where there is no settlement. Like the commercial says: "You can pay now or you can pay much more later". We prefer settlement because it is the best way of integrating immigrants. We also believe that the landing fee is worth the price to come to the best country in the world.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, does the minister not realize that the message of openness Canada is trying to convey to future immigrants to this country is greatly compromised by this immigration tax, which can represent more than \$3,000 for a family of four?

[English]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member did not mention that the Minister of Finance has also instituted a loan program that would allow those individuals who believe that the \$975 would be a hardship to apply for a loan.

Oral Questions

Just like refugees since 1951 have been able to absorb a transportation loan, we believe that this fee will not cause hardship. We are prepared to implement the loan program.

With respect to other countries that ask immigrants to help shoulder the costs, Canada is in the middle of the spectrum where it ought to be.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, my question is for the Minister of Natural Resources.

In the budget the government announced the elimination of the public utilities transfer tax rebate. Since 88 per cent of the \$250 million tax grab hits Alberta, the elimination of this rebate is a discriminatory tax hike aimed directly at Albertans and will cost them at least \$170 million.

As the senior federal minister representing Alberta, does the minister support this measure?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, this nation has a very large deficit and a very large debt. It was incumbent upon the government to deal with it in the fairest and most expeditious way possible. That is what we have done.

In this case we have followed the lead of a number of provincial governments, including the Government of Alberta. I believe the member for Lethbridge was a member of the Government of Alberta when it took away the equivalent tax exemption for the public utilities in that province.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, in view of the discriminatory nature of this tax grab and the fact that the socialist power companies of Ontario and Quebec get away scot free, does the finance minister view this as fair and equitable?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would simply refer the member to the statement by the premier of Alberta, in which he said that the federal government had to face up to its responsibilities. We did so and basically this is a good budget.

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

The infrastructure program has been very successful and encouraged all levels of government to work together. In my riding of Vancouver East the projects were enthusiastically received and put many people to work.

Could the Minister responsible for Infrastructure inform the House of the status of the programs following Monday's budget?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the program on infrastructure is being extended from a three-year to a five-year period. This comes about as a result of two things: first, many municipalities with major projects have asked for extra construction time to be able to complete their projects and, second, the fiscal needs of the Minister of Finance as announced in the budget.

(1500)

I am pleased to say that this coming construction season will be the biggest by far in terms of the infrastructure program. Sixty per cent of all the funds under the program will be allocated within the two years. The \$2 billion from the federal level and the \$6 billion in total will stay intact over that five-year period of time. It will lead to even more jobs than we had predicted: over 100,000.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Prime Minister. I ask the Prime Minister for a clear answer about his government's intentions on a question he was asked yesterday in the House.

Will women 65 years of age and older lose their OAS because of their spouse's income as implied on page 58 of the budget plan? Yes or no.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): No, Mr. Speaker.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the single most damaging element of this week's federal budget will be the devastating effect on the regional economy of the prairies, that is the elimination of the Crow rate including declining land values and the lack of investment for value added production.

Has the minister given any thought at all to the long term implications for the prairie economy of the decision to end the transport subsidy? If so, could he identify the sources in which he has so substantially misplaced his optimism?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I note that a number of farmers in western Canada over the course of the last two days in commenting on the budget have noted that the change with respect to freight rates in western Canada has the potential to encourage diversification and value added production in the west.

I would point out that the hon. gentleman, coming from Saskatchewan, should perhaps know with respect to the \$1.6 billion ex gratia capital payment that something in the order of \$800 million or more of that total will find its way into the province of Saskatchewan because of that province's historical share of grain movement.

Points of Order

It does not include Saskatchewan's share of the \$300 million adjustment fund. It does not include the capital gains tax advantage. It does not include the time cost of money that will accrue to the recipients of those payments and not to the government. It does not include the impact on efficiency in the transportation system.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Dr. Christos Lazaris, Governor of Lefkada in Greece.

* * *

POINTS OF ORDER

COMMENTS BY MINISTER

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, in response to a point of order raised by the hon. member for Skeena on February 9, the Minister of Indian Affairs and Northern Development stated that I held a meeting in my riding of Prince George—Bulkley Valley entitled "Let the people speak" and that natives were neither notified nor asked to sit on a panel at the meeting.

I held no such meeting in my riding. The minister has confused my riding with another and I would ask him to withdraw these remarks.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I stand as a minister but first I stand as a member of Parliament who does not pick and choose which constituents I speak for.

One of the purposes of the House is for the views of those who have the least voice, who are the most oppressed and who need our help the most to come before Parliament. The silence of the Reform Party on aboriginal issues is so profound that it is deserving of respect.

There have been four critics; I have gone through four critics. They sit there like a Greek chorus.

Some hon. members: Order.

(1505)

Mr. Speaker: In my view the point of order is a dispute as to facts. From time to time in the course of debate—and I am not saying this happened here—sometimes errors are made. I would hope hon. members would give each other enough latitude in debate so that if errors are made inadvertently they are accepted as such.

Mr. Irwin: Mr. Speaker, I accept the explanation of the hon. member but of the two critics one represents the Nishga—

Some hon. members: Order.

Mr. Speaker: I take it from the acceptance of the statement that perhaps an error was made. I am hopeful this will close the matter as of now. I would like the matter to be closed as of now.

This point of order is finished. If the member has another point of order I would like to hear it. Is this on the same point of order?

On a point of clarification, the hon. member for Kindersley—Lloydminster.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, for the benefit of all members of the House, would you clarify whether or not it is in order for a member to ask for a retraction and either the member retracts the statement or refuses to retract the statement and then, I suggest from my understanding of the standing orders, you, Mr. Speaker, make a decision on which member had the right position?

Mr. Speaker: Sometimes the Chair is faced with both positions being correct.

In this particular instance we had an hon. member saying that it was said that he held a meeting of some kind in his riding. I now have the minister involved who says he accepts that it was an error.

I accept the minister's statement and I consider the matter to be closed.

GUN CONTROL

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I rise on a different point of order. I think you would agree that one very controversial issue facing the House at the moment is the gun control legislation.

Because of the imprecise nature of the discussion a lot of my constituents are wanting access to the legislation. I have been told that I am only allowed to get 10 copies. Could you indicate that this is not true and where my constituents can go to get more copies of the legislation?

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, as the spokesman for the Board of Internal Economy I informed the House last Friday that in addition to the copies being made available by the minister, the House had taken it upon itself to purchase an additional five copies per hon. member according to a decision taken last week unanimously by the Board of Internal Economy.

Mr. Speaker: This then is the response. I do not want to get into a debate about the matter but I will hear the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I would not want to get into a debate on the issue. I appreciate the decision that has been made. I am seeking confirmation though.

In the words of the member who just spoke, he said that it was a unanimous decision. Does that mean that all political parties represented on the Board of Internal Economy agreed to limit

the amounts of information given to our constituents on this critical issue?

(1510)

Mr. Boudria: Members of the Board of Internal Economy are well known; those appointed to the board are well known. It was unanimous among members of the board as are all decisions of the board.

I believe the hon. member once sat on the board. I think he is familiar with the procedure.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, just to add briefly to this information session in the House, last week when I raised the issue in the Chamber and the member speaking on behalf of the board responded to me, he gave information about additional copies being available should I wish to purchase them out of my office budget.

I inquired about the purchase price and discovered that although I was willing to purchase copies from my office there were not enough printed in any case for me to purchase them. Then I found that the price itself would be exorbitant to absorb within my budget.

I approached the printing office on Parliament Hill and asked how much it would cost to print that number of pages, double-sided, one staple in the top, and I was informed the cost was roughly one-third the cost of buying it from the government.

I can print through the House of Commons. I have a quote from the House printing unit to print enough copies to satisfy my demands in my constituency for close to \$400. I am prepared to pay that amount if the House will allow me to ask printing to produce that copy.

The Speaker: With regard to the copies that are made available to members of Parliament, these copies are available at distribution. They are for legislative use, not for general distribution.

However the point the hon. member raises might be of interest to all hon. members in terms of the costs. I would ask the House spokesperson to the Board of Internal Economy if it might be possible to have that discussion raised at the next meeting of the Board of Internal Economy.

Mr. Boudria: Mr. Speaker, we could bring the issue to the attention of the board. If the member would correspond with the board, I am sure we would be pleased to receive his representation.

I have a point of order on another issue.

The Speaker: The point will be brought up at the next meeting of the Board of Internal Economy.

QUESTION PERIOD

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, earlier in question period today an hon. member

Routine Proceedings

asked a question of a minister in relation to the responsibility of the minister being responsible for a province.

I want to refer members to article 412 of Beauséjour's which reads as follows:

A question may not be asked of a Minister in another capacity, such as being responsible for a province, or part of a province, or as spokesman for a racial or religious group.

That is a 1968 decision of the Speaker. I would submit the question was in fact out of order. I believe there were a number of cries across the way as to why the minister did not respond to a question that was clearly out of order.

The Speaker: It is also clear that any question put is directed to the government. As such, it is my understanding and has been the practice for years in the House that any minister of the crown can answer the question.

Although the question may be put to a specific minister, another minister who so desires can answer the question.

(1515)

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I would just note for the Chair's enlightenment that in this case the question was put to the Minister of Natural Resources. This matter is a natural resource matter, broadly speaking.

The Speaker: My colleagues, I repeat that it is the longstanding tradition of this house that any question that is put to the government per se can be answered by any minister on the government side. I would like to let that rest at this point.

ROUTINE PROCEEDINGS

[*Translation*]

INTERPARLIAMENTARY DELEGATION

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the Canadian section of the International Assembly of French-Speaking Parliamentarians, on the meeting of the assembly in Porto-Novo, Benin, on January 19 and 20, 1995.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table the 64th report of the Standing Committee on Procedure and House Affairs, which concerns the list of the associate members of the Standing Committee on Government Operations. With leave of the House, I intend to move for concurrence in this report later this day.

Routine Proceedings

[English]

HUMAN RESOURCES DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, I have the honour to present the eighth report of the Standing Committee on Human Resources Development concerning Bill C-54 which was adopted with amendments.

GOVERNMENT OPERATIONS

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the report of the Standing Committee on Government Operations on Bill C-65, an act to reorganize and dissolve certain federal agencies, with amendments.

* * *

PARLIAMENT OF CANADA ACT

Mr. John Solomon (Regina—Lumsden, NDP) moved for leave to introduce Bill C-314, an act to amend the Parliament of Canada Act (other pension income).

He said: Mr. Speaker, the bill which I am introducing today is entitled an act to amend the Parliament of Canada Act (other pension income). It will require all pension or retiring allowance payments received by a member of Parliament that are paid from public funds to be deducted from the member's sessional allowance.

This bill will deal with another dimension of the issue of double dipping. Members of Parliament who receive publicly funded pensions while at the same time receiving a full member of Parliament salary will be affected. The bill asks that the House of Commons subtract pension income from a sitting MP's salary, thus preventing double dipping, or receiving two incomes from only one taxpayer. This bill would make all MPs declare all public pension income they receive while sitting as an elected member of Parliament.

Those members with publicly funded pensions for previous service in: provincial legislatures; municipal governments; the public service at the federal, provincial and municipal levels; or as former judges; members of the Canadian forces; former peace officers; crown corporation employees; and former employees of school boards, hospital boards or any other publicly funded organization will forgo receiving two incomes for doing one job as a member of Parliament.

Canadians believe it is unfair to the tax paying public that a member of Parliament receive a full salary while also receiving a public pension.

This bill treats municipal, provincial and federal govern-

The Deputy Speaker: Order, please. A succinct explanation of the bill is all that members are allowed to have.

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

* * *

(1520)

PROTECTION OF PERSONAL INFORMATION
OBTAINED BY CERTAIN CORPORATIONS ACT

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.) moved for leave to introduce Bill C-315, an act to complement the present laws of Canada that protect the privacy of individuals with respect to personal information about themselves obtained by certain corporations.

He said: Mr. Speaker, I rise to table my first private member's bill, an act to complement the present laws of Canada that protect the privacy of individuals with respect to personal information about themselves obtained by certain corporations.

For several years Canadians have enjoyed the protection offered under the Privacy Act giving them better access to the federally held personal information. Yet in the private sector the use and abuse of personal information continues.

In 1994 the Quebec government passed a historic privacy law, Bill 68. It gave Quebecers greater control over their personal information. My private member's bill would complement, not compete with Quebec's bill by extending privacy protection to businesses under federal jurisdiction. For the rest of Canada, citizens for the first time would be given the control they need over their privately held personal information as we speed toward the creation of an information highway.

I look forward to discussing this bill with my fellow members of Parliament in the weeks and months to come.

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

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move that the 64th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

HEALTH

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

That members of the Standing Committee on Health be authorized to travel to hold hearings and community visits in relation to the committee's study on mental health and the aboriginal peoples of Canada, in Kuujuaq, Povungnituk, Rigolet, Northwest River, Eskasoni, Halifax, Rexton, Big Cove, Pikangikum, Winnipeg, Fort Alexander, Edmonton, Hobbema, Buffalo Lake, Vancouver and Gwa-Sala-Nakwaxda-xw, from March 19 to 24, 1995, and that the necessary staff do accompany the committee.

(Motion agreed to.)

* * *

[Translation]

PETITIONS

VOICE MAIL

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, I have a petition signed by my constituents, more precisely from the town of Saint-Hubert, that I would like to table today, in the hope of obtaining a favourable response.

The petitioners ask the government to abandon its plan to introduce voice mail for seniors. The petitioners point out that seniors are naturally more at a loss when faced with voice mail technology. That is why I hope that the government will take into consideration the requests of seniors, who have a right to receive services that are geared to their needs.

[English]

HUMAN RIGHTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my honour to present petitions today on behalf of my constituents asking that Parliament not pass Bill C-41 with section 718 as presently written, especially not to include the phrase of sexual orientation.

JUSTICE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I have a series of petitions. I will name them off by title only. The first petition supports the government to overturn the intoxication defence for sexual assault.

(1525)

ASSISTED SUICIDE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, the second petition is against assisted suicide or euthanasia.

BOVINE SOMATOTROPIN

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this petition supports the ban of BST.

CHILD CARE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this petition is in support of child care expenses for stay at home mothers.

Routine Proceedings

LAP DANCING

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this petition is against lap dancing.

RIGHTS OF THE UNBORN

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this petition is for the protection of the unborn child.

HUMAN RIGHTS

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this final petition is against same sex relationships.

ADULT ENTERTAINMENT PARLOURS

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, I have a petition from my constituents. They request that Parliament consider their plea to enact such amendments to the Criminal Code of Canada or such other legislation as necessary to permit local municipal councils to define their own community standards and thereby to permit municipal councils to pass bylaws to prohibit the establishment of adult entertainment parlours within their municipalities.

CANADIAN BROADCASTING CORPORATION

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, once again I table hundreds of petitions to the House of Commons concerning the CBC.

The petitioners state that the Canadian Broadcasting Corporation is Canada's national public broadcasting service and an agent of Her Majesty. The CBC is funded by the federal government with taxpayers' dollars. The CBC has applied to televise the proceedings of the Paul Bernardo trial. Therefore, the petitioners call upon Parliament to condemn the actions of the CBC and to request that in accordance with its responsibilities as a national broadcaster that the CBC withdraw its application to televise the Paul Bernardo trial.

HUMAN RIGHTS

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to present a petition on behalf of the Minister of Natural Resources dealing with discrimination based on sexual orientation.

CANADIAN WHEAT BOARD

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have several petitions.

The first one is from the men and women of Saskatchewan. They wish to draw to the attention of the House of Commons that the Canadian Wheat Board is vitally important to the grain producers of western Canada. A large majority want to maintain the powers of the Canadian Wheat Board, despite a vocal minority. They therefore request that Parliament continue to give the Canadian Wheat Board monopoly powers in the marketing and export of wheat and barley.

Routine Proceedings

ASSISTED SUICIDE

Mr. Garry Breitzkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the second petition is also from various people in and around Saskatchewan. It asks that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I concur with these petitioners.

GUN CONTROL

Mr. Garry Breitzkreuz (Yorkton—Melville, Ref.): Mr. Speaker, finally, these 44 or 45 petitions are all rather similar. They come from residents in southern Ontario, the Toronto area and areas surrounding Ottawa.

The petitioners ask that Parliament support laws which severely punish all violent criminals who use weapons in the commission of a crime. They support new Criminal Code firearms control provisions which recognize and protect the right of law-abiding citizens to own and use recreational firearms. Lastly they support legislation which will repeal and modify existing gun control laws which have not improved public safety, have not proven to be cost effective or are overly complex.

I concur with these petitioners.

[*Translation*]

VOICE MAIL

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, pursuant to Standing Order 36, it is my pleasure to table a petition signed by members of seniors' clubs or AFEAS and by other constituents from the municipalities of Saint-Ambroise-de-Kildare, Sainte-Julienne, Saint-Jacques, Saint-Jean-de-Matha, Maskinongé, Rawdon, Saint-Barthélemy, Saint-Édouard, Berthierville, Saint-Esprit-de-Montcalm, Saint-Thomas-de-Joliette and Lanoraie. The petitioners humbly pray and call upon Parliament to abandon its plan to introduce voice mail systems.

Given that seniors are naturally more at a loss when faced with voice mail technology and that it is unconscionable that they be forced to use this communication medium, as you can understand, Mr. Speaker, I unconditionally support the request contained in this petition, which it is my pleasure to table.

[*English*]

HUMAN RIGHTS

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, I am pleased to present this afternoon a number of petitions, pursuant to Standing Order 36.

The first has to do with the societal disapproval of same sex orientation. The petitioners pray and request that Parliament not amend the human rights code and not give approval to same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

(1530)

The next petition has to do with same sex relationships. The petitioners pray that Parliament not amend the Canadian human rights code.

ASSISTED SUICIDE

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, in this petition the petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the abetting or aiding of suicide or active or passive euthanasia.

ABORTION

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, in another petition the petitioners pray 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.

GUN CONTROL

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, this petition relates to the gun control issue.

The petitioners pray and call upon Parliament to refrain from making further changes to existing firearm control legislation and direct the judicial system to enforce existing penalties more stringently in the effort to deliver effective crime deterrents.

I support these petitions.

HUMAN RIGHTS

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, I have one further petition in which the petitioners call upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

FEMALE CIRCUMCISION

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I am pleased to rise to present five petitions from the Vancouver area. The first one signed by 288 members of the community deals with the practice of female circumcision.

The petitioners feel that education is a priority for those who practice female circumcision and for those unaware of its prevalence. They therefore request that the Criminal Code of Canada be amended to penalize those involved in the practice.

Routine Proceedings

[Translation]

EUTHANASIA

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the second petition, signed by 54 people, is on the subject of euthanasia. The petitioners say that the majority of Canadians respect the law and the sanctity of human life and believe that doctors should try to save lives, not end them.

The petitioners also ask Parliament to ensure that the provisions in the Criminal Code of Canada prohibiting assisted suicide be rigorously upheld, that Parliament not amend the current laws and that assisted suicide and active or passive euthanasia remain illegal.

[English]

HUMAN RIGHTS

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the third fourth and final petitions, containing 72, 25, and 462 signatures respectively, deal with the issue of sexual orientation.

They state that one of the core values of Canadian society is the strong belief in equality, that equality for all Canadians includes freedom from hatred, harassment and discrimination, that all Canadians regardless of race, religion, gender or sexual orientation must be treated equitably under the same circumstances and that great misunderstandings still exist in Canada resulting in discrimination.

The final petition also requests that Parliament amend the Canadian Human Rights Act to include sexual orientation as a basis for protection against discrimination.

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise in the House again today to present petition No. 18. This course of action is 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 our citizens and 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 that our streets will be made safer for law-abiding citizens and the families of the victims of convicted murders.

I have another petition to present. I am honoured to do this on behalf of Albertans. I understand that there are several petitions being presented that equal approximately 64,000 names.

These petitioners pray that the Criminal Code of Canada and the Young Offenders Act of 1992 be amended to allow for

tougher sentences to deter people from committing crimes and tough enough to provide real justice.

I am pleased to state that I endorse the contents of this petition.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am honoured to present a petition on behalf of 2,359 Albertans. I understand that there are several petitions being presented that equal approximately 64,000 names.

These petitioners pray that the Criminal Code of Canada and the Young Offenders Act of 1992 be amended to allow for tougher sentences to deter people from committing crimes and tough enough to provide real justice.

I am pleased to state that I endorse the contents of this petition.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am presenting a petition signed by approximately 3,400 people, mostly from the riding of Elk Island.

I understand that this is part of a larger petition which will total some 64,000 names.

(1535)

The petitioners express a serious concern about and call for changes to the Criminal Code and the Young Offenders Act to make them serious enough to deter young people from committing crimes and tough enough to provide for real justice.

RIGHTS OF THE UNBORN

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have three petitions this afternoon. The first one prays 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.

It is signed by approximately 150 people in the Toronto area.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, the next petition is signed by constituents of mine in Scarborough West and environs.

It prays that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have another petition from constituents of mine praying that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of

Routine Proceedings

homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

I support all three petitions.

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, it is my duty as a member of Parliament to present three petitions today which oppose including the phrase sexual orientation in various pieces of federal legislation.

MINING

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have the pleasure of presenting 13 petitions on seven different topics all bearing signatures of my constituents and duly certified by the clerk of petitions.

I present three petitions with over 700 signatures requesting that the government take action that will keep mining in Canada by increasing employment in this sector, promoting exploration and rebuilding mineral reserves.

ASSISTED SUICIDE

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I present two petitions signed by 100 people praying that Parliament continue to reject euthanasia and physical assisted suicide and that Parliament consider expanding palliative care for dying persons.

RIGHTS OF GRANDPARENTS

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have two petitions signed by 66 people in my riding requesting that in no case may a father or mother without serious cause place obstacles between the child and grandparents and further that grandparents with access to a child be given the right to acquire information as to the health, education and welfare of the child.

GUN CONTROL

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I also present a petition with 346 signatures urging Parliament to enact legislation that addresses crime control and not firearm control.

RIGHTS OF THE UNBORN

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have a single petition with 35 signatures requesting protection for the unborn child.

HUMAN RIGHTS

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have three petitions with 332 signatures urging Parliament not to amend the Human Rights Act in any way that would indicate societal approval of same sex relationships, including any amendment using the phrase sexual orientation as prohibited grounds of discrimination.

OFFICIAL LANGUAGES

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I present a petition signed by 37 people in my riding asking Parliament to consider a referendum on accepting or rejecting two official languages.

I appreciate the opportunity to present the views of my riding through these petitions.

JUSTICE

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I have two petitions today, one signed by 260 people. This is part of a 64,000 person petition.

The petitioners are calling for changes to the Young Offenders Act and want an act serious enough to deter young people from committing crimes. They feel the Young Offenders Act is not meeting the objectives set forth in a satisfactory manner.

GUN CONTROL

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, my second petition is the second for this week on gun control now totalling over 5,000 names.

The petitioners express their concern that the control of law-abiding citizens and responsible gun owners is more than enough to ensure public safety and that the current and proposed laws criminalizing certain firearm activities are not necessary.

The petitioners humbly pray and request that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of crimes and that Parliament support legislation that will repeal and modify existing gun control laws which have not improved public safety or have not proven to be cost effective.

INCOME TAX ACT

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, I have two petitions to present today pursuant to Standing Order 36.

I have one petition signed by approximately 400 members of the United Steel Workers of America, Local 5890 working at IPSCO Inc. in my constituency. This petition pertains to the Canadian Income Tax Act which states that a pension plan member cannot accrue more than one year of pensionable service in a year, thereby eliminating any way to make up pensionable service time accrued.

(1540)

This petition calls upon Parliament to urge the government to change the appropriate regulations to allow for pensionable service to be accrued over 1,800 hours based on straight time hours worked.

It is my pleasure to present that petition to the House.

Routine Proceedings

MINING

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, the final petition I wish to present is on behalf of a number of citizens in mining communities in western Canada who call upon Parliament to take action to create growth in employment in the mining sector, to promote exploration, to rebuild Canada's mineral reserves, to sustain mining communities and to keep mining in Canada.

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I am pleased to present three petitions today, the first one being part of the 64,000 petitioners, representing individuals from my riding of Wild Rose who ask that Parliament recognize and address the concerns of the Young Offenders Act to make it serious enough to deter young offenders from committing crimes and tough enough to provide real justice.

I have a petition with a total of 200 signatures from the areas of my riding of Crossfield, Cremona and Cochrane. The petitioners identify seven major points regarding the entire judicial system which they believe need a complete overhaul. They ask for legislation to re-evaluate and amend the Canadian justice system providing protection to and giving precedence to victim rights rather than criminal rights.

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I have a petition containing 5,363 names submitted from central Alberta, mostly from Edmonton. The petitioners respectfully request that our elected representatives amend the Criminal Code using their power and henceforth prohibit any type of performance, including those in live peep shows, which in any form or manner exposes to the view of any member of the public genitals, buttocks or female breasts.

I concur with and support all of these petitions.

The Deputy Speaker: Unfortunately the time has expired for petitions. Most of the members standing will know why I am particularly sorry they cannot present their petitions today. However, the Chair must pass on to motions.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, question No. 129 will be answered today.

[Text]

Question No. 129—**Mr. Mitchell:**

With a minimum security prison already located in the riding of Parry Sound—Muskoka and a medium security prison to be operational by 1997, what is being

done to ensure the proper assignment of classification to prisoners who will be located at these prison facilities?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): In so far as the Correctional Service of Canada is concerned, the answer is as follows:

All federal inmates entering the Correctional Service of Canada's jurisdiction, including those coming from the courts as well as those who have violated a conditional release and whose release has been suspended, are admitted to a maximum security institution for assessment. In Ontario, all new federal inmates are admitted to the assessment unit at Millhaven maximum security institution.

All new inmates undergo a comprehensive assessment to identify those issues which have contributed to criminal behaviour and which must be addressed. Violent offenders receive psychological assessments and sexual offenders are offered a comprehensive assessment aimed at establishing appropriate treatment interventions and level of risk to public safety. The results of these assessments, and case specific information (such as documents from the police, courts, family, etc.) are examined and analysed to determine the level of security required for the management of the case. As well, a correctional plan for the inmate is produced which becomes the blueprint for the sentence, against which progress toward correctional goals are measured. At the end of the process, which may take up to eight weeks, a placement decision is made which reflects both the security and program needs of the offender.

Inmates are assigned a minimum, medium or maximum security classification. Part of the overall assessment is the custody rating scale, a tool which was developed to provide a statistically based placement opinion. The elements included in this tool are considered to be effective predictors of behaviour. On the basis of the entire assessment, including the custody rating scale, a placement decision is made by assessment staff, and the inmate is sent to a receiving institution classified at his/her level of security.

Three critical factors are taken into consideration in determining the security level of the inmate; namely, institutional adjustment, escape risk, and risk to public safety. Each factor is given a rating of low, moderate or high, and each is significant to the overall assessment of the inmate.

Once an inmate has been placed at an institution, the inmate's security classification is reviewed at least once a year. Any additional information which was not considered at the previous placement may result in a change in the classification level. New factors which may be considered are the inmate's current attitude, behaviour, motivation and progress in his/her treatment programs. In preparation for any critical decisions concerning transfer, temporary absence, or work release, CSC

The Budget

policy requires that the inmate's classification be reviewed and confirmed or amended. Case managers must use their professional judgment, in conjunction with available assessment tools, in reaching a final conclusion as to the appropriate security classification.

In addition to the individual inmate's classification, institutions are also classified by security level. Beaver Creek Institution, in Parry Sound—Muskoka, is classified as a minimum security prison. The new institution, to be located on the Beaver Creek reserve near Gravenhurst, Ontario, is expected to be completed in 1997, and will be classified as a medium security prison.

The rationale for placement of all federal inmates is found in section 28.i.(e) of the Corrections and Conditional Release Act, which states that the Correctional Service of Canada shall take all reasonable steps to ensure that the penitentiary in which the person is confined is one that provides the least restrictive environment for that person, taking into account: (a) the degree and kind of custody necessary for (i) the safety of the public, (ii) the safety of that person and other persons in the penitentiary, and (iii) the security of the penitentiary; (b) accessibility to: (i) the person's home community and family, (ii) a compatible cultural environment, and (iii) a compatible linguistic environment; (c) the availability of appropriate programs and services, and the person's willingness to participate in those programs.

When the new institution is opened, only those inmates who have undergone careful assessment and meet the criteria for placement at the medium security level will be transferred there.

Public safety is the paramount factor in any decision relating to the management of inmate cases.

[English]

The Deputy Speaker: The question enumerated by the parliamentary secretary has been answered.

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would ask that the notice of motion for the production of papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 28 consideration of the motion that this House approves in general the budgetary policy of the government; the amendment, and the amendment to the amendment.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, before I begin, Reform members will be splitting their time today.

I cannot say I am honoured but I feel responsible to join in this budget debate and to speak against both the budget and the amendment on the floor. I remind the House that it was only one year ago that we in the Reform caucus were saying several things about a budget which had just been tabled.

Those things were that the targets contained in the budget—the target of a 3 per cent deficit to GDP—were not good enough. Even if those targets were to be achieved they would add billions of dollars in cuts to deal with the accumulated interest payments that would be realized as a consequence of adding to our national debt. In so doing, we were assured time and time again that the targets and the measures laid out in that budget were good enough and that they could be achieved with no additional budgetary action whatsoever.

What we have this week is a budget with spending cuts of \$12 billion and tax increases of \$1.5 billion, all in a period of exceptional economic growth, even above what was foreseen in the previous budget.

(1545)

It is in order to achieve the very targets that we started out with, the very targets that are inadequate and that we were supposedly going to be able to achieve with no cuts whatsoever. Why? Because on this particular budget path we have added interest payments of \$12 billion.

The interest costs on the government's debt will rise in this same period from \$38 billion to \$50 billion. We are cutting \$12 billion in spending now to achieve what? It is to achieve a stable debt-GDP ratio at the top of an economic cycle, so that it will do nothing but rise when we face the inevitable downturn. It is called an achievement. It is the government's belief that this is its ticket for re-election.

This reminds me so much of what the Progressive Conservatives did in 1988. They reached exactly the same point, except at a much lower level of debt and then said all was well.

What do we say now? We say that this is not adequate. We say that this path will continue to add interest charges that will come out of program spending. What are we told? We are told that

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there will be no more cuts to achieve our targets, especially not in the area of social programs. We will achieve these targets nevertheless.

The finance minister knows this is not true. There is such a gap between what the Liberal government says and what it does that it is just astounding. It explains why the finance minister must on a daily basis so grossly exaggerate Reform policy in order to cover his real agenda.

In fact my Bloc colleagues in question period today were calling his statements demagoguery. That is the only way to describe his desperate defence of the course he is leading us down.

Some of the cuts in the budget should have been made a long time ago and I agree with them. However it is interesting and necessary to compare them against what the Liberal government said versus what it meant. I am not talking historically but just in recent memory.

As recently as a year and a half ago the Liberal Party said it was against free trade and it would pull out of the free trade agreement. What it meant was it would strengthen free trade, continue those agreements and expand them on a scale that was not foreseen before.

When the Liberal Party said it was committed to keeping Petro-Canada and would not privatize it, what it really meant was it would finish the job of privatization.

When the Liberal Party said it would guarantee funding for the CBC what it meant was it would guarantee that its funding would be continually cut.

The Liberal Party said a Liberal government would never cut the civil service, but what have we got here? Not only do we have retro-cuts, but what the Liberal government really meant was that it would cut the civil service at record levels and do it retroactively by reopening collective agreements.

The Liberal Party said a Liberal government would never cut transfer payments to the provinces. What it will not transfer to the provinces is additional authority or additional tax points, but it will cut the transfer payments to the provinces at a record level.

The Liberal government said it would never raise the tax burden on the middle class. That apparently did not include gas taxes which are paid by ordinary citizens of every class. It did not include limiting RRSP contributions which hit certainly at members of the upper middle class which I would distinguish from the rich. It would raise utility taxes on ordinary consumers, providing they live in Alberta and a few other select areas of the country. It is now prepared to raise tobacco taxes which fall generally on those with lower than average incomes. The Liberal Party said it would never raise taxes on the middle class

but what it really meant was most of the tax increases will be on the middle class.

(1550)

The Prime Minister said he would never allow a society where we see beggars in the streets. What he really meant was he would never walk to work but instead drive by in his limousine so he never sees the beggars that we all meet every single day that we come here.

The Liberal Party now says that it will never cut health care, unemployment insurance, old age security, the Canada pension plan, child care or any of those plans. It says it will never cut them like the Reform Party intends to cut them. What the Liberal government really means is that it is not going to tell Canadians what those cuts are until they come. It is not going to bring them in them until the debt and the interest has drained off every red cent necessary to have a program of any kind.

What the Liberal government also said was that generally it will never cut the social security of Canadians. What do the Liberals really mean when they say all these things about compassion and sacrifice? They mean they will never take MPs off their gold-plated pension plan and you will never see MPs begging in the streets.

The leader of the Reform Party proposed last week a plan for a balanced budget with social programs that are clearly smaller and more decentralized than we have today. These are not popular measures and we know that. Those programs are based on clear objectives and values with dollars that are available today.

As bad as the Minister of Finance will paint this, these programs are going to look very good by the time we find out what the government really plans to do with social programs.

The choice is very simple. Canadians will have accept the tough medicine necessary to get us back to fiscal health. The alternative is to buy the same snake oil from the same snake oil salesman at a price that is going to go up and up and up.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, as I listened to the member speak all I heard were negatives and misinformation.

The member somehow painted the reduction of the civil service by 45,000 jobs as a negative when in fact the government is refocusing through program review the downsizing. There will be surplus staff. The member clearly cannot be opposed to eliminating surplus staff in a compassionate way.

The member complains about the transfers to the provinces, yet in the Reform alternative budget the amount of hit to seniors, to the disadvantaged, to those who need health care, is drastically heavier. He paints the RRSP alternatives as if something is wrong. The RRSP limits in fact will be increasing to \$15,500 from the current year of \$13,500.

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An hon. member: You'll flip—flip on that one too.

Mr. Szabo: Not flip—flip. The member says the Reform Party has all the answers.

If the member feels that the budget presented on February 27 was a draconian budget, how does he square the fact that instead of cutting \$7 billion from the transfers to provinces Reform was going to cut some \$15 billion from the social programs of Canadians?

(1555)

Mr. Harper (Calgary West): Mr. Speaker, the member raises the issue of cuts to the civil service, asking how I can condemn a program that reduces the civil service and tries to do so in a compassionate manner.

Reformers would not try and do that. In fact, Reformers told the civil servants in this city in the last election that these kinds of cuts would be necessary. We told them we would try to do it in a compassionate manner and we lost that election.

The Liberal Party candidates who won told civil servants precisely the opposite. They guaranteed collective agreements they are now breaking. They guaranteed jobs they are now removing. They guaranteed wages they are now taking away.

Now Liberals tell us that will not cut social programs by \$15 billion. By the time the Liberal government is done, the cuts proposed by the Reform Party in last week's alternative budget will look very minor and the programs we proposed will look very good.

I am not surprised at anything that comes from people who will run on one thing and a year and a half later say the opposite on every single area of public policy.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member in his speech referred to snake oil. What he neglected to mention was the snake oil in the budget that the hon. member's party presented last week.

The last questioner, my distinguished colleague from Mississauga South, did ask a question. Of course, the hon. member evaded the answer, as every member of his party has when pressed on this issue. What proposals did the member put forward in the budget last week to gut Canada's social programs? Tell Canadians about those. In not one speech in the House have we heard any clear reference to those guttings of social programs proposed in the Reform budget—

The Deputy Speaker: The member for Calgary West has the same amount of time, about a minute.

Mr. Harper (Calgary West): Mr. Speaker, the budget proposals that the Reform Party prepared last week and tabled were done publicly and in a manner that is open and available, unlike the plans being made by the government. Any Reform member's

office can be contacted by any Canadian and the information will be provided.

There were \$15 billion in cuts to social programs, leaving a social program envelope of \$65 billion. That \$65 billion will not be available when we learn how the government is really going to eliminate a deficit of \$25 billion.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the budget process has been most fascinating. For the first time in the history of Canada the people have become involved in the process. We had a member presently in the House say yesterday that Reformers were trying to create a tax revolt.

I for one—I can speak on behalf of all my colleagues—was invited to these events, as were many Liberal members who chose not to turn up because they were afraid. It is really interesting that in a small city in my constituency, the town of Golden with 2,371 households, four women I would like to name here today in one week got 2,500 signatures from those 2,371 households: Gert Shewchuk, Stephanie Brault, Cheryl Kofluk and Merle McKnight.

These are common, ordinary Canadian women who are concerned about their country. This was the kind of activity that was going on. This was the kind of involvement that Canadians were demonstrating in this process.

However, when we come to the budget where the government in its own cynical way—although over a three-year period—is taking over \$3.5 billion out of Canadian taxpayers' pockets without raising individual income tax rates, it would appear as though the hard work of these women and many others who were involved in the tax protest was successful. When I woke up on the morning of the day following the budget I turned on the radio and was confronted with a song that might be familiar to some members in the House. It goes:

Bye, bye Miss American pie
Drove my Chevy to the levee but the levee was dry
and good old boys were drinking whiskey and rye
saying this will be the day that I die
This will be the day that I die.

(1600)

That was the way I felt after I had an opportunity to take a look at the budget.

This is a budget of despair. This is a budget that is not straightforward by any form of measurement. This is a budget that is to have public debt charges increase from \$38 billion to \$51 billion.

Government members have the audacity to say that they are to protect social program when the largest single increase at 17.3 per cent is spending on funding the public debt. How can they say they are to protect social programs when they are increasing the spending on public debt by 17.3 per cent?

The Budget

I took a look at their documents. They frequently say that they do not know what the facts are. I have the budget speech of the minister and I read on page 32 that personal income tax is to go up from \$51.1 billion to \$56.8 billion, to \$60.4 billion, to \$64.5 billion in a four-year period. Corporate tax is to go up from \$9.8 billion to \$13 billion, to \$15.5 billion, to \$16.3 billion. As a matter of fact gross budgetary revenues in the same period are to increase from \$116 billion to \$137.4 billion. These are numbers provided by the finance minister.

We do not have a revenue problem; we have an expenditure problem. It is so obvious it is just absolutely amazing.

Another interesting point on the expenditure side is that my colleague just referred to the fact that 45,000 civil servants are to be laid off over the next three-year period. He very clearly pointed out that the government was not elected to cut 45,000 civil servants. It was elected on the promise that civil servant jobs were to remain. That promise has been broken.

Furthermore business has also taken a hit in the budget. Business grants have dropped from \$3.7 billion down to \$1.9 billion. While the premiums remain constant, unemployment insurance payouts are to decrease from \$17.6 billion to \$15.3 billion, to \$14.3 billion, to \$13.7 billion.

There is more and more of a take because they are not to decrease the amount they are taking from the unemployed. They are to decrease the payouts and put \$5 billion into a slush fund for themselves. There we have it: we have expenditure cuts and the inevitable social program cuts.

Why do I say this is a budget of despair? In spite of all the harsh medicine and in spite of the fact it will be reducing the total amount we are going into the hole by \$10 billion, the government has permitted annual interest charges in the same period of time to increase by \$10 billion.

In other words we are treading water. Rather than swimming and getting somewhere, we are treading water. I think of another verse of the song:

It's been 10 years
I've been on my own
and moss grows fat
on a rolling stone.

It is a song of despair; it is a budget of despair.

We have to ask the following question. If we look at the cuts that have occurred to this point, where else is there to cut except in the social envelope in a responsible manner so that the people at the bottom end of the scale are protected? Where else is there to cut? There is no place else. In that respect the budget is not only a budget of despair. It is a budget of dishonesty.

(1605)

We are taking a look at the fact that it is hidden within these documents. The downloading is where it is hidden. It is hidden because they are to combine the Canada Health Act with the Canada assistance plan and post-secondary education funding. They are to rename all those things the Canada social transfer and then they are to reduce it by \$4.5 billion.

When it is transferred to the provinces and the \$4.5 billion is removed we have a choice as Canadians. Either we downgrade health care, post-secondary education and the amount of funding for the Canada assistance plan, or we increase taxes at the provincial level. We cannot have it both ways. It is just that simple.

I asked myself, in listening to the budget debate, what was the problem here. Is there some difficulty in terms of understanding common ordinary English? I asked a question of the parliamentary secretary last night. His response was rather interesting. My question was exactly what I have been developing here. If we are increasing the amount we are spending from \$38 billion to \$51 billion in our debt service charge, where is the money to come from? That is a very valid question.

When I said that I do not see how the government could possibly do the job of continuing to fund social programs—and it keeps on saying that it is—his response as reported at page 10181 of *Hansard* was:

The Government of Canada will be able to keep its commitments and pay pensions to seniors.

The difference is that the Reform Party sees everything black; it is the end of the world.

No, it is just a little despair at this point.

The member acknowledged that we have made real cuts. We have a balanced budget in terms of real cuts and it will encourage economic growth.

When the documents say that we are to be overspending \$32.7 billion, how in the world could the parliamentary secretary say: "We have a balanced budget?" Obviously he does not understand ordinary English. He said: "The deficit will disappear". By magic? He also said: "The deficit will be reduced by creating jobs". That was a promise in the last election. Obviously it is another promise they believe they can drop.

I close by quoting in despair:

I still remembered how I cried
When I read about his widowed bride
But something touched me deep inside
The day the music died.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, Reform Party members took a big risk in terms of the strategy they were to use with regard to the budget. They went out and incited Canadians on the issue of no new taxes and cutting spending. That is exactly what the finance minister did with \$7

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of cuts to \$1 of increases, and those revenue increases included no personal income tax increases.

Reformers presented a budget to the House which said that we had to keep the poor poor and make the middle class poor. They said to Canadians: "Just stop eating for a year and use that money to pay down your mortgage. Then everything will be fine". That is like saying the operation was a success but the patient died.

The question I have for the member concerns the Canadian social transfer. That social transfer is a combination of the CAP and the EPF. The member would well know that as there is growth in the economy and as the value of tax points goes up, the amount of cash transferred to the provinces will go down. In some cases the amount of cash will be zero. That being the case, what leverage would the federal government have over the provinces in terms of maintaining standards?

(1610)

Would the member not agree that consolidating those transfer programs under one umbrella allows the federal government continued leverage to ensure that the national standards of health care, environment and others are maintained in Canada, the best country in the world?

Mr. Abbott: Mr. Speaker, the rhetoric of my hon. colleague is reminiscent of what we ran into during the last election: the only politicians of virtue in Canada are Liberal federal politicians; the politicians in provinces are terrible people as well as anybody who is not a Liberal.

What is this? I do not understand. Perhaps it is just a case that members of that party have been in power for so long, have been building up the debt for so long, and have had the reins of government for so long that as we slide off the edge it has gone to their heads.

To answer the member very simply, if the government is not decreasing the amount of money available to social programs, is decreasing the cash transfers by \$4.5 billion, and is not transferring the tax points to the provinces, how can the government possibly try to convince Canadians that it is not simply shifting the burden and that it is able to keep its false promise of being able to look after social programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, for the last half hour or so I listened to presentations by two members of the Reform Party. I am reminded of a movie I saw recently called "The Madness of King George". We have heard a version of paranoid economics where there is a hobgoblin behind every bush and a shadow behind every budget. It reminds me very much of King George who suffered from a similar malady. He would find himself very much at home in the present day Reform caucus.

There is an interesting scene in that movie that I think is worth commenting on. James Fox, leader of the opposition at that time, was seen strolling along the lawns of Westminster with Mr. Pitt, who at the time was prime minister. He was a somewhat straight-laced and dour gentleman according to history; that certainly was how he was portrayed in the movie. As they were walking along, James Fox said to the prime minister: "Mr. Pitt, is there anything you admire at all?" Mr. Pitt said: "A balance sheet, Mr. Fox. I like a good balance sheet".

Mr. Pitt would be very happy with our Minister of Finance today because he has come up with a good balance sheet. He has been able to come up with a balance sheet to escape the malady and the problems faced by governments over the past decade that have promised much and delivered little. He has come up with a balance sheet that has now been acknowledged and recognized by financial markets both here and internationally as meeting the test of restoring integrity in our fiscal system.

A few short days ago the leader of the Reform Party, the chicken little of Canadian politics, screamed that the sky was going to fall and that the clouds were going to roll in? All of a sudden comes the budget and interest rates begin to fall, the dollar stabilizes and financial markets say that the government has met the test.

Not to be daunted by that illusion, he must now find himself a new form of vapour to chase after. He is now pretending there is "a hidden agenda". The only hidden agenda is the one we recently read about in the book about the Reform Party that says the hidden agenda of the hon. member for Calgary Southwest is to rule the world.

The message of the budget is to get beyond the immediate and the superficial, as we have heard this afternoon. We must deal with the specifics and put aside some of the grand statements of moral indignation we hear coming from certain provincial premiers such as: "woe is me, the world is gone" and get down to what the government is attempting to do.

(1615)

It has provided in this budget the first major step in restructuring the economy of this country to provide a way of ensuring a fiscal, economic and monetary system that prepares us and gives us the kind of foundation we need upon which we can then begin to build a new social reform, a new system of cultural programs to provide certainty and stability to Canada, on which we can then begin to build the new Canada and the new economy. That is what this budget is all about.

It is very important to emphasize that modernization, re-engineering and restructuring are not the object of one day or one week. They must start and must continue. It is going to be work that I certainly believe will engage members of Parliament from

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our side of the House and I hope it will engage members of Parliament from all sides of the House.

This is what Canadians want and demand. They do not want the kind of voodoo analysis we are constantly hearing. They simply want people to quit playing with black magic and get down to reality and deal with the real issues such as how to maintain a balance of programs and begin to respond to the transformations in the workplace and in the global economy, how we preserve integrity economically and socially and the sovereignty in order to make our own decisions.

Clearly the statement has been made. As much as we have the fulmination of the Reform Party wishing it were otherwise, wishing and hoping that the sky had fallen as its leader predicted, hoping that there would be a cataclysm in Canada, that catastrophe would be visited upon us, as much as it has been urging and praying that the sky would fall, it has not.

What is happening is that Canadians and people internationally have seen that this government is the best economic manager this country has had in a long time.

That is why every Canadian has a crucial stake in the budget we brought forward. The government moved decisively to restore our nation's integrity and is now beginning to put us in a position where we can do the real work of rebuilding we were elected to do. We had to get the economics right and the Minister of Finance has accomplished that.

[*Translation*]

We want to maintain the social safety net offered by programs like old age pension, family allowance and welfare. It is absolutely essential that our financial house be put in order. We will take any action necessary to protect social programs today and in the future.

[*English*]

I want to illustrate to members in the House and others listening exactly how that budget has been the catalyst to begin that reformation, that new resolution of programs and developments in our country.

In the budget we announced that we were going to fundamentally reorganize the funding of programs in the very large Department of Human Resources Development to bring together, as we heard during the course of the committee hearings, a new human resources investment fund so that we could consolidate a number of existing programs that may have had value at one time but no longer had the same relevance or the same impact. We wanted to bring them together into a common pool so we could begin to organize a new social reform package.

When hon. members opposite ask where the social reform is, it is happening now. The member from Calgary when she made

her presentation on behalf of her party said: "I apologize. It was not all that well thought out because I did not have much time".

We have a plan. The human resource investment fund is the beginning of that because it now gives us the flexibility to put in place a good child care program in this country, to deal with the question of literacy with our partners in the provinces, to begin working on new approaches to help people get re-employed, to sit down with the private sector as we are doing in something like 16 human resource councils in things like electronics, tourism, horticulture, logistics, car repair and auto parts.

We are now putting in place a partnership with business and labour in each of these sectors to start new training for young people. Since the summer close to 10,000 young people have been enrolled in these new internship programs in which we are sharing our resources with the private sector to begin providing new job opportunities and training opportunities.

(1620)

It is not the old jurisdictional wars between federal and provincial governments. We are getting away from the old turf disputes. We are now sitting down with the private sector and community sector, the women's resource centres, the YWCA, the local communities and asking how to become partners to get people trained.

I heard from one of the Reform members "too little too late". That is coming from a party which said it was going to take the unemployment insurance fund and rip up all programs for women with children in the unemployment insurance program. He says we are too little too late. Talk about taking a dagger to the heart of the vampire. The vampire is taking the dagger to the heart of the Canadian people. That is what is going on.

Those kind of partnerships are now going to be facilitated by this kind of reorganization. The single drawer we have now put in place, which we promised to do when I stood in this House for social reform and said the first major initiative is to put a single drawer of financing in this federal department so we could begin to work out these new partnerships. It has happened in this budget and social reform is well under way.

Let me talk for a minute about the Canada social transfer. There have been a lot of balloons and a lot of assumptions made about what is being proposed. Basically what we are proposing in this particular area is to ensure the continuation of an effective national approach for the funding and support of social initiatives by developing a new set of partnerships with the provinces.

We are proposing to do exactly what every single province has been asking us to do, to ensure they could have the flexibility to provide innovation and new approaches, to allow the provinces to become incubators of good social reform. That kind of freedom has been on every single premier's list until we do it.

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Then they say: "Oh, God, the devil made us do it. Please do not do it to us".

Do they want the responsibility or not? We have given them the responsibility and for those who have said for some reason or other that this means there is going to be a withdrawal of the federal government from responsibilities, that is not the case.

Every member of the House knows that the present program, the existing program, is the one that creates the problems. Because it was designed 30 years ago it really means that in most cases there is no conditionality. There are no common principles. There are no standards. We simply write the cheques and they make the decisions.

As a result we have created in many cases large numbers of bureaucracies that have chewed up the money not in delivering directly to people but simply providing services for themselves.

I am most surprised by the objection of Bloc Quebecois on this matter because it is the one party which I thought would endorse fully a new system of federalism that would allow provinces to make more decisions for themselves.

[Translation]

The budget lays the foundations of a new federalism, a new partnership with the provinces and communities. At present, we have a government organization that has remained unchanged since the 1930s and 1940s; it is too centralized, too heavy and far from meeting the needs of the people.

The provinces, and Quebec in particular, have been asking that changes be made for quite some time. What the new Canadian social transfer will give the provinces is flexibility and the power to make decisions, less paperwork, yet better results.

[English]

What we are basically trying to do is ensure that we would still maintain very clearly the commitments under the Canada Health Act. We still maintain very clearly in the budget papers the responsibility to maintain full mobility. We will sit down with the provinces over the next year to work out a new framework in which we can provide more coherence to our programs, provide more co-ordination of what they are doing among themselves and with us so we can begin to tackle the high priority that Canadians have placed to deal with things like child poverty and to deal with the problems of families.

(1625)

For the first time as the federal government we are saying let us sit down as equals to work out how we can bring all our resources together in a new way to provide a new framework for social reform.

Again, when members opposite and others say that social reform is on the shelf, they have not read the budget. It started

Monday night with a brand new way of working with the provinces to bring about social reform in a collective, co-ordinated, co-operative community way which is what Canadians want. That is what the Canadian social transfer is all about.

I issue an invitation to all members of this House. It is going to be absolutely essential and important that every member representing all the regions be prepared to put forward those kinds of proposals and ideas about how they can see this new Canadian social framework taking place, the kind of priorities that are there, where we allocate the money and to encourage and endorse in their own provinces and their own regions the willingness of the provinces to come to the table.

I was encouraged this morning to hear Roy Romanow, the premier of Saskatchewan, say that we are going to sit down and talk with the provinces, to watch the kind of courage expressed by Clyde Wells, the premier of Newfoundland, last night on television when he said: "Sure, we're the poorest province in the country but we realize the federal government had to take tough steps and we're prepared to sit down and work with them".

The proposal, for example, in Newfoundland for the new income security proposal looking at a way of providing income supplements to top up basic benefits to encourage people to go back to work is one of those ideas that we can work together on, that we can come together with the province of Newfoundland and other provinces that want to engage in that same kind of joint enterprise to provide more work and more incentives for people to go back to work to restore their sense of dignity and their sense of hope. I applaud Premier Wells for the kind of initiative he has taken.

It is important that we get this right and not engage in the vocabulary and the language of old Canada, to talk about the way things used to be which I hear too many doing and by equating social reform with the amount of dollars that we spend. I heard members in the opposition today standing up saying we are going to take this money and the provinces do not have as much.

Have they never considered that by changing that program we will put an entirely new regime in place where we do not have to have duplicating bureaucracy, where we do not have to waste money on people pushing paper, where we do not have to have people stumbling over one another to administer the same program? What we can begin to do is save money that we can recycle and restore back directly to people by getting rid of the superstructure and infrastructure built up over the years. That is the key point.

This is not only a way of bringing down the expenses of government but also making it more efficient, more effective, more competent and more relevant to the people who really need help and support. That is what this budget is about.

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Let me for the moments remaining speak of a third initiative that emerges directly out of the budget in terms of undertaking the kind of reform of our social network that we want to initiate. That is proposals to look at the unemployment insurance system or, to frankly use the term that the Prime Minister used, an employment insurance program, to retool, redesign the program as a way of enabling people to get back to work, which is the fundamental mandate we received as a government.

That means taking a program which over the years has allowed or acquired a certain number of disincentives that discourage people from working, that provide alternatives to working, that do not provide the resources to get the kinds of skills and the training required to meet the kinds of new challenges in our economy.

It is fascinating to see how many good ideas are out there. This country is so full of people with good innovative ideas. We have to provide the encouragement, provide the incentive and provide the framework to let them flower.

Let me speak for a moment about the New Brunswick job corps which was a joint project between us and the province of New Brunswick for older workers who had lost their jobs in the forest industry. The forest industry was shrinking. We have come together as part of our strategic initiatives plan and put together a New Brunswick job corps for older workers.

Many of them went back to the forest to plant trees, to do the reforestation, to restore the resource. Others worked in a wide variety of other areas. I received one of the most encouraging letters last week from a gentleman from Moncton, New Brunswick who as part of his job corps experience has been working with the boys and girls clubs of Moncton, sitting down with young people, using his well honed, well developed talents from his years of working in forestry to impart that same kind of skill and that same knowledge to young people.

(1630)

He wrote to me saying it was the best job he had ever had because he is back working with young people, giving them the skills they need. Rather than telling a 55-year old man he no longer is of use and is simply going to draw his benefits for the next year or two and will live out his life asking where is the meaning and purpose, we have given him new hope through the New Brunswick job corps. He is now back working in a job that gives him an enormous sense of satisfaction.

That can be done not just for one, but for tens of thousands of people, if we can take money spent through unemployment insurance purely for benefits and convert it into money for things like the New Brunswick job corps.

It can provide wage supplements for people to go back to work in the private sector. It can provide earned income supplements to get people off social assistance and back into employment. It

can provide better training programs working with the private sector. It can provide good counselling in our programs so that people can understand what their choices and options are.

It can provide a new labour market information system from coast to coast to coast so that people will know exactly where the jobs are. They can plug their resumes into that system and an employer will know exactly who is available. They can do it right across Canada.

That is what we mean by social reform: re-engineering our system of unemployment insurance into an employment insurance system. We would be using the resources to give people the kind of incentive, the kind of support and the kind of encouragement they need to get back to work. We believe that is what Canadians want. They want to go back to work. The best kind of social security enables them to go back to work.

There is a transformation going on in today's workplace. Technology has an enormous impact in changing the way we work and in changing the kind of work available. We have to change with it. We cannot stay with the old programs and the old ways. Reform and change are essential to enable people to understand that this new workplace is something and that they have a real place to occupy.

My plea today is to let us use this budget as the launching pad. Let us use it as the foundation upon which we build a new employment system, a new work system and a new job system in Canada. With scarce resources and by working closely with the provinces, the private sector and community organizations, we would create new job opportunities. We would create new partnerships and would combine our skills and aptitudes to give Canadians real hope. Most important, we would use those resources so that Canadians individually could have choices. They could choose what kind of job, what kind of training, what kind of school and what kind of community they would build.

We launched social reform as a public consultation. It is now coming into practice as a program as of Monday night's budget. Its whole purpose is to give and restore to Canadians the choices about the kind of work they do, the kind of community they build and the kind of country they are going to live in.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, anyone who is not aware of the government's real situation, of the figures, anyone who does not know the real intentions and the mess this government finds itself in, would be tempted to vote for a minister so eager to speak about job creation and training, would be tempted to vote for the Minister of Human Resources Development after such an enthusiastic speech.

What enthusiasm. What a man, with his desire to put young people back to work. What a man who wants post-secondary training for students. What a man who wants the transfer of

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funds to give the provinces the power to make their own decisions.

People do not take these political speeches at face value. People know very well that debts are being offloaded in this budget. They also know very well that these transfers mean that the provinces will receive less over the next three years. For Quebec, the shortfall will be more than \$2 billion.

When the Minister of Human Resources Development speaks about putting young people back to work, giving young people the chance to be trained, how can he explain that his reform plans would send young people right into debt? Since there is no money left, student loans and grants are of course frozen. But credit is to be extended more readily. At the same time, while responsibilities are being transferred, transfer payments are being reduced. This forces the provinces to come up with very tough budgets also.

(1635)

This dynamic minister who would offer fine training through his plans for job-related training in conjunction with employers and with the workplace, does he know that this has been planned for a long time in Quebec? Does he know that in Quebec the University of Sherbrooke has a co-operative training program in which all students are not merely trained, but are also sent on regular placements with potential employers? Does he know that this approach was taken by what some call factory schools where students get practical training, long before the minister announced his plans, long before the minister suggested that such things should exist? No, Mr. Speaker.

How can the minister, in such an ardent speech, maintain this hope for young people when his budget consists solely of reducing transfers and offloading the federal debt onto the provincial budgets?

[English]

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I sure liked the first part of his comments. I will certainly do my best to answer his question.

First, it is important to get the facts right. I know the hon. gentleman is an honourable and respected parliamentarian who never wants to get confused by misinformation. As we pointed out in the House today, the changeover in transfers in the province of Quebec for example only amounts to 3.1 per cent, not the vast figures used, but 3.1 per cent in 1996-97. It is a reduction of about \$350 million, at most.

I want to underline the point I made during the course of my remarks because I know the hon. member takes this very seriously. That amount is far less than the reductions we are

taking ourselves as a federal government, which is on average about 7 or 8 per cent. The national average of reduction on transfers is about 4.4 per cent and in Quebec alone it is 3.1 per cent. I would be quite happy to share further that information. It would be very useful for the member to know those are the real facts and not those that have been put forward by other sources.

It means we have to work at what I have heard the hon. member speak of quite eloquently in his own way. We need to eliminate a lot of the duplication which takes place between levels of government. We need to eliminate a lot of the build up of bureaucracies and the program administration which are in the way of the direct delivery of programs. I have always said that one of the major objectives we have in social reform is to eliminate many of those barriers and hurdles that have built up.

This puts the onus and responsibility on the provinces to figure out ways of doing that. They now have far more freedom and far more choice about how they can reorganize their programs to get those kinds of things because we are taking the restrictive rules off.

As the hon. member knows, the Canada assistance plan had a whole set of rules about what could not be done. A good example in Quebec is the APPORT program which has been a very good incentive to enable people on social assistance to go back to work. We could never fund APPORT under the old rules of the Canada assistance plan. Under our new transfer proposal Quebec can now use funds from the federal government for the APPORT program and therefore have a lot more flexibility.

It seems to be a real example of contradiction to have it being opposed by the Bloc Québécois when it is in the interest of Quebec to have access to those funds for use in Quebec's own innovative programs.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, now that I listen to the minister I can understand why some people call him the head dinosaur in the Liberal stable of those who believe that all the solutions to the economic and social problems of Canada are found with the government.

(1640)

The issue of this budget is one of credibility. One year ago the Minister of Finance said: "We have now made all the cuts that we have to make". It is a matter of credibility not relative to what we have proposed. I think that we have been honest. What is at issue is the untruth, the smoke and mirrors we got in the last budget. It was said that there would be no cuts and especially that social programs were sacrosanct.

The budget speech gives the expenditure reductions by category. Would anyone believe there are cuts planned in health, in Canada Mortgage and Housing which serves the poor, and in veterans affairs? The people who served this country will now

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be asked to make sacrifices by this government which promised there would be no cuts at all. One of the biggest cuts has been in heritage and cultural programs. There are cuts in international assistance as well. All of those things were promised to be sacrosanct.

The issue is one of credibility. I stood and applauded these cuts, but the story was given that there would be no cuts in the future. Now we are hearing all kinds of wonderful stories. Why should we believe them this time?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, by the way, I want to make an official announcement. It is well known that in the next week the Reform caucus room will be renamed Jurassic Park. I hope we will be invited to the opening.

The real question of credibility is what Canadians take as being the honest efforts of a government to balance out its priorities. Those are to make sure that we can start living within our means and using our fiscal system to restore health while at the same time maintaining the kind of justice and compassion that we have.

I think the credibility of the hon. member's own party fell apart in its alternative budget. The Reform Party talks about clawbacks of \$3 billion on seniors pensions. It talks about taking away maternity benefits from women. It also talks about virtually doing away with the Canada assistance plan and turning it into some kind of investment program. Imagine a single parent with three children in downtown Toronto saying: "Yes, I have a few thousand dollars. I am going to invest in my own registered retirement savings income security program". That shows no credibility.

We are trying to balance the two off. We know we have to make some cuts. At the same time, we believe in the kind of social reform we are initiating. It enables us to sit down with the provinces and the private sector to establish partnerships for new training programs and new job programs. We all share in the cost. We eliminate unnecessary bureaucracy and we get rid of duplicated programs. It is under those kinds of initiatives that we can begin to use our valuable resources in a much more effective way.

It seems to me that members of the Reform Party have completely and entirely abdicated the notion that good, effective management can bring about better results. Maybe it is because they know they will never have the opportunity to manage anything in the federal Government of Canada at any time, anywhere. Therefore they do not focus on the requirement to ask how to do things better.

The Reform Party has given the name Reform a bad currency. The real meaning of reform is to be able to make effective

changes without losing one's values. We have maintained our Liberal values and we are going to make effective changes.

[*Translation*]

The Deputy Speaker: Order. Excuse me, but I must make the following announcement before 5 p.m. It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Notre-Dame-de-Grâce—gun control; the hon. member for South Shore—tourism; the hon. member for Frontenac—the budget.

(1645)

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, it is my pleasure as the member for Richmond—Wolfe and the official opposition's critic for regional development to speak on the occasion of the tabling of the budget.

I would ask permission to first remind this House of one of the major causes of the Canadian deficit, because the aim of this budget is to resolve the problem of the deficit in order to tackle the problem of the debt. Let us have a look at one of the causes of this great catastrophe of the Canadian economy—the debt.

Liberal Pierre Trudeau came to the position of Prime Minister armed with a national vision that was impervious to the many representations made with respect to provincial jurisdiction. This national delusion of grandeur on the part of one political party would take the country of the 1970s down the road to a national debt that is today out of control.

The Liberals' Canadian nationalism formed the ideological foundation for government intervention, given the lack of a real social democratic policy. National unity in the face of rising provincialism provided one vocation for the party and its leader; the other was Canada's independence from the United States. Thus involvement by the central government with the aim of ensuring a Canadian presence in all regions of this vast country gave birth to a monstrous government apparatus, the cost of which is being felt today in the national debt.

Canada's debt is the hidden side of this national liberalism. It is the expression of the collapse of the Liberals and of Canada's economic and political systems. Yes, Mr. Speaker, the Liberal Party of Canada is responsible for the national debt.

Having said this, Canada's debt is now \$550 billion, and will climb to \$650 billion by 1997–98. The federal government's debt will continue to grow faster than the economy. The net debt will grow from \$546 billion in 1994–95, to \$578 billion in 1995–96 and will reach \$603 billion in 1996–97. The debt, as a percentage of gross domestic product, will peak at 73.5 per cent in 1995–96 before easing off slightly to 73.4 per cent in 1996–97.

Canada's problem is structural. It is directly linked to the Liberals' desire to centralize everything and to stake out an

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imposing presence for itself throughout the country. Quebec should have dragged itself out of this quagmire a long time ago.

In the Minister of Finance's 1995-96 budget, the state takes a hands-off approach to this bankrupt country's economy. However, the federal Liberals still have the same desire, the same delusion of grandeur: they have stuck with the same flawed vision they had in the seventies, which was the dream of a unified nation taking its place among the greatest western capitalist countries.

In 1996-97, the government will cut \$650 million in transfer payments to Quebec for health, education and welfare, but has no intention of withdrawing from these jurisdictions. The central government is beginning its great withdrawal by merging established programs financing with the Canada assistance plan to create one global transfer program, dubbed the Canada social transfer.

Despite budgetary constraints and the spectre of national bankruptcy hovering over our heads, Ottawa firmly clings to national standards. Abiding steadfastly to federal principles, that is the rampart the government is defending in the budget, with Quebec's referendum looming on the horizon. Make no mistake, this budget is, above all, about decentralizing the deficit accumulated by Liberals Trudeau, Chrétien, Lalonde and Turner, about decentralizing the Liberal debt, starting with cuts in federal transfer payments for post-secondary education, health care and social assistance.

The federal government has withdrawn from its funding role, but the departments where duplication exists remain in place. Did anyone say the Department of Health would be abolished? And when do we get this sweeping structural reform of the federal system? Despite the government's claims since the beginning of this year that it wants to decentralize, the Liberals are still flying the centralist flag. Thanks to national standards, the centralist option is alive and well.

(1650)

A withdrawing from its funding role in the provinces does not mean the central government has withdrawn its administrative structures. Even if these become increasingly symbolic, they are still costly and, as such, even more damaging to the initiatives of the provinces. The trouble is, the federal withdrawal creates a vacuum. There is a lack of real job creation measures. People are upset about drastic cuts, and there is a consistent lack of regional development policies. For instance, general cuts in transfers to the provinces will have an impact on access to university. This is tough for our young people.

Certain regions may have trouble supporting their universities. This was said by Claude Lajeunesse, president of the Association of Universities and Colleges of Canada. And he should know. The Eastern Townships, where I have the privilege

of representing the riding of Richmond—Wolfe, is one of the regions that will be particularly affected by the federal government's new policy, the so-called Canadian Social Transfer, and the attendant cuts in transfer payments. This region, which has two universities and five hospitals, will suffer as a result of these cuts. Let the federal government withdraw, let it disappear and with it the departments of Health and Human Resources Development, let full responsibility be transferred to the regions, with the appropriate tax revenues.

Canada is the G-7 country that invests least in research and development, but the Minister of Finance cut the budget for research and development. In the agricultural sector in Quebec, \$10 million will be cut annually over the next three years. This will have a particularly dramatic impact on the development of regions in Quebec that are known for their flourishing dairy industry. We see the same thing happening to the National Research Council of Canada, whose budget will be cut by \$76 million over the next three years. Do not try to understand why. The Liberal Party which, throughout its election campaign and in its red book, focused on jobs, advanced technology and competitiveness, is now withdrawing from research and development in Quebec, making the regions poorer in the process.

Another example of a regional catastrophe. The Gaspé and the Maritimes will be particularly affected by the repeal of the Atlantic Region Freight Assistance Act, since \$99 million worth of subsidies will be cut.

I would like to welcome my Liberal colleagues, who are coming from behind the curtains to listen to what I have to say.

The federal withdrawal announced in Monday's budget may be described as typical of a routed State, a government that has become so fat that it can no longer move except to reduce this government-made deficit on the backs of others: Quebec and the provinces. For example, Henri Massé, secretary general of the FTQ, reminds us that the total payroll for federal civil servants accounts for only eight per cent of the deficit and he concludes that this is a very cruel budget for the little people. It attacks the most disadvantaged segment of our society, namely the wage earners, while protecting the friends of the regime. The powerful capitalist leaders of the Liberal financial community in Canada are like the angels of the Liberal Party.

We, in the Bloc Québécois, ask federal public service employees: "Do you not think that your jobs will be safer in a Quebec public service set to expand in a new sovereign country than in this declining federal public service?" Who says that laying off 45,000 employees will produce efficiency gains? What guarantee do we have that, as my hon. colleague from Saint-Hyacinthe—Bagot said, the "bosses" across the way will not decide to replace the career civil servants who will be laid off with friends of the regime, friends of the Liberal Party?

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(1655)

Again, one of Quebec's regions will have to bear the brunt of indiscriminate federal cuts, as 12,000 federal jobs will no doubt be eliminated in the Outaouais region.

Going once more against what it had announced during the election campaign in terms of employment policies, the Liberal Party is about to cut the budget of its industry department by \$560 million. This measure is all the more harmful because it affects peripheral regions.

With respect to the regions, while maintaining a presence, the Liberal government is planning to reduce the budget of regional development agencies by the modest sum of \$0.6 billion over a three year period.

The Federal Office of Regional Development—Quebec, the FORDQ, becomes an empty shell that eventually will merge with the Federal Business Development Bank, as indicated in the budget, and play the role of a financial institution.

The implications of the budget are obvious: regional development agencies will channel their assistance to small business. Subsidies will be systematically replaced with refundable contributions and loans. Apparently, the Liberal Party of Canada thinks it can treat regional small businesses and big multinational corporations the same way, because when it cuts 60 per cent of its subsidies to business, it seems to think this should affect regional small businesses as well. And remember, they cut only 60 per cent, when everyone in the official opposition, including Quebec employers, wanted to cut them 100 per cent.

This approach will be very damaging to regional development in Quebec. That being the case, with the FORDQ an empty shell, the federal government should withdraw from regional development altogether, with full compensation for Quebec. The FORDQ is a typical example of duplication and overlap. Programs to help small businesses already exist in Quebec in all administrative regions, including a secretariat for small business at International Affairs.

Quebec cannot afford to remain in a system that maintains duplication and overlap. In any case, Quebec has generally had gained very little as a result of federal regional development policies, and the Minister of Finance's latest budget is a case in point. In fact, we are being advised by the minister that operating budgets of regional development agencies will be cut, and again, Quebec is being hit, this time to the tune of \$40.3 million.

Monday's budget is typical of the Liberal philosophy of Canada's financial community. This budget does nothing to relieve the tax burden on the middle class, but maintains tax shelters for the very wealthy and large Canadian corporations. It continues to attack the neediest in this country. In 1995-96, social programs will see their budgets cut by 7.3 per cent; industrial, regional and scientific support programs, 1.8 per

cent; heritage and cultural programs, 6.9 per cent; and Transport, 11.4 per cent. Meanwhile, debt charges are expected to increase by 20.7 per cent over the same period.

It is pretty obvious that Canada's financial community is not helping to pay the debt. The job market and the neediest in our society are bearing the brunt of these debt charges. The figures prove it: Over 27 per cent of the cuts to job creation and social programs will be used to pay the 20.7 per cent increase in the cost of servicing the debt.

The budget hits big business and corporations with a disproportionately small share of the deficit and debt fighting measures. Surtaxes on incomes of approximately \$115 million were raised from 3 to 4 per cent, income tax rates for large corporations were raised slightly from 0.2 per cent to 0.225 per cent of capital used in excess of \$10 million.

Let us not forget the banks. They do not get a permanent tax increase, but a temporary one. A minimal and insignificant tax. The Royal Bank of Canada, you will remember, pocketed \$1.2 billion in profits last year. These are but a few examples of how the federal Liberal budget has spared the middle class, only to hit the big Canadian capitalists with mere micky-mouse tax measures, and thus passes by funds that are needed to reduce the deficit.

(1700)

That is where the money is coming from to reduce the federal deficit. There is nothing in this budget for job creation, which is particularly dramatic for Quebec's regions. The Liberals even have the gall to say that the unemployment rate is expected to remain unchanged over the next few years, at approximately 9.5 per cent, that is to say about 11 per cent for Quebec and its regions. The people of Quebec should know the time has come to say "yes" to a sovereign Quebec. It is more important than ever that our powers and decisions be in our own hands and not in the hands of others, like the federal Liberals.

Quebecers will pay dearly if they decide against having a country of their own, a real country that will take control over its public finances and operate the administrative changes required. Unless Quebecers vote for sovereignty this year, unless they choose budget efficiency and structural change, they are headed, as a society, for a situation where Quebec will have less and less control over job creation and will lose all ability to put in place an efficient regional economic recovery plan.

A negative vote at the upcoming referendum will signal the decline of regional development in Quebec, because the present Liberal federal government is showing its true colours in this budget with disastrous consequences for the regions. What the Federal Office of Regional Development, this capitalistic small business loan agency, will become is a parody of regional development. As the Bloc Quebecois critic for regional devel-

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opment, I fully support the amendment put forth by my hon. colleague from Saint-Hyacinthe—Bagot to defeat this budget.

In closing, what is this budget about? What does it mean? This is a pre-referendum budget that does not even let us see right away, in practical terms, that, once again, the federal government is hurting Quebec. The pain is getting pretty unbearable and this pain is like a wound, a wound that will not heal in this federal system. In order to heal, we have to decide for ourselves. Quebec has to choose its own remedies, so that it can be on its way to economic recovery.

It is up to the people of Quebec to choose a positive solution and find a cure to their own ills. To remain in this federal system is to leave our cultural and economic future, which is already seriously compromised, in the hands of individuals who look after and stand for interests other than those of ordinary people in Quebec. The unemployed, the disadvantaged, the ill, the aged, the young, these are the people for whom the federal system never does anything.

No! They work for the financial elite, the big corporations, the banks, the family trusts that will not be taxable until 1999, all close friends of this government, the majority of whom represent English Canada and the financial elite. That is what Canada has always been.

The people of Quebec must take responsibility for their own future, with confidence and openness. Confidence in themselves, in their resources, their strengths and capabilities; open to others as they always have been in their cultural and business relations with Canada, the United States, South America, Europe and the rest of the world.

Confidence and openness are Quebec's two greatest assets for the future. They are what it needs to recover from this incurable federal disease. The future of Quebec, if the people really want it, depends on pride. Pride in the fact that we decide to have a country, in the fact that we are all prepared to be responsible for our economy, our social programs and our culture, and pride in our own perception of the future, the future of generations to come, of our sons and daughters. We put our trust above all in our children, and we must do everything we can to prepare their future and ensure that our contribution in this respect is exceptional and worthy of the responsibility we have as their parents, as their elders.

(1705)

History is in the making, and we should be proud to be a part of it and to make this exceptional contribution to our joint future. We say yes to this future, for the sake of our children first of all, and we want the people of Quebec to be a strong and vital force in a country that is Quebec.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, I listened with great interest to the speech by the hon. member for Richmond—Wolfe. I know he listened with interest himself to the words of the Minister of Human Resources Development earlier, when he spoke about the overtures made to the provinces to work out a new framework for the social security system, as described in part in the budget, and in other government initiatives to involve the provinces and work with them in a spirit of partnership, so that together they might develop a new social security system that will meet the needs of all Canadians.

Given these initiatives and the position the hon. member has just expressed on Quebec sovereignty, I would like to know whether he thinks there is a happy medium. Would it be possible to work in partnership with the government of Quebec in developing a new generation of social and other programs, which might, in his view, enable the people of Quebec or the government of Quebec to really participate with the rest of Canada in these programs?

Given that the referendum, if the government of Quebec ever sets it in motion, is not a foregone conclusion and that there is a good chance, if not a strong possibility, that Quebecers will say "yes" to Canada, as they have always done, and "no" to separation as proposed by their provincial government, is there any way, in his opinion, consistent with his option, to work together with the government of Canada, other provincial governments and in the other partnerships involved, to improve and renew Canada's social security system?

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, first of all I would like to thank my colleague for this very long question with its many parts. First off, I must say that the words dialogue, partnership and co-operation are not just words but are underlying principles in Quebec, underlying principles used by elected members, used in the communities. In Quebec we have always worked through dialogue, partnerships and in co-operation.

(1710)

To my mind, this is a very clear characteristic of Quebec and in this regard, my hon. colleague, you must have seen the numerous socio-economic summits held in all regions since the 1980s, you must have seen dialogue and partnerships develop between university communities and economic communities. Since then, you must have seen strategic plans evolving for each region in response to the difficult economic situation and to meet development needs.

Yes, my hon. colleague, we have these deeply rooted qualities and we have also worked through partnerships, in co-operation and openly with a great variety of partners in Canada, the United States and other countries.

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However, my hon. colleague, we are not attempting to give a history lesson, but we do have a very great deal of patience. Quebec has demonstrated that it has a lot of patience. Quebec has shown that it is a very peace loving nation. We have discussed this Canadian partnership for a very long time now. We have had repeated discussions about many areas of jurisdiction. One must consider that we have suffered heavy blows as a result of these discussions. You will remember that the greatest and most serious blow ever dealt to Quebec was the unilateral patriation of the constitution in 1982.

This unilateral patriation of the constitution, to remind you, followed a major debate in Quebec when honest people believed the speeches stating that a “no” meant “yes” to fundamental change to the system described as a partnership, involving give-and-take and co-operation, when they were told that a “no” meant “yes” to profound reform and to a serious re-affirmation of ties with Quebec. Quebec had the constitution rammed down its throat. Even though the National Assembly voted almost unanimously against patriation. There are limits.

Quebec nevertheless took the “beau risque”. We tried to come back, to resume dialogue, to get back into the debate with a partner called Canada and the other provinces. We went through different stages. We survived the Charlottetown experience, we survived Meech, despite the many wounds they inflicted.

Partnership, openness and association with our neighbours are qualities that are still part of the make-up of Quebecers, but it is hard to conceive that association could coexist with renewal.

Yes indeed, dear colleague, Quebec, which will take on the qualities of a sovereign country, will be extremely interested in economic association. Please keep in mind one very important point regarding Quebec’s trade balances with the other provinces. In 1989, Quebec bought goods and services for a total of \$26 billion from Ontario, \$2.2 billion from the Atlantic provinces and \$5 billion from the Ottawa region alone. Trade links between these regions do exist.

Yes, dear colleague, we are prepared to work in partnership with friendly countries and in a spirit of openness, co-operation and collaboration, but only on the basis of economic association and only after we have established our sovereignty.

The Deputy Speaker: Dear colleague, I would ask you to address the Chair next time. This enables us to depersonalize the debate.

[*English*]

The hon. parliamentary secretary on a point of order.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, have we gone through 10 minutes with one question and answer? Did I misunderstand you?

The Deputy Speaker: The parliamentary secretary is correct. Perhaps that will be a record in this Parliament, that one question and one answer went about nine and a quarter minutes.

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, I would like to advise you that I will be sharing my time with the member for Cape Breton Highlands—Canso.

It is my privilege to rise in the House today to participate in the budget debate. I compliment the Minister of Finance on a masterful budget that addresses the concerns of the business community, the international markets and the Canadian taxpayer. He has made great strides to bring our deficit under control and meet the targets we set in our election campaign. In 1996–97 we will reach the 3 per cent of GDP target we outlined.

(1715)

Over the last few days a great deal of speculation about the budget has been replaced by some pretty confident and solid comments about the Canadian economy. They have been addressing the positives in terms of what we have seen in the budget.

Mr. John Bulloch, president of the Canadian Federation of Business, said that it was very believable and very credible. The powerful Canadian Manufacturers Association called the budget the first serious attempt at resolving Canada’s books and balancing them properly. The Montreal based bank, the Laurentian Bank of Canada, led the way in cutting its prime rate by one-quarter of one per cent on budget night. Since then and through this week we have seen the Canadian dollar go to a solid 72 cents. At the same time most of our lending institutions announced that they would be cutting their lending rates from one-quarter to one-half per cent. Mortgage rates will be down.

What does this mean to the average Canadian taxpayer? It means that we will have more money in our pockets. Average Canadian taxpayers are making payments on loans and on mortgages. When they come up for renewal they will be paying less for borrowing that dollar. It is a positive point about the Canadian economy. It is the point that will create more spending, bring back consumer confidence and lead us to more jobs.

Over the past 10 years Canadians heard finance ministers Wilson and Mazankowski give budget speeches that promised to reduce the debt and the deficit. Their assumptions and targets were so far off base that year after year we fell well below the targets. They mismanaged the economy badly. When they were elected in 1984 the debt of the country was \$168 billion. In nine

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short years from 1984 to 1993 they tripled the debt, going from \$168 billion to \$500 billion.

At the same time, the Canadian government under Wilson and Mazankowski had to keep interest rates high to attract the bulging demand for foreign capital. We as a country became more and more subject to foreign investors. We became more and more a country with rising foreign debt. As a result we needed a major change and the Canadian public was well aware of it. Our Liberal government when elected in 1993 set realistic, achievable goals.

This year's budget, with a total saving of \$29 billion over three years, is realistic. It is achievable. As a result, because we based our budget on basic, realistic, achievable goals in our economy, we as a government will create a positive climate that will move forward in a very positive way. I forecast that not just three years down the line but in five years from today, by the year 2000, we will be looking at a no deficit budget. We will be looking at a balance sheet where we can start digging into the debt and reducing it.

What does the budget mean to the average Canadian taxpayer? As I said, money is going to be in their pockets through reduced interest and borrowing costs.

I have heard the opposition complain very bitterly that Canadian taxpayers will have to pay an excise tax on gasoline. Yes, we added 1.5 cents to the cost of a litre of gasoline. There is no question about that. I would suggest that when average Canadian taxpayers fill up their cars once a week they probably put 50 litres in their gas tanks. The increase will amount to 75 cents a week or the price of a cup of coffee. Would they rather pay the price of a cup of coffee and see their mortgage rates go down or, as Reformers would state, have absolutely no expenses? I do not see their logic. I do not see their reasoning. I have talked with a lot of Canadians and they are not upset by the 1.5 cents per litre increase.

(1720)

There are, however, other people in this dimension. Over the last several months large corporations and banks have announced record profits in their businesses in Canada. They have been targeted to help reduce our deficit, as well they should be. Over the next three years we expect to generate \$910 million from tax increases to very prosperous institutions. They as a group have been demanding that the government get spending under control, and they are the group that has a responsibility in helping us do so.

My riding of Essex—Kent in southwestern Ontario is very dependent upon agriculture for its livelihood. It is an industry that produces over half a billion dollars in the two counties of Kent and Essex that I represent. We are very mindful of the partnership between government and the agri-food industry working together in that sector.

The government in streamlining research has designated some areas as centres of agricultural excellence. In southwestern Ontario the Harrow Research Centre will become a national centre of excellence for research in the greenhouse industry and the food processing industry. Streamlining services in Harrow will centre the research where the high concentration of greenhouses and processing crops is. The value added and tax initiatives that very instrumental to Essex and Kent counties will help our economy a great deal.

In the Chatham area we will see an ethanol plant that will have a great impact on the economy. The plant is a result of a real desire on behalf of the government to improve value added production in Canada. The benefits of the initiative have great potential across the country. There are very serious concerns about MMT that is presently being used to boost the octane of most Canadian gasolines. Ethanol is far more environmentally friendly and will be the choice of Canadians in the future.

Liberals can take pride in our legacy of caring for people and ensuring that our seniors will be financially secure. Measures have been introduced to guarantee their incomes and to make certain that over time in the future they will have definite pension plans that will pay to support them. They can be sure that with the studies and discussions presently ongoing the old age security and guaranteed income supplements will remain. The government will remain committed to providing a fair, reasonable and equitable situation for them.

Cash transfers to the provinces have been questioned very much. I was a little appalled this morning when I saw Bob Rae on television complaining about Canadian support to the provincial government. Bob Rae, the premier of Ontario, has totally mismanaged the economy of Ontario. Between 1990 and 1994 the federal government increased its funding for Ontario hospitals, colleges and universities by 26 per cent, while Bob Rae only increased funding to hospitals, colleges and universities by 17 per cent.

What does that mean? It means that Bob Rae did not participate in those services as the federal government has and did not carry his fair share. He mismanaged the economy and downgraded services, accepting totally the transfers from the federal government but not spending them within the province with matching funds.

(1725)

It has to be made clear in looking at the services that above all we are trying to make certain Canadians across the land get fair and equitable treatment.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I have some questions for members of the government. They talk about wanting to be fair and treating all regions of Canada fairly. I would like them to take another look at the budget and what they have really done to the Atlantic region.

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The Atlantic region last time around took 27 per cent of all the cuts in the last budget and we have 8 per cent of the population. This time around someone has to tell me how they can justify taking away the freight rate subsidies to get our product to market. When they brought down the budget on Monday, 15,000 jobs were jeopardized in the Atlantic region. Members do not know this and backbenchers do not know this, but the Minister of Transport knows it. He made promises to the people in the Atlantic region. They held public meetings. Our people said they would give up ARFAA, the interprovincial subsidy, but that they must have the westbound one in order to keep working. They were led to believe the Minister of Transport agreed.

Does anyone know how they heard that the ARFAA and MFRAA were to be taken from them? They heard it from Peter Gzowski on CBC interviewing the Minister of Transport. I have a list of companies in the Atlantic region that will be affected. The Canadian Manufacturers Association wrote to the Prime Minister about the fact that there had been no dialogue from the Minister of Transport.

We want to be fair and responsible in the Atlantic region. I get tired of hearing people refer to us as have not provinces. Our people believe in the family unit and in work. They want to work.

What are they going to do for all the people in manufacturing? What are they going to do today? I represent a city that has a nuclear power plant and the largest privately owned oil refinery in Canada, and the government took away the weather office. Does the government not know what it is doing? I do not believe it does. This is a very serious situation.

I ask hon. members to revisit what they have done. What has happened to the Atlantic region is devastating to our people. The people are sitting at home today wondering what is going to happen tomorrow because they have not had all the bad news yet. They took the bad news the last time and said: "We are good Canadians. We will accept it". However we cannot accept any more.

I ask members to take another look at it. Where are the 31 members in government from the Atlantic region? Why are they not speaking out for good, honest people who want to work? That is all they are asking for. Government members say they will create jobs; we are still looking for them. They know our transportation costs have been increased by 40 per cent with what they have done by taking away the freight rate subsidies. They cannot compete. They are finished.

I ask hon. members to take another look at what they have done to the Atlantic region, a part of this country. They did not state that the St. Lawrence Seaway would no longer be ice free. When that project came into play it affected my international port. What will you do for the Atlantic region?

The Deputy Speaker: I ask all hon. members not to refer to other members as "you".

(1730)

Mr. Pickard: Mr. Speaker, the question was a little longer than requires a brief reply.

The point to be made is that every region in this country has equal treatment in this budget. There has been a tremendous effort on behalf of the finance department, the minister and the government to make certain every section of this country does have fair and equal treatment.

It is interesting that the member did note that they are losing transportation payments. She was very upset about that. I remember the Mulroney government which took the At and East bill and destroyed travel in the east, in Ontario and all through eastern Canada. I certainly saw it destroy the economy of this country.

Jeffrey Simpson, who is really no friend to the Liberal Party, did support the Tory government and stated very clearly that if Wilson and Mazankowski under the Mulroney government had taken some reasonable action about the economy of this country in the 1980s we would not be in the problem we are today. It is a sin we are here. They created it and they got ripped by the Canadian public for it.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, the member for Saint John wondered where the 31 other Atlantic members were to speak on this budget. I am one of those members and I am proud to support this budget.

It is a very fair budget. It is a budget that responds to the needs of Canada, including Atlantic Canada. It is a budget that will build a strong foundation for future growth in Atlantic Canada and it is the budget that does what nine years of Tory government failed to do, which is the reason why it only has one member from Atlantic Canada in the House of Commons and only one other member in the House of Commons.

I welcome the opportunity to speak on the budget that was tabled on Monday. My remarks will come from two perspectives, as my experience as chair of the House of Commons committee which recently carried out extensive public hearings across Canada on the future of Canada's social programs and as an Atlantic Canadian.

For many, perhaps most of the hundreds of Canadians who appeared before our committee last fall, this budget and what would happen to social programs and to the historic federal commitment to social programs as a result of the growing preoccupation with the deficit was very much on their minds.

Many witnesses expressed suspicion that the comprehensive review of the social security system in Canada which they acknowledged was necessary was nevertheless being used as a smoke screen to slash spending on social programs as a way for the government to achieve its deficit targets.

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They wondered about the choice of programs that were being included in this review. Why was the government not focusing more on tax expenditures, in particular about tax breaks to wealthy Canadians and corporations? Should they not be made to shoulder their fair share of the task of deficit reduction?

The report of the human resources development committee which I tabled in this House on February 6 paid careful attention to these concerns and had some specific recommendations for the Minister of Finance to consider as he prepared his budget.

In particular, we urged him to ensure that the balance of deficit reduction measures in his budget addressed the issue of tax fairness in Canada. As well, we urged the government to proceed with the reform of social programs as part of its jobs and growth agenda.

The country's difficult fiscal situation only makes the need to address the accumulated problems which have occurred in our social security system more and not less urgent. We did not say that there should never be any reduction in social spending in Canada. That would have been unrealistic in the current fiscal climate. What we did say was that savings in this area should be achieved as part of a fundamental, comprehensive reform to the system of social security in Canada.

(1735)

It is one that would respond to today's social security needs like addressing the pressing problem of child poverty, fostering the kind of life long learning culture that will support employment and assist Canadians to find the kind of well paying jobs that have a future in this country and, most important, by stabilizing the overall finances of the federal government by removing the distortions and the disincentives that have grown up around government programs that have been built with the best of intentions for another era and by focusing the resources and the energies of government to those areas where government is best placed to be effected. In short, by getting government right.

The Government of Canada can provide the leadership and the fiscal framework needed to ensure that the social security system and the programs which Canadians across this country told the committee they were so proud of and were so necessary and so much defined our country would be preserved and enhanced for the future.

Does the budget that was released on Monday respond to the concerns of Canadians as reported by a committee? In large measure I believe it does. The committee urged the government to balance efforts to reduce the deficit with measures to promote tax fairness. This budget does that. For example, there are no increases to general income taxes, yet measures are taken to ensure that taxes that are owed are paid.

The large corporations tax is increased by 12.5 per cent and the existing corporations surtax from 3 to 4 per cent. In addition, banks and other large deposit taking institutions will pay a tax on capital, raising \$100 million between now and October 1996.

The budget takes dead aim at the system of family trusts. All tax advantages that flow from the establishment of family trusts will be eliminated. The infamous amendment to the so-called 21-year rule that was introduced by the previous government to allow the wealthy to shelter tax through family trusts will be repealed.

In addition, the budget adopts a specific recommendation of the committee that would open up tax expenditures as well as direct expenditures of government to regular parliamentary scrutiny.

With the budget the government reaffirms its commitment to reform of the social security in Canada not as a reckless exercise in slashing programs but as an orderly and thoughtful process of renewal in full partnership with the provinces and in consultation with Canadians.

This budget makes no immediate cuts to the principle elements of the social safety net. What further spending cuts occur only begin in 1996-97 and then only once a framework for a renewed and reformed unemployment insurance system and the implementation of the Canada social transfer are fully in place. These reductions are less than the reductions that have been made in other areas of government. The social programs will have more room in a government which is more rationalized and where the fiscal part of the government is more organized.

The consolidation of the Canada assistance plan and the established program finance transfers into a uniformed block transfer to the provinces follow in the spirit of the committee's reports which recommended that the Canada assistance plan be made into a block transfer in order to give the provinces more flexibility and in order to design reformed and renewed ways of helping people who are on social assistance provide basic supports for their families, also to enhance their access to the job market.

In addition to that the committee also recommended that there be an enhanced effort toward working with the provinces to enhance the child tax credit, working income supplement and other measures that would be made in order to work together to provide more assistance to poor families with children.

(1740)

In addition, the redesign of the unemployment insurance program announced with this budget is also something that is absolutely necessary. Our committee recommends ways in which the unemployment insurance program can be redesigned and rebuilt in order to foster employability, in order to promote

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lifelong learning, in order to allow Canadians to have access to the supports they need to get the jobs of the future.

As an Atlantic Canadian, particularly one who comes from a region where unemployment insurance and other social programs are a very important part and preoccupation, I know they realize there must be changes to this program in order to help Canadians get into the workforce and to help our people relinquish their dependence that has grown on unemployment insurance.

If we as Atlantic Canadians can participate in a renewed unemployment insurance system or an employment insurance system, which is really what it is all about, we could help to create a better foundation for our economy in Atlantic Canada, creating the kinds of jobs we need to have in order to have a stable future there.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I too was on the tour with the committee on social program reform with the hon. member for Cape Breton Highlands—Canso. There are some things he has not said, because what everyone talked to us about, everywhere, and the budget makes no mention of, is the matter of job creation.

One of the questions I would like to ask him is why the budget contains no objectives for job creation. There are criteria for the deficit. They decided that, to control the deficit, it had to be brought down to 3 per cent of the GDP. Why did the government not set objectives for itself in terms of job creation? There is nothing about that anywhere in the budget.

At the same time, we are told that banks are going to be taxed in the amount of \$100 million. When, however, during the tour of the committee on social program reform, did people tell us that another \$700 million should be cut from the unemployment insurance program? As for the block transfer, yes, a possible block transfer for social programs was recommended, but did the committee recommend cutting \$7 billion in this area in the next two years? There is a difference between a block transfer and a transfer after cuts are made. There is a significant difference between the two, which I consider important.

I have another question and, in this regard, I can sympathize with the issue raised by the Conservative member who spoke earlier about transportation subsidies and the people who live in the east. It is true that they said: "They want to get us off unemployment insurance". Everyone in Canada knows that nobody goes on unemployment insurance for the fun of it. They are on it because of the way the economy is. At the same time, however, they said: "Give us a period of transition to do it".

Why did the government, in its transportation assistance program for the Atlantic region, not follow the recommendations made by the industry, by the people locally and by the

economic development officers and why was there not a gradual decrease in these types of taxes, so that, in three or five years, a new economic situation could be achieved, over which the people in the community would have total control?

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to thank my hon. colleague for his questions.

Firstly, many jobs have in fact been created since the government has been in office, more than 433,000 jobs have been created. These jobs were created thanks to the confidence the government has inspired across Canada, especially in the private sector, and the budget brought down by the finance minister on Monday evening will increase the confidence felt by the private sector, the business community, because the government is taking the necessary measures to tackle Canada's deficit directly, thereby creating jobs and lowering Canada's unemployment rate.

(1745)

The targets the government has set its sights on are necessary to stabilize public finances and create jobs. We can see the effects already in the falling unemployment rate. Our program's objective is to create jobs.

Among the reforms suggested, we will have the opportunity to work on those relating to unemployment insurance. The new Canadian social transfer will allow the government of Canada, in conjunction with the provinces, to create a new social security net with a greater emphasis on employability.

To repeat, we are laying the foundations necessary for a strong Canadian economy which will result in new jobs being created throughout the country.

That is the government's strategy. We have forged ahead with it, it is working and it will continue to work.

[English]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, as I listened to the various Liberal members who have spoken about this marvellous budget of theirs today only one thought comes to my mind, they do not understand fundamental arithmetic.

The Canadian people, the taxpayers, who have been funding all these programs that previous governments have put in based on election promises and credit card funding, have been saying that overspending has to stop. They want to see a balanced budget down the road. They want to see some tax relief down the road.

This red ink budget that the Liberals have delivered by 1997 will add another \$100 billion to the debt and will increase the interest payments on that debt to some \$51 billion to \$52 billion. Can they not get it straight? It is the mountainous debt and the

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mountainous interest payments on that debt that are ripping the heart out of the social safety net of the country.

It is not enough today to nibble at the edges of overspending. We need a positive, progressive plan to decrease the deficit to a zero budget. That is what the Canadian people want. They will not get it from the government. It has not been listening to them.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I beg to differ with the hon. member. We cannot start eliminating the debt until we start to get the deficit down. That is what the government is doing.

Does the hon. member actually believe that by slashing social programs in one fell swoop the deficit will be eliminated faster?

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, we in the House should spare a moment of sympathy for the Canadians who, for unknown reasons, are watching the debate on television. We have members opposite saying that it is a wonderful budget, a visionary and perfect budget for the country. Then we have members of our party who are responding to the budget with grave concern and alarm. It is only fair for Canadians to know why there are real concerns about the budget.

It is true that the budget reduces the deficit. Unfortunately the budget and the so-called rolling targets that it contains substantially increase the interest burden. That is the real threat to social programs.

I do not think the finance minister should get a lot of credit for reducing the deficit. As a matter of fact, he had absolutely no choice. Not only are Canadians telling their political leaders that their number one concern is the debt and deficit, our creditors have been sending us strong, unmistakable messages that we had better get our fiscal act together. According to the *Wall Street Journal* Canada “has now become an honorary member of the third world in the unmanageability of its debt problem”.

(1750)

The debt is about \$550 billion. By the time the government is finished with us it will be \$650 billion. Where is a country like Canada going to be with that kind of debt loading down its future and its young people? Moody's has threatened to remove our coveted AAA bond rating. International lenders everywhere want assurance from the government that a \$25 billion deficit is just an interim goal. In fact, the budget sets \$25 billion as the goal. Then there is some very nice talk about good intentions down the road. The good intentions of the Liberals for the last 30 years have paved a lot of roads and they all lead down into the debt hole.

Our real concern, which Canadians share, is that the budget will have a profound effect on the future of social security. Contrary to popular belief, Reformers are going to get old. Some of us are quite close to that goal. Reformers get sick. Reformers

have disasters strike them. Reformers become unemployed. We are very concerned about the security of every single Canadian. That is why we brought in a plan to stop the horrible interest drain on the social security resources.

The finance minister's refusal to deal with the financial mess that is being caused to social programs by ever-burgeoning interest payments is a missed opportunity for which all Canadians will pay a heavy price. Much of our social program spending is funded and has been funded for years on borrowed money. Every year we borrow money, and that has been every single year, unbelievably, for the last 25 or more years. We increase the size of our interest obligation.

Every increase in the amount we are forced to pay in interest decreases the amount we have left to fund the programs we offer to Canadians. The only hope we have to break this vicious cycle of higher interest payments and less cash for our programs is to quit borrowing. That is exactly what Reformers have proposed; to quite borrowing as fast as possible, in fact by the end of three years.

In order to quit borrowing, social program spending has to be reduced. That is because fully two-thirds of non-interest spending by the federal government is on the social side. Even if we virtually wiped out every other program and function of government, we would still barely balance the books.

Of course many essential government programs cannot be eliminated. Although there is some fat in other non-social spending government programs—and the taxpayers' budget starts by cutting government operations by a full 25 per cent for a \$10 billion savings—simple arithmetic dictates that some spending reductions must take place on the social side.

Interestingly enough, even our human resources development minister has figured that out. On page 8 of his discussion paper, which as we know went nowhere, it states:

—the interest costs on that debt are choking governments' ability to deliver services that the public needs and depends on—The larger the debt gets, the bigger the interest costs and the smaller the budget for services—The status quo is not an option.

That is the government's own minister. We have to ask ourselves why is status quo social spending precisely what the finance minister brags he has given us in the budget when another minister is saying that the status quo is not an option? The clue is in the rhetoric with which he has chosen to surround this sensitive issue.

(1755)

Instead of providing a plan, the finance minister, like the human resources development minister, has again chosen to delay addressing Canada's ailing social programs, letting the cancer spread, letting the patient get sicker and sicker. Why? Because the Liberal government does not have the political guts

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and fortitude to do the job, to get social spending under control so that we can preserve social programs for the future.

The Liberal government, knowing full well that the future security of Canadian citizens is in peril, lacks the political fortitude to take bold and decisive steps to effectively address the issue. Even worse, not only are Liberals afraid to deal with the problems in this critical area, they work hard to make Canadians afraid to have it dealt with at all.

How do they do this? By telling Canadians again and again that any plan to safeguard the ability to provide long term security by some reductions in social spending today is too cruel, too heartless, too harmful even to consider. Anyone suggesting such a course of action is immediately set upon and labelled as lacking in compassion and uncaring about the poor and needy.

Clearly Liberals cannot honestly believe this to be true because they are saying, and I quote again from the human resources development minister's discussion paper: "The interest costs on the debt are choking government's ability to deliver services that the public needs and depends on". They know this. One can only conclude that the government is anxious to make a virtue out of what can only be termed a shameful failure to get a grip on its deficit spending habits.

We are treated to loud protests by members opposite. In fact, they can be heard even as I speak, in the background nattering on and on. Any suggestion of spending reductions on the social side, even though they clearly know that government must reduce its expenditures in all areas if we are to have any hope of curbing the interest haemorrhage from the national treasury, is cloaked in inaction with a lot of talk about their commitment to compassion, fairness and equity. However, Canadians are beginning to see through all this nice talk to the lack of substance within.

Nowhere is this made more clear than in last week's unveiling of the Liberal so-called reform of MP pensions. Canadians were treated to the unseemly spectacle of government ministers flatly refusing to lose a nickel of their incredibly rich pension benefits.

This year the Canadian government paid \$42 billion in interest. Just think for a moment what we could have done with \$42 billion to spend on the citizens of our country. It could have doubled all guaranteed income supplement payments to needy seniors. It could have cut income tax by 20 per cent. It could have given free tuition to 100,000 students. It could have provided \$10,000 to 100,000 newly married couples for mortgage down payments. In addition, it could have totally eliminated the GST, something the Liberals promised to do. To put the icing on the cake, it would have paid to build a \$500 million skydome in every province, including P.E.I.

We did not have that \$42 billion because we had to pay it to the Liberal interest debt they have built up.

The real threat to social spending is Liberal borrowing and deficit. It is not changing in this budget. If not now, when? Canadians and their children will remember the 1995 federal budget as the one which could have and should have but failed to provide a plan to ensure personal security in the years ahead. That it failed to do so will be seen as one of the greatest tragedies of the 35th Parliament.

(1800)

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, I listened to my colleague's comments. What she seems to ignore in her comments is the reaction from all the financial experts, both at home and abroad.

Almost universally the reaction to this budget from everyone except members of the Reform Party is very positive. In fact, in many glowing terms we hear how the finance minister has turned the corner on this country's debt and deficit problem. Yet the member says there should be no credit for the finance minister. I would remind the hon. member that for nine years the previous government was not able to meet its targets, yet this finance minister has done so two years in a row.

Quite frankly a misstatement was made that \$25 billion is the ultimate goal of the finance minister. It is not even fair to say that on the floor of this House. The minister has been quoted publicly many times as stating that the ultimate goal is the total elimination of the deficit and debt. That is the ultimate goal. The minister has made that eminently clear. The research by the Reform Party seems to be awfully selective on these points.

Now to my question for the Reform Party member and the Reform members heckling as I speak. If there is such concern and compassion in the Reform Party for this country's social security system, why did the blue budget plan, the so-called taxpayers' budget of the Reform Party—if ever there was a misnomer that is one—slash so severely the seniors' pension plan? How can that be offered as some concern for the citizens of this country?

Mrs. Ablonczy: Mr. Speaker, I appreciate the points raised by my hon. friend opposite because they are important issues to address. They are ones that hon. members opposite are always using to justify their position. It is important that Canadians know it does not do that.

First of all, the reaction of the financial markets was positive. It is kind of sad, is it not, that financial markets are so used to governments that do not do anything that there is great relief when there are any cuts in our borrowing.

Not only that, my friends who work in the financial industry tell me that financial markets discount government actions. They are way ahead of government. They are weeks ahead of government and they discounted this budget long ago. They did

The Budget

not do it the day after; they did it weeks before. That is how financial markets work. Those familiar with financial markets know that.

The hon. member brags that the government has reached its targets although previous governments have not. If you make your targets low, of course you will reach them. It is like a cigarette smoker who cuts back from two packs a day to a pack and a half and then says: "I am quitting smoking". He has a long way to go and so does this budget.

There is no plan to get to zero deficit in this budget. There is nice talk by the finance minister on the side that of course, yes, this is the ultimate goal. If it is a goal, there should be a plan. Instead, the government always refers to its red book target of a \$25 billion dollar deficit which is huge.

Our plan is to cut social spending by \$15 billion for the simple reason that if you do that, you get to zero borrowing. If you get to zero borrowing, the interest levels off. The interest gets flat. If you do not cut your borrowing, then the interest keeps rising. Once the interest levels off, you know you have the rest of your money to work with. However, if the interest keeps going up, then you have less and less money to work with every single year.

That is exactly what is going to happen under this plan. If members opposite think that cutting spending now to get to a zero deficit is bad, just wait until they see the cuts that will have to be made when our interest gets to \$50 billion, \$55 billion, \$60 billion because this government will not take that kind of action.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I appreciate the opportunity to speak on the budget. It is a budget that in the opinion of those who get past the initial media kowtowing, the interest group moaning and the Liberal back slapping, is dishonest. It is overrated. It is underachieving and hypocritical. It fails to attack the efficiency and the internal wastefulness of the federal government.

(1805)

This budget deserves no praise. It lacks will. It lacks solutions. It is not an answer. It is only prolonging the inevitable demise of our social programs, our financial security and our way of life, including that of our children.

What the finance minister has done is altogether typically Liberal. He has made some token reductions which he thinks will placate voters. He has increased taxes in such a way that taxpayers will not know they are being hit hard. Furthermore, he has done some things that, had they been done by any other party with the Liberals in opposition, would have caused the Liberals to explode in outrage and violent criticism. That is the hypocrisy of this budget.

The Reform Party's taxpayers' budget laid out a series of reasonable, manageable cuts to transfers and established pro-

grams financing, cuts that would ensure long term health and the continuation of these programs. The Liberals assailed us, as the hon. member is doing right now. They accused us of being heartless, of being uncaring, of bashing the poor. What is the Liberal alternative to this imagined Reform Party heartlessness?

The Liberals will double the fees of refugee claimants. That is really something. That is without a doubt the most blatant hypocrisy I have ever seen from this government or that party. They have done nothing in any promise for the future.

Look at what is going on within the department of immigration. Look at those increased fees that are coming. For a moment, look at the increased fees and the recipients of those fees, the immigration department. If you take an honest look, you will come away with a very different impression about the seriousness of this government, the willingness of this government and the party across the aisle to make real change. You will come away with a very different impression of the will of that party and the intestinal fortitude of the finance minister and especially the immigration minister.

There are two reasons the finance minister together with the immigration minister have decided to increase fees. One is stated and the other is not.

The stated reason is to raise revenue to offset the cuts. In other words, they want to bring more money into the coffers. Charge a little more up front and recover more of the costs of processing and resettlement, as the minister points out. Fair enough. Why should those who apply for immigrant status not pay their way? We are not objecting to that.

There is no good reason for the taxpayer to subsidize the processing of immigrant applications. Remember that if any other party had done this, the Liberals would have fallen all over themselves moaning about taxing the poor, charging more to those who are unable to pay.

The other reason for almost doubling the fees, the unstated reason that observers from both sides of the immigration debate recognize, is to quietly cull a certain percentage of the applicants for immigration. Changing the immigrant mix is a good idea certainly. Both the C.D. Howe Institute and the Fraser Institute agree with the Reform Party that we need to do that. However, doing it this way is cowardly and devious on the part of the Liberals.

An hon. member: Why?

Mr. Hanger: Because you are not stating the reasons.

The immigration minister has had all sorts of opportunities to make changes to immigration that make sense and that are honest but he will not do it. He has had every opportunity to save the Canadian taxpayers a huge amount of money through immigration reform. He did not do it. He would not. He does not have what it takes. If the minister wanted to save money for the taxpayer, he would have saved literally hundreds of millions of

The Budget

dollars by taking some advice from the Reform Party on refugee determination in Canada.

A month ago, we released our proactive proposals for refugee determination. Those proposals, if enacted, would ensure that the refugee system was more fair to genuine refugees. That was our first goal. The proposal would have ensured that the system was more fair to the taxpayer by cutting back on legal aid and social services for people who had been refused as refugees and were appealing.

(1810)

We proposed that the Immigration and Refugee Board, that \$80 million a year hotbed of patronage, pork and foolish decision making be abolished. We proposed that a refugee determination system, which presently costs \$1 billion or more a year to determine a handful of claims, be fundamentally restructured to reduce the number of bogus claims. Accept more genuine refugees from abroad. Doing so would have saved the taxpayers millions of dollars, but the minister would not hear of it.

Here is a short list of some other costs the immigration minister has been afraid to deal with. The total cost of the department has gone up from \$581 million to \$592 million. Do you call that cost cutting? The corporate service budget has increased from \$33 million to an unbelievable \$78 million. Is that the minister's idea of government efficiency, to double the budget in one year?

The cost of failed sponsorship is \$700 million. Welfare for refugees as estimated in the Vancouver *Sun* a few days ago is \$600 million. Teaching English or French and other settlement services for new immigrants costs \$450 million. Quebec's gold plated immigration settlement program costs \$90 million. No adjustments are made there at all, one year after another.

On top of all that the justice department will spend an additional \$11.6 million on immigration and refugee cases. The Federal Court will spend an additional \$11.9 million on handling refugee cases. The RCMP will have to allocate an additional \$2.3 million to clean up the messes made by lousy immigration policies. There is \$60 million in legal aid.

Of course, there was last year's stupid expenditures: \$2,000 for a pizza party hosted by the minister; \$2,000 for bookmarks with the minister's photo on them; \$100,000 for office furniture for one member in the IRB; another \$100,000 for a golden handshake to get rid of that member.

In light of all of these numbers, the increased user fees are just a drop in the bucket. Until this government and this immigration minister come to terms with the fact that Canada's immigration

and refugee programs are so lax, so broad, so inefficient and so ridiculously generous as to cost Canadians up to \$3 billion a year to accept and settle refugees and immigrants, we are just wasting time.

The government is tilting at windmills. If this government really wants to fix the immigration budget it should not jack up fees before it gets on top of the real problem: Liberal immigration policy. That is the problem.

I say to the people of Canada, to the media, to interested observers of Canada's immigration system around the world, that before they congratulate the finance minister and the immigration minister for taking tough action to fix a tough problem, before this back slapping gets too intense, tell me what is wrong with this picture.

A refugee claimant has just been paid \$1,000. Now he sits before an \$85,000 a year patronage appointee. Each hour of hearing and preparation time is being run up as a profit by his legal aid attorney. His acceptance is virtually guaranteed since the IRB is little more than an \$80 million a year rubber stamp. If he is sick, there are no worries, he has a health card.

In the extremely unlikely event that he is found not to be a refugee, there are no worries. He will just ring up a few more hours for his legal aid attorney, appeal to the taxpayer funded courts, get another hearing before another \$85,000 a year IRB member. After this charade has been carried on for three years, the minister gives him an automatic amnesty. It is not a bad deal for \$975. Most of us would not even get inside the courtroom door for \$975. The refugee claimant and his lawyer can tie up our courts for three years.

This is no exaggeration. Members may not like the illustration. They do not like it because they know it is true. The most tragic aspect of that scenario is that all the time this charade is being played out at the taxpayers' expense, the UN tells us that the most genuine refugees from overseas are being systematically ignored by countries like Canada. Refugees we could process more easily and far more cheaply are being ignored. These are genuine refugees.

People may start realizing now how much of an opportunity there was in 1995 to really rethink government and make fundamental changes. They will realize what a golden opportunity there was to make things work better. Then they will wake up to what was not done and they will be sorely disappointed.

The Deputy Speaker: It being 6.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment now before the House.

The Budget

Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

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

*(Division No. 165)***YEAS**

Members

Ablonczy	Benoit
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Calgary Southeast)
Chatters	Cummins
Epp	Forseth
Frazer	Gouk
Grubel	Hanger
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hill (Macleod)
Hoeppner	Jennings
Johnston	Manning
Mayfield	Meredith
Mills (Red Deer)	Morrison
Ramsay	Ringma
Schmidt	Silye
Solberg	Stinson
Strahl	Thompson
Wayne	White (North Vancouver)
Williams—41	

NAYS

Members

Adams	Alcock
Allmand	Arseneault
Assadourian	Asselin
Augustine	Axworthy (Winnipeg South Centre)
Bachand	Bakopanos
Barnes	Beaumier
Bellehumeur	Bellemare
Bergeron	Bernier (Mégantic—Compton—Stanstead)
Bertrand	Bethel
Bevilacqua	Blondin—Andrew
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Bélangier
Bélisle	Caccia
Calder	Campbell
Cannis	Canuel
Caron	Catterall
Cauchon	Chamberlain
Chan	Chrétien (Frontenac)
Chrétien (Saint—Maurice)	Clancy
Cohen	Collenette
Collins	Copps
Cowling	Crawford
Crête	Culbert
Dalphond—Guiral	Daviault
Debien	De Villiers
Dhaliwal	Discepola
Dromisky	Duceppe

Duhamel	Dupuy
Easter	Eggleton
English	Fewchuk
Fillion	Finestone
Finlay	Fontana
Fry	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Gauthier (Roberval)
Gerrard	Godfrey
Godin	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Guay	Guimond
Harb	Harvard
Hubbard	Iftody
Irwin	Jackson
Jacob	Jordan
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Landry	Lastewka
Laurin	Lavigne (Verdun—Saint—Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	Loney
Loubier	MacAulay
MacDonald	MacLellan (Cape/Cap-Breton—The Sydneys)
Maheu	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McWhinney
Mifflin	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Ménard
Nault	Nunez
Nunziata	O'Brien
O'Reilly	Ouellet
Pagtakhan	Paradis
Parrish	Patry
Payne	Peric
Peterson	Picard (Drummond)
Pickard (Essex—Kent)	Proud
Reed	Regan
Richardson	Rideout
Ringuette—Maltais	Robichaud
Robillard	Robinson
Rompkey	Scott (Fredericton—York—Sunbury)
Serré	Simmons
Skoke	Solomon
Speller	St—Laurent
St. Denis	Steckle
Stewart (Northumberland)	Szabo
Telegdi	Terrana
Thalheimer	Tobin
Torsney	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Ur
Valeri	Vanclief
Verran	Volpe
Walker	Wappel
Wells	Whelan
Young	Zed—186

PAIRED MEMBERS

Anderson	Bergeron
Bouchard	Brien
Deshaies	Dumas
Flis	Lalonde
Langlois	Lavigne (Beauharnois—Salaberry)
MacLaren	McKinnon
Peters	Pillitteri
Rock	Stewart (Brant)
Wood	de Savoye

Adjournment Debate

(1845)

The Deputy Speaker: I declare the amendment to the amendment defeated.

ADJOURNMENT PROCEEDINGS*[English]*

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

GUN CONTROL

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, on February 10, I asked the Minister of Justice if he would ban two new hyper-destructive handgun bullets developed in the United States. One of these bullets was designed to do maximum damage to human tissue, while the second could penetrate body armour. We are told this rhino ammunition, as it is called, is designed to break into thousands of razor-like fragments when it hits flesh. The creator of these bullets stated that: "These fragments become lethal shrapnel as they are hurled into vital organs, lungs, circulatory system components, the heart and other tissues. The wound channel becomes catastrophic and death is nearly instantaneous".

(1850)

I was pleased with the answer given to me by the Minister of Justice when he told the House that these two new types of ammunition had been banned in Canada. However this incident reminded us that if we are serious about gun control, we must also control ammunition. Without ammunition, you cannot do too much damage with guns.

It is especially important when you consider that 65,000 guns have been lost or stolen since 1974. The RCMP report that about 3,000 are lost or stolen each year. If you cannot get the ammunition with which to use a stolen gun, then you might be preventing a crime from taking place. That is why it is so important to control ammunition.

I would like to ask the government tonight whether in the new legislation which is before the House—I have examined the said legislation—it is correct that in order to buy ammunition in the future, a person will require a firearms possession certificate or a firearms registration certificate.

I ask this because in some of the publicity material accompanying the bill, there was a suggestion that a person might be able to buy ammunition simply with a driver's licence. I could not accept that but since it will be necessary to obtain a firearms possession certificate or require one to own, use or purchase a gun then I do not see why it could not be presented as well when purchasing ammunition.

I would like to have some clarification on that.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, last December newspapers reported that a United States company had produced two highly destructive bullets; the black rhino, a plastic bullet allegedly capable of piercing armour and the rhino-ammo, a highly fragmenting bullet designed to cause maximum damage to human tissue.

Government officials have been in contact with U.S. officials and in fact the black rhino does not exist and technical experts highly doubt that an armour piercing plastic bullet could be produced.

As regards the rhino ammo bullets, the potential destructiveness was highly inflated and in fact they resemble hollow point bullets currently available in the United States markets and under limited conditions in Canada.

Armour piercing and exploding or incendiary cartridges are now prohibited in Canada and have been since October 1, 1992 under prohibition order number 10. The possession, sale or import of such ammunition is subject to Criminal Code penalties of up to 10 years.

I want to particularly address the question of the hon. member with respect to how ammunition is to be purchased. To purchase ammunition, it will be required to have the registration certificate once the registration certificate period of five years ending December 31, 2003 has elapsed.

Until then everybody may not have a registration certificate. In the interim, where possible it will be the requirement to provide another certificate, a driver's licence or perhaps a firearms acquisition certificate. This is yet to be determined exactly but there will be requirements.

This will be brought forward and stipulated in the regulations.

TOURISM

Mr. Derek Wells (South Shore, Lib.): Mr. Speaker, I welcome the opportunity to expand on my question of February 24 to the Parliamentary Secretary to the Minister of Industry on the matter of tourism.

Adjournment Debate

Tourism plays a major role in the lives of my constituents on the south shore of Nova Scotia. It is important that tourism continue to be promoted as it is serving to revitalize communities that have been devastated by the downturn in the fishery.

(1855)

In the South Shore tourism generates \$100 million annually while providing employment for thousands of people. It is an industry that can and will play a leading role in the economic recovery of my area.

For instance, in 1994 the South Shore experienced a 20 per cent increase in room sales. This was the largest percentage increase in Nova Scotia. More than 127,000 people signed guest books at the South Shore tourist bureaus. This represented an increase of 19 per cent over 1993. The South Shore is popular but it has potential to be even more so. I say this because 30 per cent of visitors were from inside the province of Nova Scotia, 29 per cent were from other parts of Canada, 28 per cent were from the United States and 5 per cent were international visitors.

There is so much to see and do along the South Shore. I am partial to the charms of Chester, having chosen to settle down there over 20 years ago. There is colourful Lunenburg, home of the *Bluenose* and the Fisheries Museum of the Atlantic currently seeking a designation of world heritage status. There is Oak Island with its hidden treasure which is celebrating its 200th anniversary this year.

In Queens county there are spectacular white sandy beaches and several ecotourism sites, including the Keji seaside adjunct and the bird sanctuary in Port Joli. These treasures have been left largely untouched for the public to enjoy. At the western end of my riding is Shelburne with its historic waterfront which is gaining a good reputation as a destination for movie makers.

As a representative for an area like the South Shore, I am sure members can understand that I was pleased to hear the Prime Minister announce last fall that he had accepted the recommendations made by his special advisor on tourism. The creation of the Canadian tourism committee and the allocation of base funding totalling \$50 million certainly has the potential to allow for effective marketing of Canada at home and abroad. I do, however, have some concerns about how this is all going to work.

First, in addition to the very successful South Shore Tourism Association, there are many local tourism committees that have been established to formulate strategies to increase the amount of tourism traffic in their respective areas. I am constantly being asked if and how they can access this tourism promotion money. I am having difficulty answering these questions because that

has never been made clear. Media reports make it sound like there is a pot of money for these people to access. Yet the material I have received is vague on how the money will be allocated.

Second, I would be interested to know how the Canadian tourism commission will benefit rural areas like mine when to date efforts seem to be rather metro driven. Will the interests of small businesses, which comprise a large proportion of the tourism industry, be appropriately represented?

Finally, I am concerned about an overlap of effort. The Canadian tourism commission seems to be just a larger scale version of the Atlantic Canada tourism partnership which was established in late 1993. I would hope that these groups will be working together rather than at cross purposes.

In closing, I would like to reiterate that I support the intent behind the establishment of this commission. Because I have seen the positive benefits that tourism can have in an area, I want to see Canada eliminate its tourism deficit. However, first I want specifics on how this will be done.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to thank the member for South Shore for his question and also his keen interest in a sector of our economy that has been sadly neglected over the last 10 to 15 years.

The tourism industry is a sector of our economy which, after automotive, employs more Canadians than any other sector. This government has made a serious commitment to not only maintaining but virtually quadrupling the tourism budget.

We did not just quadruple the budget, we also gave guidelines and said to the Canadian tourism commission that we wanted this money to be levered, joint ventured. In other words, it is not Industry Canada and the tourism team going out and doing work on their own. It is this commission which is made up of private sector experts from the tourism industry from all over Canada. The Minister of Industry appointed these people on February 1.

I have to say to the member for South Shore that this is a new commission and no doubt there will be some glitches until we get it operating perfectly. If the member, in his community of South Shore, is having difficulty in partnering or accessing his tourism operators with the commission, I would invite him to come to the House of Commons industry committee. About two weeks from now the executive of the Canadian Tourism Commission will appear before the committee. We will deal with the overall plan and objectives but, more important, we will deal with the specific concerns and the specific challenges the member for South Shore raised this evening.

Adjournment Debate

(1900)

I do not want to suggest that at the moment the commission has all of the answers. It is a new commission. It is a new experiment where we are partnering with the private sector.

However I invite the member to the committee. His specific concerns will be addressed. There is great hope for this sector putting Canadians back to work, which is the number one responsibility of the government.

[*Translation*]

THE BUDGET

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I rise now at the end of the day to point out that, in my question of February 28, I spoke of the gross injustice in the budget which the Minister of Finance brought down this Monday.

To clearly define this injustice, I would like to repeat part of the question I put to the Hon. Minister of Finance this week. My question was for the finance minister and was more or less as follows: Yesterday, the finance minister announced that grain transportation subsidies would be eliminated, adding that a generous compensation of close to \$3 billion, which includes direct subsidies, would be given to western producers.

I have done some research since then and have in fact found that grain producers in the west, and only in the west, would be offered between \$15 and \$18 per acre, or an average of some \$15,000 to \$18,000 per grain producer.

Of course, the Crow rate was intended for grain transportation from point A to point B, with point B located near the ocean, most often in Vancouver. Looking again at WGTA issue, we found that many producers stockpiled their grain in railway hopper cars. The railway cars went to Thunder Bay to be eligible for the subsidy before returning to Vancouver. This was costly to the government.

I would like to talk about the unjust and unfair way that farmers in the east of the country have been treated. On the one hand, the government cuts \$560 million in subsidies to farmers in the west and, to clear its conscience, offers them a compensation package of close to \$3 billion to help them diversify their crops; on the other hand, in the same budget, it trims industrial milk subsidies by 30 per cent.

I did my math and realized that a 30 per cent cut will result in losses. As we all well know, Quebec and Ontario produce 80 per cent of Canada's industrial milk and the cut will result in losses of anywhere from three to five thousand dollars. What com-

pensation will farmers in the east get from the Liberal government? None.

This inequity in the budget is noteworthy, and I expect an explanation now and not a canned response.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I appreciate the opportunity to comment on the question of the member for Frontenac.

Yes, the annual \$560 million western grain transportation subsidy is being completely eliminated on August 1. However I point out to the hon. member—and I know he realizes it—that the dairy subsidy is only being reduced by 15 per cent this year and 15 per cent next year. As of August 1, 85 per cent of that support will still be there.

Eliminating the so-called Crow subsidy addresses a long-standing equity concern that has been raised by eastern farmers. The adjustment package reflects the potential impact of eliminating a 96-year old commitment to the western grain sector.

In addition to the \$1.6 billion, a multi-year adjustment package of \$300 million is being put in place to facilitate the transition to a more efficient transportation system. The amount is not excessive. It is necessary to help grain producers adapt to the change and to compete effectively in international markets against subsidized foreign competition.

It is important to note the dairy industry does not face international competition because of supply management for 90 per cent of its production. Equally important, this government package of reforms to grain transportation is consistent with the position set out by the Quebec coalition on the WGTA.

The package of reforms is fair and balanced with respect to the different situations in different regions and different sectors. Everyone has done his or her share in contributing to deficit reduction. The government does not have a double standard as the hon. member for Frontenac has suggested. It is not true.

Rather, through the budget we offered all Canadians a single standard to strive for that will ensure future growth of the agriculture sector and maintain our competitiveness on the global field.

[*Translation*]

The Deputy Speaker: It being 7.10 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 7.07 p.m.)

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