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Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Monday, March 7, 1994

The House met at 11 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1994-95

The House resumed from February 25 consideration of the motion that Bill C-14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the second time and referred to a committee.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, thank you for recognizing me in this debate today. I recognize the necessity for the government to have a borrowing authority bill passed by Parliament.

(1105)

The government does not receive all of its revenue from taxes on a specific date early in the fiscal year. Therefore, to meet its program needs when there is a shortfall in revenue it needs to be able to borrow. This is done all the time in the business world. What is new and extraordinary about the situation we in the House of Commons are faced with on this bill is the fact that the government knows now that there will be a substantial difference between revenues and expenditures, some \$39.7 billion on the expenditure side, and has done nothing substantial to move toward balancing its books.

The only thing it has done is sought borrowing authority through this bill to make up the difference.

We were also told on Thursday, February 24, 1994 by the President of the Treasury Board that spending for the fiscal year 1994-95 only went up by \$3 billion. Then he told us if we took out the increased amount to pay the interest on the debt, not the principal, spending only went up \$.7 billion. What is most surprising is that he said this as if it were something to be proud of, some great achievement.

Does any of this make sense to the people of Canada, the people who pay all the bills? I repeat, the people who pay all the bills for everything the government does.

The government, in the overall scheme of things, is going to increase its spending, making a bad situation in relation to the deficit even worse. How can this government justify to Canadians any tax increase which puts more financial burden on Canadians when it will not even begin to put its financial house in order?

What does this government think Canadians want? What does this government think Canadians voted for on October 25 last year? They voted for a promise to create jobs and they voted for fiscal responsibility. If they did not want fiscal responsibility we in the Reform Party would not have increased our numbers from 1 to 52. The government's actions two weeks ago with the budget and the tabling of spending estimates and the borrowing bill will do nothing to create long term, permanent jobs, nor are they fiscally sound.

We have a short term, make work project through which we borrow money to create jobs, but nothing permanent. The president of the Canadian Manufacturers' Association has said that the Martin budget measures do not add up to a coherent plan that will help manufacturing grow, modernize and reinvent itself for the 21st century.

On the second issue of being fiscally prudent and attacking the deficit now, what are we told by the government? Just like any loser in an athletic contest: "Just wait until next year, or maybe the year after that".

Canadians thought on October 25 that they had elected a government with a plan, a plan for the economy, a plan for social programs, a plan for reworking unemployment insurance, a plan to deal with the provision of better health services. Really what they elected was a government with a plan to study, not a plan to act; a plan to pass the buck, a plan to spend a lot of bucks but no plan to act.

We have the red book but what does it say? It spends a lot of time discussing programs but little time discussing implementation. If the government had plans to implement change, then at least we could see where we are headed in relation to program change and tax savings.

My friend from Lethbridge two weeks ago asked the Minister of Finance when the results of all these studies came in, after the summer break, after these results had been considered by cabinet if he would bring in a new budget, a budget in the fall. The answer was no.

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We believe it is time to act. The government was elected in October last year and we are now in March. We are now going to undertake studies, studies whose results will be reported to us in approximately six months. If the government had acted quickly and decisively when it was first elected, we would have the results of these studies well before the summer break, and a budget could reflect such quick and decisive action.

Does the government not realize that by reducing and subsequently eliminating the deficit we will eventually be able to start paying down the national debt?

(1110)

By reducing and eliminating the deficit we would have in a very short period taxpayers' money freed up so that taxes could be reduced, thus stimulating the economy or perhaps this money could be used for retraining or to help industry, manufacturing, expand or retool so that permanent long term jobs are created.

Action on the expenditure side, action to reduce expenditure, will return to us as Canadians the economic freedom to choose which we have not enjoyed for many years. Again, what do we hear from the government? In three years the deficit will be 3 per cent of GDP. What does this mean?

It means that any hope of dealing with the country's debt is put off until the next century. We will still be devoting a huge amount of taxpayers' dollars to pay the interest on the debt without any hope of encroaching on the principal for many years.

If the government is not prepared to act on the expenditure side, I am serving notice today that we in the Reform Party are ready to act.

Each line item of each departmental expenditure plan will be scrutinized carefully by members of this party when the estimates are in committee. We will ask each minister and each deputy minister to justify every penny of the departmental expenditure plans. When we find expenditures which we believe are not crucial to the well-being of the people of Canada we will vote against them. The government wants to consult with members of this House. We will give the government consultation.

Second, I will press the Standing Committee on Procedure and House Affairs and the government House leader to recommend the creation of a permanent standing committee of this House whose sole job would be to review the spending estimates of government departments.

In 1983 the special committee created to study the standing orders and procedures of the House recommended an elaborate series of estimate review committees in its fifth report to this House. My proposal is simply to create one such committee which would in the course of the fiscal year scrutinize very

carefully the estimates of perhaps only three government departments. It would then report back to this House and also to the standing committee which deals with a particular department on a regular basis.

This information could then be used by the departmental standing committee when the minister came back for supplementary spending estimates or in the following year when new spending plans are referred to the departmental standing committee.

The fiscal responsibility committee which I recommend be established would during the life of a Parliament scrutinize in detail the spending plans of virtually all government departments. This would not be glamorous work but it is the kind of work that is needed, the kind of tough work the government does not seem prepared to do, at least at this time.

I can assure my friends opposite that this is the kind of work that we in the Reform Party were elected to do and we are quite willing to spend the long and necessary hours to reduce government expenditures.

The time has come for action, not for talk. Canadians are a fiscally responsible people. They do not live beyond their means. If in a family something cannot be afforded then spending priorities change. We do not expect families to run out and borrow every time they see a new item they want to buy. Why should government be any different?

Mr. Speaker, I would like to apologize because at the very beginning I should have told you on behalf of the whip, pursuant to Standing Order 43(2), we will be dividing our time this morning.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, through you to the member, I would like to congratulate her on her remarks. There are some points about the budget that she did not include in her remarks.

She said that we were afraid to take on the tough decisions. I believe that is not an accurate assessment. We did announce policy reviews in our social security system, in defence, foreign aid, the goods and services tax which is being reviewed in committee right now for an alternative. We will begin our study in the industry committee in two weeks where we will have public accountability of financial institutions in Canada: a program review, overlap and duplication, tariffs and the paper burden. All of these are concrete actions taking place right now.

(1115)

It is important we not leave in the public's mind the thought that the Reform Party is the only party interested in reducing or eliminating waste. If people can bring forward ideas on how to eliminate or reduce waste in a particular area we welcome their letters, phone calls or faxes. It is the same type of information the member receives as well.

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The government has taken a very tough stand on reducing the deficit and our net savings over three years will be \$20.4 billion. We have only been in government for three and a half months, but we have to put some hope back into the economy and get some job creation going. Any further cuts would cause the fragile economy to slip back into a recession.

Mrs. Jennings: Mr. Speaker, I would like to thank the hon. member for his comments.

I stress again that I talked about reviews and studies. In answer to the hon. member, more reviews are not what we need. It is time for action. A deficit of \$39.7 billion is certainly not tough at all and does not address the issues that have to be addressed.

Mr. Mills (Broadview—Greenwood): Where would you cut?

Mrs. Jennings: The Reform Party put out a very good zero and three which went into detail. If I had another hour I would go through it with the member.

I would like to point out something to everyone in the House. I am very concerned about the infrastructure money. Where is the money coming from?

Mr. Mills (Broadview—Greenwood): Existing budgets.

Mrs. Jennings: I was in my constituency last week and they said they did not have the money for more taxes. The federal government is going to lend it to them.

An article in the *Globe and Mail* dated February 11 warns very much against the infrastructure money. Every tax increase causes a loss of jobs. Taking \$7 from a taxpayer to pay for a construction industry job means taking \$7 away from a job somewhere else: a department store, the auto industry or a clothing manufacturer. I insist that is going to be a problem down the road.

The Deputy Speaker: The time appears to have expired. I might remind the hon. Parliamentary Secretary to the Minister of Industry that nobody heckled him while he was making his remarks.

Mr. Mills (Broadview—Greenwood): On a point of order, Mr. Speaker, I did not think I was heckling the member. I was merely pointing out some factual information that did not seem to be a part of the address. I certainly did not think that was out of order. I have been here, not as long as you, but for six years and—

The Deputy Speaker: Order. That is certainly not a point of order.

Mr. Hugh Hanrahan (Edmonton—Strathcona): Mr. Speaker, it gives me great pleasure to rise in the House for my first major address.

It is with a great sense of pride and humility that I stand before you and the rest of Canada as the representative for Edmonton—

Strathcona. I would like to take this opportunity to thank the people of my riding for the trust they placed in me as their representative in the 35th Parliament. I would like to assure them that I will do my very best to represent their views in the House of Commons. I would also like to thank my wife Dianne and daughter Margaret for their support and patience during the campaign.

The constituency of Edmonton—Strathcona is an extremely diverse riding with a wide range of small and medium sized businesses. It is also the home to, in my opinion, the best educational facility in the country, the University of Alberta.

(1120)

It was the youth of my constituency who gave me the inspiration to seek a seat in Parliament. Clearly they recognized the implications of the national debt on their futures. Given the increasing debt and the demographics of our country, it is little wonder that so many of our population of all ages look with such growing concern at the future implications of this debt. While both the Reform Party in its blue book and the government in its red book have taken significantly different approaches to the debt problem, neither party has suggested it be attacked by placing the burden on youth.

The Reform Party, while suggesting many cutbacks, also suggests that these cutbacks be prioritized. In surveying our members and Canadians in general we have concluded that a number of areas must be maintained. These include federal grants to medicare, the environment and advanced education.

If we are to leave a Canada to our children similar to the Canada our parents left to us, then we must offer hope to the younger generation. We must not only attack our debt but do it in a manner which allows for a clean environment, a healthy and educated population able to confront the global economy in a confident manner. This is one of the major challenges of this Parliament.

To emphasize the present situation let me cite the following. A recent article by the *Globe and Mail* reporting on a study from Statistics Canada stated that unprecedented numbers of young Canadians have been wrestled out of the workforce. Proportionately more of them lost their jobs than adults and it will take longer for them to gain back these jobs than it will be for adults. The same article, quoting Dr. Phipps of Dalhousie University, suggests it is possible that by the time the economy does produce good jobs a fresh generation of better trained, better educated young people will be vying for these jobs. The prospect that a combination of all these factors could produce a lost generation is very real.

On a more individual level, I would like to cite a letter received by an employer in my constituency from a recent university graduate. In it he states:

I am a 1993 graduate of the University of Alberta with a BSc in meteorology. Unfortunately due to the state of the job market, I had no success in gaining employment in my field. I would like your company to consider me for any position that may be available from answering phones to lab analysis.

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These are just two examples of problems facing the youth in our country today. What is perhaps of greater concern is that this problem of youth unemployment is occurring at a time when there are as many as 400,000 jobs available in our economy.

John Yurxa of Yurxa Research stated in a recent speech in Edmonton that “the economy will have no shortage of lucrative jobs in the remainder of this decade, it is just that you will need a new set of skills to get them. The fact is there are now over one and a half million Canadians out of work, yet many employers say they cannot find the workers they need. In fact, today, the mismatch between job seekers and job vacancies is so high that if it could be remedied overnight, up to 400,000 jobs would be created instantly”.

It would seem the problem of youth unemployment can be found in the structural unemployment that is present in the Canadian economy. The solution to this problem lies in matching the training of our youth to the demands of the marketplace.

The recent budget included in its job creation an entire section devoted to apprenticeship programs for the training of youth. This apprenticeship program is to be introduced in 1995–96 and will cost the Canadian taxpayers \$96 million in the first year and an additional \$192 million in the following year. While I applaud the government for recognizing the problem of youth unemployment, some serious questions as to the structure of this program must be asked.

(1125)

How did the government come up with these figures? Why \$96 million? Why not \$50 million or \$150 million? Will these programs meet the needs of the mismatch between job training and job requirements? Who will be eligible for these programs? Where and under whose auspices will these programs be delivered?

As mentioned earlier, I agree with the government’s decision to initiate the youth initiative program. However, if it is to offer real hope to our youth it must be tailored to the needs of the market. Another program that does not offer real prospects for employment will only add to the frustration of our youth.

I suggest the government take the following into consideration in developing the youth initiative program. First, identify through co-operation with industry, labour and the provinces those skills that are actually needed in present and future markets.

Employment growth in the Canadian economy in recent years has been in services. Throughout the eighties, however, more than 90 per cent of occupations covered by apprenticeship programs have related to manufacturing and construction. Most

vacancies now exist in informational technology, telecommunications and environmental technologies.

My second suggestion is that industry participate, not only in setting the standards but also in the financial responsibility for these programs. Here we can look at two existing programs as models: One, the very positive aspects of the Canadian provincial apprenticeship programs already in existence; and two, the programs of other countries, particularly in Germany.

A third suggestion is that like trade apprenticeship programs, the youth initiative program should include some sort of credential on completion. This accreditation should be nationally recognized in order to ensure mobility from one province to another. This would allow for the free movement of workers to areas experiencing economic growth. This suggestion may be criticized by some who believe that apprenticeship programs are essentially a provincial responsibility. While this is mainly true, the provinces have already in place interprovincial standards under their red seal program which in Alberta covers approximately 90 per cent of the certified journeymen.

A final suggestion for the youth initiative program is that it must be focused on areas that do not jeopardize existing employees. To simply train our youth to replace at a lower wage present workers would only increase conflicts within the workforce.

It is estimated that 60 per cent of youth go directly from high school to the job market. Our experience shows a high school education, while necessary, will not be sufficient for the market demands of the future. The youth initiative program if done properly offers an opportunity and hope for our nation’s youth. However, if done improperly it will be seen as a short term, quick fix government program and a waste of Canadian taxpayers’ money.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I enjoyed the member’s comments, particularly the positive light he puts on youth initiatives for employment.

The member posed a question: Why \$96 million in the first year? Why not \$50 million or \$150 million? I could say that we could probably do a lot better than \$96 million because the need is much greater. The reality is that we are trying to balance need and financial conditions. However I welcome his comments because I found them to be positive. I welcome his balanced approach, which is very refreshing to hear from that side of the House.

(1130)

Mr. Hanrahan: Mr. Speaker, I thank the hon. member for his comments. He correctly points out—and we are consistently pointing it out to the Canadian people—that while a balanced budget is a necessity it must be done in a way that is prioritized.

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We see education as an investment for Canadians. That is one area our members and Canadians at large have told us very clearly should not be cut. We do not want to see a lost generation and the problems implied with such a lost generation.

While we believe in fiscal responsibility, our program of zero in three clearly shows many areas in which we can make responsible cuts to the budget. However we would not include in that advanced education, training of our youth, federal payments to medicare, or environmental concerns.

Mr. Peter Adams (Peterborough): Mr. Speaker, I too enjoyed the member's remarks. I wondered what he thought about the internship and apprenticeship program described in the red book.

This a national program under which people will get interprovincial licences. It is, as I understand it, focused on particular trades and areas of activity where we hope jobs will appear in the near future. It is also an apprenticeship program based on competence rather than time.

Some examples the member mentioned were in other countries where people spend many years learning a trade whereas in fact it appears in modern times that it might be possible to proceed more quickly. Then persons might not only have one trade; they might have two or even three.

On the question of funds, has the member given any thought to the idea of the apprentices paying fees as do students in colleges and universities?

The Deputy Speaker: I ask the hon. member for Edmonton—Strathcona to be brief. There is about a minute left.

Mr. Hanrahan: Mr. Speaker, with respect to brevity I will respond to the final question regarding fees.

I quite agree with the suggestion that fees are an appropriate matter. It has always been my belief that if a student in an educational facility takes some ownership of the facility, the training, he is much more likely to succeed than if he had not.

I would not be opposed to user fees in that they would serve two purposes. They would give the student some opportunity to participate in his own education. They would also cut back on the public expenditure.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Mr. Speaker, I am delighted to speak on Bill C-14, the borrowing authority which would allow the government to meet its commitments and put into effect its budgetary policy. This statement, this budgetary accounting, indicates the choice our government is making for the next fiscal year and shows some very important fundamental changes.

The agenda before us is a very ambitious one. It is a difficult one and it is taken in a time of economic restraint. Notwithstand-

ing, our main goal has been to create jobs and growth and to be innovative while being fiscally responsible. We also believe that with the co-operation of Canadians we can reduce the deficit to 3 per cent of GDP within three years.

Our agenda and our priorities are no secret. Last fall we laid out our blueprint in the famous Liberal Party policy book. I know some members refer to it as the red book, but for me it is a fundamental policy book. It was our blueprint for job creation, deficit reduction, and a comprehensive policy review. Canadians have looked at it and have given us their approval by electing a strong majority Liberal government for the people, to speak with their voice and for them.

(1135)

We are turning those promises into action. The budget tabled by the Minister of Finance is based on fairness for all Canadians. It stems from an unprecedented consultation process and dialogue, a process to which the government is firmly committed in many areas. It is an open process of which we can be very proud. Women and women's groups have participated in the process and our voices have been heard.

I am especially happy to point out to the House that the budget addresses a whole series of issues that are very important to women. The government is sensitive to the fact that programs and policies may have a different impact or a different effect on women. That is why we will ensure gender perspective is taken into consideration in all proposed changes undertaken as part of the various policy reviews. I can say that we are wearing gender tinted glasses, for that is what we are doing. Essentially my job is to make very sure that within the machinery of government we maintain that gender tint all along the way.

Women and women's groups have been very important in applying that theory and ensuring within our party that perspective is always kept in balance. This is the first time a budget clearly recognizes that women often bear the brunt of social stress and economic dislocation. It is also the first time that a minister of finance recognizes publicly that there are disparities in our tax system and income system that are detrimental to women.

[*Translation*]

The comprehensive review of our tax system which we will be undertaking shortly represents a unique opportunity for women to help us correct some of our system's shortcomings, such as the tax treatment of support payments, which are prejudicial to them. It is very important that women and women's groups participate in these consultations because by proceeding with these kinds of reforms, we will succeed in improving the lot of Canadian women and quickening the process of equality for everyone.

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Our goal is to build a society in which women will have full access to the economic, political, cultural and legal spheres. I see that you are nodding in agreement, Mr. Speaker. There is no question that equality for women, equity and justice for all are tied to economic independence. Women must have the opportunity to participate in the labour market, to receive equal pay for work of equal value and to contribute fairly to our collective wealth.

The contribution of women to our society and to our economy is enormous. Yet, women are often economically disadvantaged because of the disproportionate burden they must bear as far as family and home are concerned. Today, 60 per cent of Canadian women are active members of the labour force and three-quarters of them hold down full-time employment. This is a rather interesting figure as it reflects the major shift that has occurred in the past twenty years.

Women of diverse ages, origins and cultures make up 45 per cent of Canada's labour force. By the year 2001, it is expected that women will account for nearly two-thirds of all new labour market entrants.

In the short term, our infrastructure program will help to create thousands of jobs. We are increasingly confident that this program will give our economy the needed boost to get back on the prosperity track. This program, by investing in local communities, will create direct and indirect jobs for Canadians and improve the quality of their lives.

(1140)

Women too have a role to play in the development of legislation by introducing initiatives to increase the safety of their environment. I must say that women also have responsibilities. They must bring pressure to bear on mayors and municipalities so that their needs become a priority at the local level and can then be recognized as a responsibility at the provincial and federal levels. It is up to the mayors, aldermen and women's groups to demand whatever they consider important for their communities. That is part of our local priorities.

The program can be used for building day care centres, which has the triple advantage of creating immediate employment, providing important services to families and leading to long-term employment. We will be ready to go ahead with child care services when the economic growth rate reaches 3 per cent of the GDP.

On the other hand, our infrastructure projects are under review by federal, provincial and territorial co-presidents, as I just said. I can assure you that our representatives have been instructed to assess projects in terms of employment equity. I must thank the President of the Treasury Board for having taken this into consideration, while recognizing the need to take women into account in that regard.

[English]

Statistics released in January 1994 show that Canadian women still average only 72 cents for every dollar earned by men for working full time and that immigrant women make only 80 per cent of women's income. That is quite a gap that we will have to address. Women, especially during child bearing years, experience more career interruptions which impact on their advancement in the workplace and their lifelong earning potential.

The budget begins to address the fact that low income earners with dependants, primarily women, need a fairer system and that women live longer and have lower incomes in old age. The proposed changes to the Unemployment Insurance Act are designed to promote job creation, adequacy and fairness. The government has recognized that unemployment insurance programs must be linked to family status, dependants and other needs. As such these programs should be changed to provide assistance to those in greater need.

In today's economic conditions many households are under financial stress even where there are two income earners. More often than men, women tend to earn low wages and have dependants. Increasing UI benefits to 60 per cent for individuals with low earnings and dependants helps women, particularly single parents.

Amending and clarifying how the voluntary quit and misconduct provisions are applied stands to benefit women and improve the fairness of the entire process. That is something we complained about and felt strongly about in the last Parliament.

We recognize that some other changes to the unemployment insurance system may have a detrimental effect given women's weaker attachment to the workforce. However we must remember that these changes are temporary. The Minister of Human Resources Development has already initiated a full review of our social security system. Every measure will be closely examined after extensive consultation in all regions of the country.

In the meantime it is comforting to see business and labour leaders agree that Canada cannot afford to maintain barriers to the full and equal participation of women in the workforce.

In a report published a few days ago the Canadian Labour Market and Productivity Centre makes some recommendations aimed at breaking the principal barriers to women's equality in the workforce. Among other recommendations the report proposes to provide family responsibility leave and extend flexible working arrangements.

When I read the report I thought back to 1967 and the beginnings of the royal commission. I thought how far we had come in some areas, at least in terms of sensitivity if not in terms of complete catch-up. When I read a report from the Canadian Labour Market and Productivity Centre that says that family responsibility leave should be provided and flexible work arrangements extended, I remember when they wanted to count

every head from 9 to 5; employees did not move and could not leave.

(1145)

Now at least there is some understanding that there has to be a flexible system. Establish a national child care system with professional salaries for child care workers. Reduce the work week possibly to four days with longer paid vacations and limits on overtime to free up jobs for more workers. Reduce stress for women who juggle work and family. Increase access to financing for women entrepreneurs.

There is really big news here. Actually the biggest news, speaking as a mother of four sons, is the fact that my sons can be involved in raising their children in a far more equitable way. I know that is something they look forward to doing.

The recommendations are good. Indeed this government has initiated many of them, including convincing the banks to supply more capital to small business. I know my colleague from Broadview—Greenwood is going to make very sure that the banks are going to listen. I told him what I said to the Royal Bank the other night. Go to it, Dennis. You and Berger make sure the banks listen.

What is totally new is the strong endorsement this report has received from both business and labour. I have always said consensus of this type is essential to the advancement of women. I can only give this new consensus my strongest support. Unless we have men and women working together I do not think we can advance.

[*Translation*]

We are certainly on target. Our economic recovery plan is based on small business. I should add that women are a major element of our strategy, as 30 per cent of small and medium-sized businesses in this country are run by women. It is with great pleasure that I remind you that the proven rate of success of businesswomen is at least double that of their male counterparts. That is why, in the budget, actions concerning small business are essential for women.

We know that it is very difficult for small business owners, women in particular, to obtain funding for their businesses. Banks impose unrealistic financing conditions which prevent the establishment and expansion of small and medium-sized businesses, acquisition of new technology, development of new markets and above all job creation. The fact of the matter is that the risk taken by banks—and I point this out to my hon. colleague so that he can bring it to the attention of the presidents of the nation's banks the next time they get together—by increasing the percentage of loans to small and medium-sized businesses is very small.

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Studies show that only 13 out of every 1,000 loans granted to small business are not repaid. In other words, Mr. Speaker, 98.7 per cent of borrowers are creditworthy.

[*English*]

In the actual conjuncture 98.7 per cent constitutes an incredible rate of success. It should impress even the leaders of the banks and the most conservative of the bankers.

[*Translation*]

It must also be noted that profits in the banking sector reached \$2.9 billion in 1993, or almost 60 per cent more than the previous year.

[*English*]

That is a lot of money. I think they could start taking some risks along with our small and medium sized businesses.

[*Translation*]

That is why our government set up a finance and industry task force to study, in collaboration with banks and small businesses, the issue of access to capital. I hope that the hon. members here in this House who have ideas will share them with us and provide clarification.

In addition, business leaders asked us to urgently reduce unemployment insurance premiums, and we have done so. This will enable businesses to save \$300 million a year and to reinvest this money in new jobs.

We will also cut red tape and reduce interprovincial trade barriers, create a Canadian investment fund, form strategic alliances in favour of small business, establish joint ventures between research services and small businesses, and replace the GST with a tax that is more equitable for taxpayers and less burdensome for businesses.

[*English*]

This being said, our budget also proposes many initiatives that focus directly on women's needs. It puts in place provisions to improve women's health by creating a centre of excellence for women's health and launching a prenatal nutrition program. The national forum on health will also give us the opportunity to redress disparities in the way women are treated in our health care system. I could go into that at great length because there is much to do in that area.

(1150)

As soon as we reach 3 per cent of economic growth we will create 50,000 child care spaces a year until we reach an additional 150,000 spaces. The budget contains provisions for this in 1995 and 1996.

Our initiatives will assist the people of this country to fully exercise their rights in terms of the charter, the Human Rights Act and the Multiculturalism Act. I am referring to the creation of the race relations foundation, the restoration of the court

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challenges program and the law reform commission, as well as a review of immigration and refugee policies. All these initiatives are aimed at making this country's society a fairer, more compassionate one.

We have to do that because we cannot allow the increase in racism that has been taking place and the manifestation of scapegoat because of the economic situation.

[Translation]

We must take steps to make people understand that we are a peaceful society, where we live together in reasonable harmony, either in English or in French, Canada's two official languages.

[English]

Finally, the budget reaches out to young people, the pride and the future of our nation. The aboriginal head start program, the youth services corps, the young internship program, the literacy program and the youth student loans program are all important because they fill a great need.

I see young people upstairs in the gallery. Your future is what we are talking about as we look at the budget and try to analyse where we will be going to put this country back to work and give hope to the next generation, which is our absolute mandate in this House.

Added to this basic reform and initiatives already announced, these programs will allow our young women and men to prepare themselves for the challenges the new global economy is imposing on them. Our young people are smart and creative. They are like their parents, hard working and dedicated. They want the opportunity to contribute to society. We have made it our mission to help them reach that goal.

In conclusion, I must say I am very pleased with the budget, primarily because it is fair but also because it reflects our commitment to including all Canadians in the economic and social life of this country. If philosophical and ethical considerations do not move people, then common sense considerations should. In an increasingly complex and competitive world societies which do not tap into the talents of all their citizens are societies which sooner or later will lose.

The Deputy Speaker: Before I give the floor to the hon. member for Louis-Hébert, perhaps the hon. minister would permit me to point out a couple of things.

One is if she would please address her remarks to the Chair. Again, to other members as well, please do not address other members by their names, particularly their first names.

A more important point if the hon. minister would allow me to make it, the Speaker neither agrees nor disagrees with anything

that is said. The minister indicated I was in favour of something. I am in favour of everything that is said in this House.

[Translation]

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, I listened carefully to the Secretary of State for Multiculturalism and the Status of Women. At first, I admit that I was eager to hear her, because she said "we have adopted a series of concrete measures" and I thought that this morning we would find out some wonderful things that we did not yet know.

Now I must admit that it was just a list of good intentions. It is a statement of principles that may possibly be good for the status of women, but there is very little specific in it. I will give some examples. When she talks about infrastructure, the Secretary of State wants women to present projects related to environmental safety, as well as projects that could increase the number of day care spaces. But having seen the infrastructure projects that will be put forward in my area, we know very well that the projects she is talking about will have lower priority, so there is little hope for them.

(1155)

She also mentioned that women earn only 72 cents for every dollar men earn. I do not doubt it. What we would be entitled to expect is specific legislation and measures requiring businesses to correct that situation, but basically, we have nothing concrete there either.

I want banks to be more sensitive to small business from now on, but that is still part of projects that have yielded nothing so far.

She concludes by saying that we will create day-care spaces when the debt is no more than 3 per cent of gross domestic product, so parents who need child care will still have to wait and the government will not grant their request any time soon.

Mrs. Finestone: Mr. Speaker, I want to thank the hon. member for his question. Before answering, I must say that I appreciate and understand your neutrality. In my enthusiasm, when reflecting on the role played by my colleague for Broadview—Greenwood, I used his first name in a friendly way. I am sorry and I apologize for doing so. As you know, we sometimes get into heated arguments in this House, and I think that we all understand what happened.

As for my colleague's comments, I believe that the budget is very well balanced. Based on what we read in the newspapers, I think that all issues relating to the debt and all efforts made to create jobs so that Canadians feel useful were put in balance. Let us not forget that when we started developing our vision and our program, the debt was already at \$32.6 billion. And when we took office, we discovered that it had grown to \$45 or \$46 billion. Consequently, we had to make some adjustments. Yet

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we still found ways to ensure that the basic commitments would be taken into account and be fulfilled. We, the Liberal Party, stick to our word.

[*English*]

In these very difficult and trying economic times our Minister of Finance and all our other ministers found mechanisms to be creative, to be forward looking to answer some of the serious problems facing our society given the economic situation in which we find ourselves.

We have not been able to fulfil every commitment at this moment. The financial commitments in our policy book have been fulfilled, but there are others and time will tell. Consultations will take place. I hope members will participate and share with us some of the more creative ideas they may have.

Mr. Ted White (North Vancouver): Mr. Speaker, I found the speech given by the hon. member very interesting.

At one point during her speech, the hon. member mentioned the people in the gallery and said how we were discussing the future for the young people of this country. I definitely agree.

Did the hon. member ever ask her children and her grandchildren or the young people in this gallery whether they wanted another \$34 billion to \$37 billion added to the mortgage for their future? This bill we are discussing today could add \$37 billion to their debt load. How is the member going to explain to her children and her grandchildren that she supported mortgaging their future?

Mrs. Finestone: Mr. Speaker, my grandchildren are a little too young, but my children are all in economic portfolios. The feedback I get from them and their circle of friends in all their different spheres of activity is quite fascinating.

(1200)

They do not hold back on the criticisms that they would launch, nor the gun that they would shoot in the sense that mother does not know everything, which is true, I do not. When they looked at the budget their feedback to me from their colleagues, from the businesses in which they are involved, from the services in which they are engaged daily was absolutely amazing.

They tell me that whole attitude is holding. They think we have taken a grip and we are moving in the right direction, and they were not interested in having this whole country go into a tilt and a dizzy downward economic crisis because you want to reach a certain fantastic little figure in your head. You have to have some compassion, some understanding of where the future is. It takes money to make money, just remember that.

The Deputy Speaker: Would the hon. minister please not use the word "you" in this House.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I also appreciated what the minister responsible for the status of women had to say. But I also did not quite understand what the government means to do to improve the status of women in Canada. It is a well-known fact that women are disadvantaged in many ways, that they earn less money than men and that they support a chunk of the social and economic burden in this country. However, the minister had nothing concrete to offer, no initiative directly focusing on women.

The minister did mention changes in the unemployment insurance area. But these changes do not necessarily affect women. In fact, they hurt the unemployed.

The minister mentioned that 30 per cent of small businesses are controlled by women, as it should obviously be. Still, there are not a lot of women in that field. The system generally hurts women. What did the minister responsible for the status of women have to offer to change that? What concrete measures can be found in the budget which specifically focus on women?

Mrs. Finestone: Mr. Speaker, I thank the hon. member for his question, because it raise a very important issue. We have a comprehensive vision, and I wish the hon. member could understand that. Our vision involves several objectives on which we have to work. We cannot work on only one objective at a time.

As far as the small businesses are concerned, you can laugh all you want and you may not be proud of the fact that 30 per cent of small businesses are headed by a woman, but I am. Even if these women do not have access to all the capital they need, they do represent a very important proportion of business owners.

Second, in order to help our young people, men and women alike, we must make sure that there will be a bridging system.

[*English*]

A bridging system between education and the workforce would equally handle men and women leaving the universities and the campuses. It says right in our red book, which I suggest the member read, and in the budget that there is a very important undertaking in which it will be equal and interesting for women as well as men.

There is another whole area in which we see the disenchantment of young people. We are undertaking a youth initiatives program. I sincerely hope that those school dropouts, along with the literacy programs, will ensure that Canada as we move into the telecommunications age, as we have already moved into the telecommunications age, will have the best trained, the best intellectual material out there and the most competent workforce so that we can stay number one.

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After I travel and come back to Canada I can kiss the ground it is so wonderful. When I go to Montreal, c'est magnifique à Montréal.

[Translation]

The Deputy Speaker: Time for questions and comments has now expired. Resuming debate, with the Official Opposition. Bloc Québécois members may wish to share their speaking time. The Chair recognizes the hon. member for La Prairie.

Mr. Richard Bélisle (La Prairie): Mr. Speaker, the next speakers for the Bloc Québécois will each take 10 minutes.

This budget contains a number of desirable initiatives that have been described in great detail by government members. According to the Bloc Québécois, however, these measures remain incidental. There is no comprehensive plan with specific objectives, no global vision providing a medium-term perspective and supported by strong measures to put public finances on a sound footing, make drastic cuts in the government's operating expenditures and improve the employment situation.

(1205)

During four prebudget seminars, the minister consulted his socioeconomic partners as they had never been consulted before. I think we all remember that. The minister had mobilised his partners. The public was prepared to tighten its belt, provided the cutbacks were fair and would require all taxpayers to do their fair share, all of course, to help reduce the public debt.

Still in the initial months of its mandate, the so-called honeymoon period, the Liberal government had a unique opportunity to send out the right signals and change the course of Canada's public finances. However, consulting is one thing but making difficult decisions is another thing altogether. Instead of changing course, as all Canadian taxpayers expected the government to do, what happened? We expected leadership, a change from 20 years of letting public finances slide in this country, a process that started under Pierre Trudeau's Liberal government, as you will probably remember.

I think the government should look at what is being done by Premier Klein of Alberta, who is of course too far to the right for the present Liberal team. Nevertheless, by cutting where he has no other option, Mr. Klein will eliminate Alberta's deficit in three years, and in the future, this may be the only Canadian province that can maintain an adequate social safety net, all because the inevitable cutbacks were done at the right time and not under pressure from international lenders who, one day, will force the federal government to make these choices.

According to us, the deficit reduction forecast in the budget brought down by the Minister of Finance is far too timid. The deficit for 1993-94 was artificially inflated to \$45 billion, but according to us, this legacy from the Conservatives should be more like \$42 billion. The forecast deficit of \$39.7 billion for 1994-95, just under the \$40 billion mark, is based on an expected \$9 billion increase in tax revenue. If this increase does not materialize, the deficit for that year will be \$46.9 billion. We see the same scenario applied to the projected deficit for 1995-96.

The Department of Finance expects the 1995-96 deficit to be \$32.7 billion. This would require an increase in tax revenues of \$8.1 billion—another increase for the second consecutive year. The government hopes to bring the deficit down to \$32.7 billion by March 31, 1996. To do so, it is projecting a total increase of more than \$17 billion in tax revenues over the next 24 months. However, it has yet to deal with the problem of smuggling and the underground economy, most tax shelters have been maintained and taxpayers' ability to pay has already been stretched to the limit.

The adjustment of Canadian companies to the new global economy, with all the industrial restructuring and manpower adjustment that involves, is not yet complete. There is also the much needed conversion of military infrastructures to viable civilian projects, but instead, the government has decided to close or downsize a number of military bases in this country.

At a time when rapid change is making new directions mandatory and a new economy is emerging that will impose certain costs before it can be viable, can we expect a real increase in tax revenues as projected by the government? The government's projection is based on a 15 per cent increase in tax revenues over the next two years, in the uncertain climate we have just described.

The deficit will not go down. It will not reach 3 per cent of GNP by the end of this government's mandate. It is clear the government has missed the boat. Like Tory ministers Wilson and Mazankowski, the government is depending on a putative increase in tax revenue to deal with the deficit, while the only way to reduce the deficit in the short term and eliminate it in the medium term is to make drastic cuts in government spending.

The revenue forecasts are unrealistic, and even if they prove to be true, the federal government's net debt would still be \$511 billion by March 31 this year, it would go up to \$551 billion by March 31 next year and would reach \$583 billion by March 31, 1996.

(1210)

The government has failed completely in its much-awaited initiative to reduce its own operating expenses. Imagine, trimming \$413 million from a program budget of \$122.6 billion for

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1994–95. This represents a reduction of roughly one-third of 1 per cent. The government has failed to make the kinds of deep budget cuts demanded by taxpayers during the last election campaign.

The Minister of Finance tells us that he has begun to put in place the principal components of a plan which should reduce the deficit to 3 per cent of GDP by the end of this legislature. Cutting operating expenditures by one-third of 1 per cent cannot be viewed as a serious deficit reduction effort.

The government will never meet its target. It has pulled the wool over the voters' eyes. Departmental operating budgets will be trimmed by \$1.6 billion over three years, while unemployment insurance and social security transfer payments to the provinces will be reduced unilaterally by \$7.5 billion over the same period.

Quebec, which has its considerable share of unemployed, will be especially hard hit. Is this what is meant by viable federalism? Having failed to clean up its own house, the federal government will demand from the unemployed and the least privileged an effort nearly five times greater than that which it will be asking of its five federal departments.

In conclusion, this budget does not solve anything. It does nothing to ease the tax burden of middle-class families who clearly could have boosted the level of consumption. The budget also fails to deal with the problem of administrative laxity repeatedly criticized by the Auditor General. Once again, in moving to broaden the tax base, the government has ignored family trusts and the idea of a minimum corporate tax. The problem of administrative overlap and disagreements between Ottawa and the provinces will be fuelled when Ottawa sits down at the bargaining table with \$800 million to invest unilaterally in occupational training.

This budget only postpones the hard choices. They will be that much harder to make and the provinces will have an even heavier burden to bear, whereas the federal government will be shifting responsibilities onto these same provinces' shoulders without transferring to them the relevant tax fields. The entire tax base will be barely adequate enough to support the federal debt which has grown to prohibitive proportions.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to suggest to the member that the single biggest factor that could contribute to the government's reaching its revenue targets is the member's ceasing his campaign of trying to separate Quebec from the rest of this country.

I listened carefully to the member's remarks. I believe the pressure that we are receiving from international borrowers

right now has to be affected by the talk of separation that goes on in this country.

Every economist in the world would agree that confidence is the most important factor in any economic equation. We must have confidence in the community, confidence in the country. When people look at our cities, I suggest right now especially the city of Montreal, the province of Quebec, there has to be a nervousness when members here talk about separation.

I would like to ask a very simple question of the member. Does he agree that the talk about separation is the most damaging factor in putting confidence back into the economy of this country?

[*Translation*]

Mr. Bélisle: Mr. Speaker, I thank the hon. member for his question. I would like to tell him that in 1984, the Conservative Party of Canada was elected in Ottawa.

(1215)

In 1985, the Liberal Party was elected in Quebec, and I can tell you that there has never been more constitutional stability than during those years from 1984 to 1993. As the then Conservative Prime Minister used to say, the reason Quebecers had supported his party in 1984 was to give a last chance to federalism in Quebec and, in his own words, bring Quebec back into the Canadian Confederation with honour and enthusiasm.

A period that I would describe as a calm spell in terms of constitutional matters followed the election of the Bourassa Liberal government in 1985. Mr. Bourassa and the Conservative Prime Minister got along very well. Those were truly calm times with regard to the Constitution, but the federal debt grew from \$200 to \$500 billion just the same from 1984 to 1993. In fact, the federal debt more than doubled over that period.

I think that those were the calmest times. Then, as you will recall, we had the referendum on the Charlottetown Accord in October 1992, and for Quebecers and Canadians in general, this was a really calm spell. Yet, the federal debt never grew so much as during those years.

I think that the point the hon. member made about the effect talk about Quebec's separation could have on investors and interest rates is really—today, interests and confidence come into play much more at the global or North American level. It has nothing to do with the people of Quebec expressing a preference for the Bloc Québécois or another party or opting for sovereignty in a referendum. I think that, in the medium term, this will have very little influence on the economic situation.

There may be some short-term effects, but in the medium or long term, I do not think that it will do much.

We have had a nine-year or so calm spell, both in Quebec and in Canada. Yet, never has the federal government debt increased so much.

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Mr. Louis Plamondon (Richelieu): Mr. Speaker, I am also pleased to speak on this motion concerning a ways and means bill, which deals with the government's budget intentions as well.

Of course, I will take the same position as the previous speaker and say how disappointed my constituents and I are with the budget.

This morning, I watched the Liberals enter the House and I understand why their heads hang low. I understand their disappointment. They have just spent a week with their constituents in their ridings and I suppose that they had the same reactions as voters in my riding. They probably said, "What kind of budget is that?"

Yesterday, I met a doctor, who said to me, "I was expecting to pay, I was expecting to be taxed, but no, they did absolutely nothing, even though I was prepared to make an effort as long as it covered the deficit".

I also met officials from the labour movement in the Sorel region, including Mr. Lachapelle, who told me: "Why did the government not present a budget? It presented intentions".

The Conservatives were always consulting and you push consultation to an extreme. That is what people in my riding told me.

Some thirty committees will be formed to consult, but throughout the election campaign, they went around with the red book saying, "We have a solution for everything. Elect us and you will see us present a budget with the government's intentions for each department". But no. They tell us: We will consult you, we will go off on consultations again and consult the same people who were consulted before the red book was prepared.

Now they do not have the courage to react. They are falling into the same problem as the Conservatives, presenting the same kind of budget as Mr. Mazankowski or Mr. Wilson, with economic forecasts of 2.5, 3.5 and 4.2. The Conservatives did the same thing. They made overly optimistic budget forecasts and, as the previous speaker said, we will wind up with a budget deficit of \$46 to \$48 billion, just as the Conservatives were doing.

(1220)

Those words are full of promises and consultations, but contain nothing concrete. Worse—and that, hon. minister, is unacceptable—is the fact that a quarter of the \$4 billion in cuts are made on the backs of the unemployed, who are not lazy. When former minister Valcourt attacked the unemployed, he at least announced his intention to go after those who take advantage of the system. At that time, the Liberal members opposite, led by the Deputy Prime Minister, rose to express their indigna-

tion. But what have we here? A regular attack against honest people who have lost their jobs.

It is not true that, when a plant closes, these people choose to go on unemployment. According to the minister, the government's intention is to encourage people to stay in their jobs for longer periods by reducing the number of weeks of benefits. People are told to expect 30 or 20 weeks of benefits instead of 40, maybe 35 if they work for 50 weeks. They reduce the number of weeks while telling people this will encourage them to keep their jobs. These people do not go on unemployment by choice but because of the recession, because of plant closures. It is unemployment, not the social fabric that must be tackled.

Mr. Speaker, we are witnessing not a cut but an increase in expenditures and revenues due to a wider tax base. What a nice new thing to say, "We will increase taxes in other sectors, just like the Tories did". We hope—like the previous speaker said—for Canada's salvation. We are told it will come from external demand, from our exports. But they refuse to change the system. As I was saying earlier, with these hopes, we will end up with a \$46 billion to \$48 billion deficit. One year lost.

But I understood when they talked about the red book, because the Liberals are expert at using words with a double meaning. Remember Trudeau when he fought against Stanfield over price and wage control. He said, "Never!" Six months after coming to office, he implemented Stanfield's very policy. Remember when the Liberals talked about the just society. I remember my father shopping for shoes; when the salesman asked him how they fit, he replied that they were a little tight or "juste" in old French slang. It is like the just society they were talking about. We thought they meant a just society in social terms. But they just meant "tight". That is their vocabulary. Today they talk about the red book. I thought it was named after the party with the red logo. But no, it is because they want to write Canada's economic history in red. However, our financial book should be written in black. Then I would understand.

They tell us they will be good managers, good administrators. I remember that, after going to see my 92-year-old aunt Laura on her deathbed, my father told me, with tears in his eyes, "Son, we need a priest to administer the last rites". They use the word "administer" in the same sense, to administer the last rites. They want to bury—but we are used to their language. They can remove their masks now that we have recognized them.

I can see the disappointment on your faces because you are back from a week of consultations in your constituencies which was extremely disappointing for you. Yet, when you first arrived here in January, you proudly said that votes would now be different. Indeed, you were going to comply with the good intention and resolution of the Prime Minister and vote according to your conscience. The time has come to do so. The vote will take place in the next few days, so now is the time to

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express yourself, to represent your constituents the way you said you would during the first week of the session.

Mr. Speaker, this budget does not respect at all the commitments made during the election campaign. Contrary to what the red book said, there is no incentive for small businesses, there is an increase of the tax burden, there is no job creation initiative, no employment strategy and no help to exports, but there are cuts to regional development. This budget is a disappointment and does not satisfy anyone in my riding nor, for that matter, in the whole of Quebec. This is a budget which takes deadly aim at the unemployed, the elderly, the regions, and, which is even worse, at the have-nots, the low-income workers, and particularly the jobless. At the same time, the minister's friends, who are millionaires like he is with a fortune estimated at \$40 million, will not suffer at all. At the same time too, the Prime Minister attends banquets at \$200, \$300, \$400 or \$500 a head. He says to his friends: "See how good we are to you because you financed our party. We acknowledge that and the budget does not adversely affect you. We go after the unemployed, the have-nots, the elderly, but you the wealthy with family trusts and money hidden in tax shelters, we protect you". The Prime Minister then gets an ovation from his business friends and forgets about Canadians in general.

(1225)

However, all of you ordinary members of Parliament who were elected by Canadians should tell the minister that you have uncovered his ploy.

We thought the minister would give the example and deliver a budget to eliminate waste, but it does not even propose solutions to the unemployment problem. Instead, the government targets the middle class as well as seasonal workers and forgets about family trusts.

What are some of the measures which could have been taken in this budget? Let me give you examples of cuts. Former minister Séguin in Quebec said this: "The decision not to give \$1.2 billion to Gulf is a conflict triggered by the interpretation of the definition of petroleum development revenue and it could have been avoided by simply amending the act". How was the government able to think and decide to eliminate the helicopter contract in Quebec yet not do so in the case of Hibernia? Why was there no in-depth review of the construction of a fixed link between Prince Edward Island and New Brunswick? Why did we not make an in-depth review of tax havens, foreign affiliates which cost us \$25 billion, the reduction of the government capital expenditures, cuts to non-restrictive grants provided to major corporations which total almost \$18 billion, the reduction of the government vehicle fleet, the application of the GST on

listed shares, which are all recommendations made by the Auditor? We could have cut \$5 billion right there.

Because of a flawed resource allowance income tax provision, the government lost \$1.2 billion, as was also mentioned in the report. That is all I will say on this issue. I could give you many other examples where we could have cut, but the lack of a rigid process to analyse government spendings is quite obvious. The federal system is completely out of whack and the government is unable to manage it. Instead, it is launching new programs and increasing the tax burden by more than \$18 billion for the next two years.

[English]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, if I have learned anything in the last 100 days from the party opposite, Her Majesty's Loyal Opposition, it is that we certainly have to ignore much to get on with something. That is something we have learned over the last 100 days from that party.

That member has the nerve to accuse this government and this party of saying one thing and getting on with something else. That member over there is the chameleon of chameleons. He can certainly talk about Progressive Conservative ideas. He sat in this House and got elected as a Conservative, did he not? Then in chameleon-like fashion, for some cause he moved from this side of the House to sit on that side in the back row. Then he went on to fight an election not for Canada and not to represent his province in this great country of ours, no. He got elected in this country to promote what? To separate his province from the rest of Canada. That is what he wants to do. That is the agenda of the member opposite. He has nothing to add to this budget.

To quote the member opposite, he says it is a budget that disappoints everyone, that satisfies no one. Obviously the member does not keep in touch with constituencies outside his own.

(1230)

There was a multitude of comment made following the budget like: "Canadians still show a high support for the federal Liberals even after a budget that tightened restrictions on unemployment insurance and closed military bases across the country". Before February 28 the following comment was made: "Nearly six in ten adult Canadians surveyed by the pollster Angus Reid last Tuesday through Thursday said they preferred the Liberals, a 17 point increase over the party's share of the vote in the October election". Imagine that.

This is the period for questions or comments and those are my comments. Even in Atlantic Canada where the budget cut the deepest, as the member pointed out, Liberals have the support of 65 per cent of decided respondents. That is quite amazing. We just do not know where the member is coming from.

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[Translation]

Mr. Plamondon: Mr. Speaker, after this budget, I would worry about the next opinion polls. If they want to talk about the fact that I was a Conservative, we will talk about it. And I may remind you that the hon. member in the Chair today, who is a member of your party, was a member of the Conservative Party when I was. However, he had the guts to leave. He was just a backbencher, but when the GST came out, with some of its applications, he crossed the floor.

I may remind you that when I was a Conservative, I voted against my government on a number of occasions. I voted against Bill C-22, which went against the interests of Quebec farmers. I walked the picket line with postal workers when my government wanted to pass legislation against the postal workers and letter carriers. I often voted against my government, and when that government intended to go back on the promises I made to my constituents, I had the guts to cross the floor.

Would you? You just went back on your own promises. Would you have the guts to vote no and cross the floor to say: I will no longer sit with this government? Yes, I was a Conservative. Yes, I am proud I left and had the guts to do it. I wonder if you would.

A government that attacks the unemployed the way you are doing, with \$4 billion in cutbacks, including \$1 billion at the expense of the unemployed—not cheaters but *bona fide* unemployed workers, as I said earlier—is hypocritically passing the buck to the provinces. Shortening the unemployment period by several weeks will put people who are no longer eligible for unemployment insurance benefits on welfare and will cost Quebec \$280 million annually. In the rest of Canada, this will cost about \$600 million.

This comes after the government made a formal commitment to conduct full public consultations on social services before making a decision. And yet, the strategy of the ministers of finance seems to be to proceed regardless. In concluding, as I believe my time has expired, I would say that giving this minister of finance responsibility for the finances of Quebec and Canada is worse than letting Dracula run the Red Cross Blood Bank.

[English]

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, I welcome the opportunity to speak today on Bill C-14, an act to provide borrowing authority for the government for the upcoming fiscal year.

The borrowing authority is based on the financial requirements set out in the budget delivered by the Minister of Finance last Tuesday. The critics have been unfair and often contradictory in their assessment of the bill. Criticism is easy. Hard work and tough choices are not.

The budget presented Canadians both with a vision and a balanced approach to deal with our financial problems. This balanced approach of deficit reduction, economic renewal and social reforms contains all elements of the government's top priorities: jobs and growth.

I would like to discuss deficit reduction. During prebudget consultations Canadians told the government that the deficit should be reduced by cuts to spending, not by increasing or introducing new taxes. There are no new taxes in the budget. Clearly the budget signals the end to tax and spend government.

(1235)

Over the next three years more than \$3 billion will be cut in government operational spendings over and above the cuts of the 1993 budget. The salary freeze for public servants will be extended for two years and applies to all politicians. Budgets for ministers' offices have been reduced by \$13 million annually. There will also be a review of every government appointed agency, board and commission.

There have been cuts to all areas but defence has received some of the most intense scrutiny and criticism. There are those who have tried to turn these closures into a regional or a language issue or use them to support their own agenda. This is truly unfortunate. We all have to share the pain. In my riding the closing of the Angus depot will have implications for future rail service to the area and for the local economy. Everyone is calling for spending cuts as long as they do not affect them. We must all share in the difficult decisions.

The budget has employed other measures to reduce the deficit. Subsidies to businesses have been cut in excess of \$225 million as set out in the red book. Also numerous tax loopholes have been closed which will target incentives better and bring greater fairness to the tax system.

As part of the government's balanced approach focus has been given to economic renewal. The Canada infrastructure works program has received considerable attention. In my riding of Wellington—Grey—Dufferin—Simcoe there are over 30 municipalities including county governments. Critics of the infrastructure program say that the municipal governments cannot afford the program. I find it strange, with all the municipalities in my riding, that none have indicated a plan to take less than full advantage of the opportunity provided to them.

Why should they not? Thirty-three cent dollars are better than any other arrangement they have been able to work out with a senior level government. The infrastructure program is one of the first concrete examples we have seen in many years of a recognition of federal government responsibility to lower tier governments. In many municipalities economic recovery cannot begin without upgrades to the infrastructure. In my riding, for instance, the town of Mount Forest where I live cannot issue any further building permits; no new houses or industries can be constructed without upgrades to the municipality's sanitary

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sewer system. The spinoff effects of this program are twofold: first, the construction jobs created by the building of the improved sewer facility and, second, the jobs that will be generated by the subsequent growth that can now take place.

A number of other initiatives will lead the economic growth: a rollback of the unemployment insurance premium rate to the 1993 level for 1995 and 1996, saving businesses \$300 million a year that can be reinvested in new jobs; a Canadian technology network to help small businesses gain access to new technologies; making the homeowner's plan permanent; and allowing first time home buyers to use RRSPs to buy homes.

One of the most important initiatives is the improvements being made for access to capital, specifically a Canadian investment fund to provide venture capital for innovative companies, and specific plans to work with banks to establish a code of conduct for small business lending, allowing entrepreneurs a recourse for unfair rejections of their applications.

I wish to turn to the third component of the budget, reforming Canada's social programs. Many of Canada's social programs such as unemployment insurance and welfare were created decades ago and no longer meet today's needs. The primary objective is to ensure the programs are reoriented toward helping Canadians enter the workforce and away from dependency. We have already seen some experiments aimed at revitalizing our social programs taking place in the provinces.

(1240)

The government will provide \$800 million to test innovative reform proposals to help give unemployed Canadians the practical skills they need for real long term jobs. The method the government plans to use to revitalize these programs will be the same as for prebudget consultations: open. The government is making the review process a co-operative one, ensuring input from all provinces and from all stakeholders.

The three components of deficit reduction, economic growth and social reform are the components of the balanced approach taken by the government. The steps introduced are the foundation upon which we can build to ensure jobs and growth in the Canadian economy.

I am under no illusion that despite the initiatives taken by the government we are still faced with certain realities. The bill before the House is indicative of the problems we are facing. The bill contains the basic principles of a borrowing bill: authority to cover financial requirements for the 1994-95 fiscal year and a contingency reserve. In total the government is requesting the authority to borrow a sum of \$34.3 billion. This figure is part of the government's realistic approach to deficit reduction. The deficit will be reduced from the current \$45.7

billion to \$39.7 billion in the 1994-95 year and \$32.7 billion the year after that.

The measures in the budget set us on a clear path to achieve our interim deficit target of 3 per cent of the GDP within three years. The budget delivers on many of the promises set out in the red book. It has laid the foundation to deliver on more. I ask members of the House to support the bill.

Mr. John Cannis (Scarborough Centre): Mr. Speaker, I congratulate you on your appointment as Deputy Speaker of the House. The understanding and welcome I have received from you and your staff has made my introduction to the House a pleasant transition, and for this I am truly grateful.

It is with honour and a great deal of humility that I make my maiden speech on such an important issue as the budget, an economic plan for Canada laid before us by the Minister of Finance, a plan that is the culmination of extensive consultations and input from all sectors. That is the main reason I stand to express my support for the budget.

I thank the residents of Scarborough Centre for entrusting me with their vote. I pledge to do my best to represent them and be their voice in Ottawa. They can be assured that the overwhelming mandate of October 25 will not be taken for granted.

One does not arrive here simply by being a candidate. It requires a tremendous amount of hard work and commitment. Please let me use this opportunity to acknowledge and thank all the volunteers who believed in me and worked tirelessly on my behalf during the campaign. They believed in our agenda. They believed in our party. They believed in our program as outlined in the now famous red book "Creating Opportunity". They believed that with its implementation our country would be put back on the road to recovery.

I also acknowledge my predecessor, Pauline Browes, who served Scarborough Centre well during the 33rd and 34th Parliaments.

(1245)

The United Nations has designated 1994 as the Year of the Family and it is with great pride that I acknowledge my family and thank my wife Mary, my daughter Irene, my sons Paul and Daniel and the rest of my family for the encouragement and the tremendous support they have given me and continue to give.

I would like to pay special tribute to my parents who instilled in me family values, the values of citizenship and hard work and who always urged me to strive for my dreams. My father arrived on these friendly shores as a young man with an innocence and a desire to work hard and diligently to make a good life for his family. I will always remember the story of what he asked for

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when looking for work, not how much the job paid but if there was work.

Like many other ridings, Scarborough Centre encompasses people from many different backgrounds and is reflective of the reality of Canada, a reality that has brought people from all around the world and retained the best of their culture and heritage. Added to the Canadian experience, it strengthens and enriches us as a nation and makes us all proud to say that we are Canadian.

The city of Scarborough derived its name from the diary of the wife of Lieutenant-Governor John Graves Simcoe. It was settled by Europeans in the late 1700s. In fact, one of the first homesteads in Scarborough is located in Scarborough Centre and a local collegiate is named for those first settlers, David and Mary Thomson.

Prior to that, the First Nations often settled in Scarborough and there are recorded village settlements dating back to the year 1000 AD. On the edge of my riding is a native burial site uncovered in August 1956 during the building of a housing subdivision. That site has been dated to 1250 AD. The motto of Scarborough is: "The city of the future", and that is what this debate is all about, the future.

This bill has been a source of considerable discussion in Scarborough Centre. My constituents have great hopes for this government and believe that we are the best vehicle if Canada is ever to rediscover that which has made this country great.

A government budget is not just a report on the financial status of a country. It defines the path to achieve change.

The riding of Scarborough Centre has been hard hit during the recession. There are empty store fronts and unoccupied plazas throughout my riding. The people of Scarborough Centre have suffered and are suffering and this budget gives them what we all so desperately need. It shows them the path toward renewal.

To assist job creation the government is prepared to roll back unemployment insurance premiums. Payroll deductions have long been the most punitive burden that small businesses could experience. It removes incentive for job creation and economic growth. The proposed rollback will save businesses \$300 million.

I campaigned on family values, on reducing crime and on deficit reduction, but the emphasis was on job creation as a result of economic stimulation. I am very happy because there seems to be a climate of co-operation and understanding in the House, a feeling of wanting to do things right.

We put forward a recovery plan to the people of Canada which they overwhelmingly endorsed. The people know that we intend to keep our promises and commitments to them, but they also know that it will not happen overnight. "Stick to the plan", they

have said to me, "show us leadership". I say, through you, Mr. Speaker, to the residents of Scarborough and to the rest of Canada that we have shown leadership and we have kept our promises. We shall make decisions for the benefit of all Canadians.

We cancelled the helicopter deal. We cancelled the Pearson airport deal. We launched the national infrastructure program. We reduced the size of cabinet and cut PMO and ministerial staff. We began the process to replace the most regressive tax this country has ever seen. The GST has hampered economic growth, job creation and is far too complex for small businesses to endure. These are but a few examples.

The government will not put off for tomorrow what it can do today. We have charted a course to prepare our youth, the future of our country. We have charted a course to rebuild and modernize this nation so that we can be competitive and ready for the 21st century. Let us not be shortsighted. Japan, Germany, the U.S. and Ireland are all preparing and investing heavily in infrastructure programs and development.

Let us not repeat the shortsightedness the North American auto industry showed in the past. I have spent the past 20 years of my professional life in the employment industry and I have seen firsthand the devastation of our labour force. I have seen companies turn a cold shoulder to loyal and dedicated employees for the sake of a better bottom line. This cannot continue.

(1250)

The government has a responsibility toward the improvement of the country and its people. Our country needs us now more than ever before. We need to tell the world that we are one united country. We are dealing with a global economy that changes every day, where trade occurs at the press of a button, where stability swings to instability at the utterance of a single phrase. During these turbulent times we must put Canada's interests first. We must show commitment and co-operation.

I stated earlier that the world is watching us very closely and that we must not allow other countries to determine our national agenda. There is a tradition in our family that family differences are resolved and stay within the family.

In conclusion, allow me to emphasize that the task at hand is to rebuild our country. We must make it once again a beacon of hope to its people and to the world. No one should undermine its stability. If anything we must show the world that we are and intend to be one united country.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin by congratulating my colleague from Scarborough Centre on his maiden address to the Parliament of Canada. I know that the words he delivered to Canadians today are not only words with this

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member but they mirror the action that he has taken not only during the last four months as a member but also in his previous role in the community.

I have a very specific question I would like to put to the member for Scarborough Centre and it has to do with an issue on which he campaigned vigorously during the last election. It concerns access to capital for small business.

I would like the member to elaborate to the House and to the rest of Canada about some of the discussions I know he has had with me and others in our party about that particular frustration and what he recommends we can do to help rectify the problem.

Mr. Cannis: Mr. Speaker, I thank the hon. member for the excellent question.

As a small businessman I must say that one of the stumbling blocks any small or medium sized business has today and has had for quite some time is access to capital, access to the right doors.

In our discussions over the past several months, in meeting with the various representatives from the financial institutions, the government is not just talk and no action. We have brought these people down. We have specifically expressed the concerns we have heard from the extensive consultations that have taken place in our ridings.

I spoke with Mr. George Gigis not too long ago. He sent me a letter indicating how he wants to expand but he needs the help of a financial institution. The government has taken a proactive approach to not just asking these institutions to co-operate. We have said to these institutions, no more talking. We want results. They are opening up the process. Male and female, they will have equal opportunities to access to capital so they can invest in modernizing and retooling and hiring staff. In this way they can expand their business, increase trade as trade pacts throughout the world are expanding and we can have our fair share.

I am confident that these institutions are now starting to turn around. We have seen the signs. They have said directly and indirectly they are prepared to co-operate. They are prepared to lower their demands on loans and so far I am quite pleased that we are on track to help the small and medium sized businesses and with the payroll deductions as well to help them expand.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I too extend my congratulations to the hon. member on his maiden speech. It is a very special moment in your political life when you stand before your colleagues and express yourself in that way. I do acknowledge that and I congratulate the hon. member.

(1255)

I would like to give a slight preamble to my question. The member presented a fairly brisk overview of the initiatives in the budget. My assessment shows 18 new programs and 15 program reviews will be undertaken by the Liberal government. This is going to lead to pressure to increase spending.

It is incredulous to me that a realistic approach to deficit reduction is to borrow more money. I do not understand that kind of financial management. That is not how I manage at home.

I acknowledge all the consultation but consultation is not analysis. Therefore my question to the member is this. What analysis, if any, of the impact of the budget on sustainable job creation has been undertaken by the government?

Mr. Cannis: Mr. Speaker, I am puzzled. They indicated we have not cut enough. Last week one member from the Reform Party bombarded this side stating that we did not do enough. The critic for defence got up and congratulated the government on how it cut so deeply but that it did too much. I am really confused.

I have a simple philosophy: we must invest a dollar to make a dollar. The government has not increased taxes and this is the good news I bring to Scarborough Centre. We have taken from other sources to invest in our economy. We know there have been no tax increases. It is spelled out in the budget. We have taken resources from other areas to invest in programs.

For example, the infrastructure program is one that all the municipalities have embraced warmly. We know that the jobs are coming but it just does not happen in 100 days. This program is a two-tier program as well. Therefore a phase of it will unfold as each day goes by.

The Deputy Speaker: Time has expired. Perhaps the member would indicate, when he starts, if he is going to share his time with the member for North Vancouver.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, yes it is the intention of the Reform Party to share time during this debate.

Given the financial situation facing our country today, it is not appropriate for anyone in the House to use the debt crisis for partisan political purposes. We should really be taking a much more bipartisan view of this whole thing and saying that if we were being attacked by a third party, what we would we do as a nation. How would we respond if, rather than the incredible debt we have facing us, it was a third country. What would we do? Would we run off into our separate little factions and think that we each have the best idea? Or would we come together and say that we have a genuine problem here, folks? How would we go

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about solving it? That is the approach Parliament has to take. That is the vision many Canadians have of the 35th Parliament.

If we are going to cut into corners of partisan bickering over questions which impact the country, whether we are members of a federalist group or members who have the intention of taking Quebec out of Canada, we have a common problem. If we approach this problem from the perspective of not in my backyard, the nimby process, we will never achieve it.

If I see a disappointment in this Parliament, it is that the representatives of the Bloc never seem to look at Canada as a whole. Whether it likes it or not, it is part of Canada. The Bloc and Quebec are part of Canada today. If that changes in the future, which I hope it does not, we will deal with it in the future.

However today we have a common problem, the incredible debt we have facing us as a nation. We cannot look at every line and say we were not treated fairly and moan and bitch and cry about it. We have to look at the nation's problems as a whole.

The government did two things right in the budget presented the other day. The first is the defence cuts. This was a difficult project for the Liberals as many of the cuts were in Liberal country. They are cuts which should have been made long ago and are now finally being done. All parts of the country suffered from the defence cuts, including Quebec but to a lesser degree than other parts.

(1300)

Another good move in the budget was the planned cuts to UI payroll taxes. It might have been a far better move not to put the tax on payrolls in the first place. In any event, the government has seen the folly of increasing payroll taxes which is really a tax on jobs and does nothing to create employment.

There is no doubt our country is at risk because of our chronic overspending. I am sure everyone in this House agrees our generation is living beyond its means. It has been doing so for the last 20 years and is doing so at the expense of future generations. What can we do about it? We can deal with the problem as it is and not as we would wish it to be. We have to be honest about it.

In this budget the Minister of Finance talked about removing \$5 of spending for every \$1 of increased revenue. When you front end load spending so that it is not recurring spending and then say it is being taken out of the budget thus reducing spending, that really is a smoke and mirrors trick. All that does is feed the already existing cynicism in Canada toward all government institutions. We have to be honest about things and deal with them as they are. Unfortunately, the quicksand of wishful thinking is the reason we find ourselves in this mess in the first place.

As I mentioned earlier we have endured about 20 years of chronic overspending by governments of all stripes in this House and in every House across the nation. This House, this government and this budget are no different from us personally, from most businesses and most other governments when revenue is chronically overestimated and expenditures are chronically underestimated. That is the Achilles' heel of this budget and the one parliamentarians should be most concerned about.

This budget calls for an increase in revenues of approximately 15 per cent over the next two years. This comes after a decline in revenues of 5.6 per cent this year over last. At the same time the budget calls for an increase in expenditures of about .3 per cent. It is going to be particularly difficult to restrain the growth in spending, particularly if there is any negative change in the cost of money. If interest rates go up there is nothing the government can do about it and it will cost a fortune and will blow everything out of the water.

I fear that we have déjà vu all over again. Sooner or later we are going to have to deal with the problem of chronic overspending. We are going to have to deal with the problems as they are and not as we would wish them to be.

To be fair, this government has done a much better job than the previous government did in being realistic. However the government should carefully consider suggestions coming from this side of the House and the government side to actually start reducing and cutting programs.

Put sunset clauses into programs. Rather than talking about reducing the increase in the amount of planned spending and calling that a reduction in spending, actually look at last year's bottom line and say that less will be spent next year. Maybe we should consider some sort of zero based budgeting so that all departments have to justify what they are doing every year, just like a business would have to do it.

We must live within our means. Canadians must make the distinction between their wants and needs. We can afford our needs but we cannot afford everything we want.

(1305)

As an example the International Centre for Human Rights, commonly known as the Broadbent centre, has sucked up millions of dollars since its inception around five years ago. What value has that centre given or brought to Canadians that could not have been done by another already existing department, other than providing Mr. Broadbent with something to do?

At the same time we have frozen the salaries of civil servants regardless of their income. Not all civil servants live like kings. Gilles Éthier is the maintenance worker who looks after my office in the West Block. I asked him what he thought of this

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salary freeze. I asked him if I could raise this and talk about it in the House today.

Here is a real live person whom we see every day around this House. He makes about \$24,000 a year. Ladies and gentlemen in Edmonton, with the expense of living in Ottawa \$24,000 a year is not a whole lot of money. His salary has been frozen for two years and will now be frozen for another two years. How is it that we have \$22 million or thereabouts to spend on the Ed Broadbent centre and at the same time we freeze the income of people at the bottom end of the income scale?

If Mr. Broadbent were standing right here in my shoes today speaking to this issue he would probably ask the same question. In all those years as the leader of the New Democratic Party did he not champion the little guy? How is it now that the little guy finds himself paying the salary of the big guy? No wonder so many Canadians are wondering who is in charge and what end is up. We need to do a line by line review of the actual spending in all departments and ask: Is or is this not necessary? If it is not necessary we must cut it.

How is it that Canadians in a lower income bracket whether through unemployment insurance premiums or whatever end up subsidizing people who earn dramatically more? I am talking about seasonal workers who might make \$50,000 in a season but get unemployment insurance for four or five months of the year, while someone working for \$18,000 or \$23,000 annually pays unemployment insurance all year long and ends up subsidizing the person making twice as much. These are the things our Parliament has to look into so that we end up having equity and fairness. Then people will not feel as if they are being ripped off by the system.

It is time our government set goals and priorities for what we can afford and what we want. There must be more in it for people as individuals to contribute to society rather than to take from it. We should use this as a bottom line as the foundation of everything we do when we talk about income support and that sort of thing. We must become a people who think in terms of our responsibility to our country rather than our entitlements from the country.

Finally for the sake of our children, let us be the Parliament that finally takes responsibility for our spending and finally gets the country on the right track. If this government fails in its responsibility to Canadians to be stewards of the nation, then it will surely reap the same bitter harvest that befell the previous government which also had a mandate to deal with the problem, but neither had the vision nor the guts to do the job.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I share the hon. member's view that all of us in this House of Commons have a collective responsibility to address the nation's debt. I do not think we could find a member of Parliament who would disagree with that objective.

I would like to illustrate for the hon. member where we disagree on how to reduce that debt. The Reform Party has said day after day in this House of Commons that we have not made enough cuts in the current fiscal framework of this nation. There may be some areas where we could have made some more cuts but I would like to illustrate an example of where I think we have cut too much.

(1310)

It is in the tourism sector. Tourism is this country's largest employer. It is a \$28 billion industry. The national and international marketing budget for Tourism Canada is only \$15 million. I personally think if we invested a couple of hundred million dollars and encouraged people to come here that would be a way of creating jobs.

Mr. McClelland: Mr. Speaker, I am sure that as a nation we spend a whole lot more than \$15 million for tourism. Perhaps we should be looking at how we go about spending the collective money. All the provinces have separate tourism budgets. The federal government has a separate tourism budget. Air Canada and Canadian have separate budgets to try to get people to use their airlines to come to Canada.

The hon. member may have a point. If we get a better return on our investment by getting people to come to Canada, then that is certainly where we should be spending our money and perhaps we should not be spending our money supporting a business that would not be in business if the government was not supporting it financially. It is a matter of setting priorities, of where we can get the best bang for our buck and then sticking to it.

Perhaps we should be spending more money encouraging people to vacation in Canada going from one end of the country to the other so we can keep some of that money in Canada. Perhaps if our hon. friends from the Bloc spent more time in the rest of Canada and we spent more time in Quebec we would not have this problem in communicating with one another.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I have a comment and a question for the hon. member concerning an observation he made at the start of his speech.

He stated that the deficit and the debt crisis must transcend partisan political purposes and I agree with him. He subsequently said that we must not fall victim to the "not-in-my-backyard" syndrome and that we must avoid saying that we do not want to be singled out for these types of cuts.

I have an example for him. Consider a family with four children that is having financial problems and has decided to get a handle on its finances. Suppose that each child is involved in several recreational activities, but that one child participates in fewer activities than his siblings. Obviously, if his or her activities were cut to the same extent as those of the other children, he or she would react. The principle that I am trying to

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illustrate is that of fairness or equity. In addressing the deficit and debt problems, the government must ensure that fairness and justice for all prevail. That is why from time to time, one must react to certain cuts.

I am referring to cuts in the military field. This explains a little why people often react somewhat more forcefully. Does the hon. member not feel that the notion of equity and justice must be central to the issue of getting a handle on the deficit, regardless of whether the objective is to raise revenues or cut expenditures.

[English]

Mr. McClelland: Yes, Mr. Speaker, obviously equity has to be the foundation upon which all these cuts are made. Not only should equity be the foundation but it should be leadership by example and leadership from this House. The reason I have volunteered to take a 10 per cent reduction in salary is to show leadership by example.

The hon. member talks about children in the home and all children realizing the same impact of the cuts. We should first of all take into consideration that perhaps some of the children have gone their own way and are in a better position or are more financially able and capable of taking cuts than the others.

When we look at equity we have to look at the bottom line. Individuals and provinces in Canada that have the resources and the wherewithal to pay it are going to have to pay it. That is the bottom line.

(1315)

Let me use the French military college in St. Jean as an example. There has been much said in Quebec about the closing of this college and it being a slap in the face to Quebec. The military college in Victoria closed as well. We cannot afford, on a reduced military as suggested by the Bloc, everything we want. I think this an area in which we are going to have to do with less. We must accept this.

Mr. Ted White (North Vancouver): Mr. Speaker, in speaking to Bill C-14, the borrowing authority act, it is important to look back and review the budget that was presented to this House on February 22 by the hon. Minister of Finance.

On February 23 a Vancouver television station, UTV, conducted a poll of 3,000 people in the Vancouver area asking whether the budget was too tough, not tough enough or just right. The results of that poll indicated that 65 per cent of the people felt the budget was not tough enough, while only 17 per cent felt it was too tough.

Clearly the people wanted the government to act. They wanted the government to act decisively and make meaningful and substantial cuts.

During the budget presentation, the hon. minister stated that it was the fifth time he had risen in this House to speak on a budget and it was the first time there had been anyone in the House when he spoke.

A constituent of North Vancouver called me to say that based on what he heard on the fifth occasion he was not surprised that there was nobody here on the other four. He said the minister was fortunate to have a captive audience to clap like trained seals for a budget that was badly flawed. I agree with the caller. There are terrible flaws in the budget that will have to be recognized by the members of the government as time proceeds.

The plain fact is that today we are debating a bill that plans to borrow up to \$37 billion only because the Minister of Finance failed to do his job properly on February 22.

Before the government members become too depressed, I feel I should in all fairness do as my colleague did and mention that there were some good proposals in the budget. I agree with my colleague that the decision to freeze government salaries has some major inequities and it is a shame that there were not provisions put in there to deal with those.

However, the overall impact is beneficial to small business because an extensive survey taken recently by the Canadian Federation of Independent Business showed that on average most salaries in the government sector are still above those for similar positions in the private sector. By having this freeze for the next two years it will take pressure off of the small business sector to have to increase its own salaries.

Many workers in the private sector have taken wage rollbacks over the past few years as their businesses struggle with the tax burden and increasing costs. I think it is entirely appropriate that the government sector be seen to take some of the load while the economy recovers.

Moving to another item that came up in the budget, in my speech to this House on January 24 I commented on the government's red book proposal to establish a Canada investment fund. I suggested that permitting RRSP investment into some sort of mutual fund that invested in venture capital would be a good way to create finance for small business without involving taxpayers' money.

However, I also suggested that if the government went ahead with the fund anyway, which it has now done, it should at least put private sector management in place to look after that fund rather than make patronage appointments.

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Who knows whether others were also urging the same thing of the member, but maybe the Minister of Finance was watching my speech that day. If he was and the suggestion of a private sector management fund appealed to him I congratulate him for including it in his budget.

I hope that the privately managed venture capital fund will be required to return a profit to the public purse while it helps new and innovative businesses get established.

In terms of the ongoing viability of small business, I was also pleased to note that the capital gains exemption for the sale of small business shares was retained. I would like to quote from a recent issue of the *Times* of London in which former Chancellor of the Exchequer, Norman Lament, writes: "To grow, businesses and individuals need to plough back their profits, but capital gains tax and other business taxes work against this. They encourage proprietors to drain their businesses of cash. This has weakened small businesses and has made it difficult for many of them to survive the recession".

(1320)

Small business owners who provide most of the jobs in this country were encouraged to see that their investments in their businesses were protected.

Unfortunately just as the government members are starting to feel all warm and fuzzy about this budget I have to go back to talking about the appalling bill that is before us which asks for authorization for up to \$37 billion more to be spent.

Did any member of this government ask their children and grandchildren whether they wanted us to borrow another \$37 billion? How will the government members explain to their children and grandchildren that they sat here on a Monday in February 1994 and supported a mortgage on the future of the next generation? How will they explain the higher taxes and the reduction in government services or even a possibility of a debt crisis in the future as a result of this borrowing?

Some of the government members are pretty decent people. I even like a few of them, despite their permanent mind block against deficit reduction. Surely they cannot in good conscience support this bill knowing that it condemns their children and their grandchildren to a lifetime of debt and interest payments.

I am going to refer to a letter in the *Financial Post* of February 16, 1994. The writer says: "A *Post* article of February 1 quotes Jean Chrétien as stating Canada's deficit is not out of line with international deficit levels and that his government will take a gradual approach to cutting it. What on earth does it take to make these people realize we have no God given right to live beyond our means on other people's money? Every businessman or businesswoman in this country knows very well that we would have been bankrupt years ago if we all handled our personal affairs as the previous Liberal and Tory governments

have done for over 25 years. Millions of Canadians are fed up to the eyeballs with politicians blaming past politicians who blamed politicians before them".

It is very disappointing to note that while they sit here blaming the politicians before them, government members opposite will vote in favour of a budget which does nothing to right the wrongs of the past.

They will vote in the hope that personal income tax which plunged by \$6 billion last year will miraculously bound by \$7 billion this year.

As I sat listening to the budget presentation I had a feeling of great sadness for I have already seen another country follow this same pathway. I have seen the denial and I have seen the failure to act and I have seen what happens when the bills finally have to be paid.

On the afternoon of February 22 I felt a little bit of anger and I felt a little bit of despair but the overwhelming feeling was sadness.

I know that many of the government members do not feel the same sense of urgency about the deficit that I feel and if I could just have one wish it would be somehow to transfer my experiences from New Zealand so that collectively we could start down a pathway to recovery instead of continuing down the slippery slope of disaster.

It would be a miracle if government members would vote down this borrowing bill but I truly wish they would.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened carefully to my hon. friend and I listened to my hon. friend's colleague, the previous speaker.

I would normally go to some length to defend the institution that Broadbent heads up at a time of globalization and the need to have guidance for many countries now seeking the democratic tradition, particularly the former Soviet Union. If Canada could play a leading role in bringing democracy to those jurisdictions I think it would certainly not only be in their best interests and our best interests but indeed the world's.

I think it would be very much a role for Canada to play.

Earlier one of the member's colleagues indicated a concern in terms of the freeze on public employees' salaries and wages and the suggestion that people making in the mid-\$20,000, \$24,000, actually had a wage increase while others had them frozen.

(1325)

I am simply seeking clarification in terms of the position of the Reform Party. Are its members suggesting that certain public employees, I guess maybe 200,000 or something of that nature, ought to have received a salary and wage increase and others either a freeze or perhaps even a decrease?

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Mr. White (North Vancouver): Mr. Speaker, the Reform Party is always interested in addressing inequities or problems. I think what we wanted to point out here is that in any situation where you freeze a situation you also freeze inequities or unfairness. If you extend that freeze further without addressing the problems that your freeze created I think that is something we should all oppose.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, it was with interest that I listened to the hon. member speak about the blaming of previous governments for our woes. I simply wish to remind the hon. member that is exactly the position we have not taken.

We have taken the position that we will not blame anyone because we came in and we simply have a problem to deal with.

My question for the hon. member is with respect to the cuts that are being suggested. It is very vague as to what cuts should take place. Can the hon. member perhaps enlighten us as to the specific areas where cuts will be made? In particular, is one of these areas transfer payments to provinces?

Mr. White (North Vancouver): Mr. Speaker, I am pleased to see that the hon. member has agreed that the government should take the blame for whatever happens as a result of this budget.

By 1995 our debt is going to be 75 per cent of our gross national product. That is a little like billing \$22,500 to a credit card when one only earns \$30,000 a year. Sooner or later one is in deep trouble.

The Reform Party has a very comprehensive plan, an alternative budget. The Chair will not give me the two hours I would like to be able to give my own budget speech, but I invite the member to come across to our side and see all the details on the way we would cut.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I want to begin my first formal speech of this 35th Parliament with a message to the constituents of my home town of Hamilton who put their trust in me to represent their views and concerns here in the highest court of the land. I thank them. I consider it a privilege and an honour to serve.

To you, Mr. Speaker, I extend my congratulations and to the man we call Gibby. People in the Golden Horseshoe are very proud of him because we know him to be a man of patience and kindness. I pledge my full co-operation and support.

On the bill that is before us, Bill C-14, the task of keeping Canada's fiscal house in order should have nothing to do with merely preparing oneself for re-election. On the contrary, the fiscal responsibilities facing our government today require us to have the courage to make prudent decisions that are in the long term social and economic interest of our nation. In doing so, as

stated by the right hon. Prime Minister, government should be lean but not mean.

After conducting the most exhaustive and open pre-budget consultation in Canadian history the federal government has managed to substantiate its commitment to job creation and economic renewal while reversing the trend of tax and spend economics that has gripped Canada's economy.

During the past nine years of careless government spending under the previous administration Canadians have watched the public debt balloon from \$168 billion in 1984 to over \$460 billion in 1993. This represents an increase of almost \$300 billion or an average of about \$30 billion per year.

To give everyone an idea of how enormous that figure is, picture the public debt as a hole in the ground. A \$1 coin is a mere two millimetres thick. Two millimetres is rather thin in comparison with the thickness of the earth, for example, which is 6,411 kilometres from the surface to the centre.

However, if the previous finance minister were to dig a mere two millimetres into the ground every time the deficit increased by \$1 he would have reached the centre of the earth after his first month in office. If the former finance minister continued digging at that rate until 1993, he would have tunneled right through the centre of the earth, would have penetrated the opposite surface and would have continued flailing hopelessly in outer space for another 587,178 kilometres. Of course the space odyssey would have been cut short by the October 25 general election.

(1330)

The government has an obligation to ensure that both the public debt and deficit are kept under control. We can no longer continue to mortgage the nation's future and the future of our children.

By restructuring and streamlining various government operations we will be able to reverse the growth trend of Canada's spiralling deficit and reduce it from \$45 billion in 1994 to \$32.7 billion in 1996.

In the process of reducing the debt the Minister of Finance has taken some serious measures by cutting government expenditures by \$5 for every \$1 of net revenue increases. That is worth repeating. Through reductions in defence spending, reductions in government handouts and the creation of a responsible social security system, we will achieve our goal of \$2.1 billion in spending cuts by 1995, \$5.4 billion in 1996 and \$7.3 billion in 1997.

Although these are bold measures they appear to be supported by the majority of Canadians. I raised this issue in the House a little earlier. The following appeared in the *Ottawa Citizen* of February 18, 1994:

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Canadians show a high support for the federal Liberals even after a budget that tightened restrictions on unemployment insurance and closed military bases across this country.

The *Gazette* of February 26, 1994 indicated: "The Angus Reid-Southam News survey says that 55 per cent of respondents nationally believe the Liberals are on the right track with the February 22 budget".

How about the Canadian Medical Association news release or communique? It indicated: "Budget provides health care stability, says doctors. Canada's doctors are pleased with Finance Minister Paul Martin's decision not to make any changes to existing federal government health transfers to the provinces". It is so much good news I am not sure members opposite can stand it.

As part of our commitment to deficit reduction we have gone so far as to freeze our own wages for the next two years. The extended public sector service salary freeze announced by the Minister of Finance on February 22 also applies to the Prime Minister, all cabinet ministers, every senator, my 294 fellow MPs in the House, as well as all appointed federal officials and employees of various crown corporations. Clearly the government is putting its money where its mouth is. As a result we will save over \$3.1 billion during the next three years in government operations alone.

What about investing in people and stimulating the Canadian economy? I am proud to say that the budget presented by the Minister of Finance has stayed true to the so-called red book platform on which we were elected.

Under the \$6 billion Canada infrastructure works program the federal government, in co-operation with the provincial and municipal governments, will be able to accelerate economic recovery by creating short and long term employment through investment in local communities while enhancing Canada's infrastructure at the local level. Speaking of which, the following appeared in the *Gazette* of February 23, 1994: "Provincial Finance Minister André Bourbeau is giving the federal budget a passing grade because of Ottawa's job creation plan".

Through the infrastructure works program my riding of Hamilton West and the surrounding region of Hamilton—Wentworth will see an investment of over \$27 million in federal funding. This will translate into hundreds of new jobs created in the region.

The government is committed not only to job creation but also to education and the training of Canada's youth. Last summer youth unemployment reached a startling 22 per cent for young Canadians between the ages of 15 and 24. Through the Canada youth service corps and youth internship and apprenticeship programs, we will provide thousands of young people across this great country with meaningful work experience through public service in their local communities. Furthermore the budget will provide \$800 million over the next two years to test innovative new training techniques in co-operation with the

provinces for re-entry workers. This can only strengthen our human resource base in the long run by providing Canadians with valuable skills and retraining. When we said we would invest in jobs and in people we meant it.

(1335)

It is a well established fact that a key component of a strong national economy is a well educated workforce. In light of this the federal government will be restoring \$5 million in funding cut from the national literacy program by the previous administration. We will also maintain regular levels of EPF funding for post-secondary education over the next two years.

As we approach the 21st century it is becoming increasingly apparent that Canada must remain on the cutting edge of science and technology in order to stay competitive in the global economy and to tap into the emerging high-tech growth industries. To this end the government will be investing \$60 million in new science and technology programs.

The government has also decided to maintain funding for Canada's research granting councils. The *Ottawa Citizen* of February 25 indicated:

"They (the Liberals) appear to understand the importance of science", said Howard Dickson of the Coalition for Biomedical and Health Research— "Overall it is good news", said Claude Lajeunesse, president of the Association of Universities and Colleges of Canada. "Research has been identified as one area—and there aren't many of them—where the government will put additional money in over the next few years", Lajeunesse said.

In keeping with a fair and balanced approach to fiscal policy the government has shown support not only for science and technology but for the arts as well. The *Globe and Mail* of February 23, 1994 pointed out:

"The government has affirmed the importance of the arts", said Keith Kelly speaking from the Ottawa office of the Canadian Conference of the Arts. "It appears the art community's message has found receptive ears. It is almost too good to be believed. Ottawa seems to have kept its promise to give the CBC stable multi-year financing".

In terms of stimulating the economy one area that is often overlooked is small business. The government believes in small business and recognizes the important role played by small businesses in the national economy in terms of job creation and innovation.

By initiating the creation of a task force to address lending policy for small business the government has proven its willingness to exercise leadership and challenge the banks and other financial institutions to develop concrete ways to help small and medium sized Canadian businesses to find the capital they need.

My time is short. I want to conclude by saying that people across the country told us not to place a new tax on group health and benefit plans and presented us with compelling and well researched reasons to support their arguments. We listened. Canadians advised us that lowering the RRSP contribution would harm those who have insufficient levels of funding for their retirement. We listened. We were told to close off tax

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loopholes and try to eliminate frivolous government handouts. We listened.

The people who elected us did so on faith, that we would stay true to the platform, to the agenda we outlined in the so-called red book. It seems only fair that we should be reflective of our commitment to those principles and ultimately to the people of this great country.

In closing I simply point out this is not a budget for a single province, a single region or a single interest group; this is a budget for Canada.

[Translation]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I listened to the hon. member's speech with attention and interest. At the beginning of his speech, he made the following statement:

[English]

"The government has been putting its money where its mouth is". With all due respect the government does not have any money. It is in the red. It has only debt.

Am I to understand that the government has been putting the people's money in its mouth? That is a great concern to me.

(1340)

Furthermore I listened carefully to the hon. member when he said that Mr. Bourbeau gave us a passing grade. I was a teacher and a passing grade is nothing they should be proud of. They should be doing a lot better. That was what I expected from the Liberal government.

[Translation]

For years, I have heard budget forecasts claiming that the deficit would be reduced year by year. I remember a Conservative government about ten years ago saying similar things to what we have been hearing for several days. I remember a Conservative government then telling us year after year that the deficit would be reduced within five years. We will be able to judge a year from now if this budget was on target. In a year, we will know if the deficit was indeed kept below \$40 billion. I am far from convinced by the rhetoric of our colleagues opposite that we will get there, that they will succeed.

In conclusion, they talked about job creation. The real test will be how many new jobs will be created in a year. I am concerned and I remain concerned and I am waiting to hear what the hon. member has to say.

[English]

Mr. Keyes: Mr. Speaker, I thank my hon. colleague opposite for his question. With the deepest of respect, the money we are spending is the money provided to the government by our tax dollars and the tax dollars of our constituents who are sitting at home watching this debate. I get the same money as my hon. colleague opposite gets. There is no difference in the money. It is all coming out of the same pocket, and that is the pocket of Canadians.

He went on to mention the passing grade given to us by provincial finance minister André Bourbeau. I sat in the House for the previous five years. The marks the previous government got on budgets past were so dismal that to come all the way up from negative to a passing grade is a great achievement.

I might go on in the article the member mentioned. On February 23 the quote from Mr. Bourbeau was: "It contains interesting job creation measures". Then he brushed aside criticism from the Parti Québécois that the budget was short on any new ideas on helping the jobless. That is a pretty good answer to the hon. member's question.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, I listened with some interest to the hon. member's talk. I have a question for him.

Our country is far in debt. The deficit is running high and the government is asking for trust from the people. How can we trust a government that spends millions topping up their own pension plan while the rest of society suffers?

Mr. Keyes: Mr. Speaker, unless the hon. member has been on holiday for the last hundred days he would know that the party which I am proud to represent and the government of the land are committed to a review of the pension the hon. member is talking about. A majority of us not just on the government side but on all sides of the House of Commons are sitting back and asking exactly how it works and how it compares to other industrialized nations of the world.

Hon. members take great pride in saying: "I cut my pay by 10 per cent". I do not know about that hon. member, but I serve between 70 hours and 80 hours a week for my constituency here and at home. With all the telephone calls and extra hours I put in—and I am taken away from my family, et cetera—I have to tell him that our job function here and the responsibility given to us to serve in the highest court of the land do not compare favourably—it is not even close—to someone in the private sector with that level of responsibility and serving that many hours in Ottawa and in the constituency. There is just no comparison. A 10 per cent cut on a pay that really does not compare is no big deal.

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(1345)

Mr. Hopkins: You give that away and don't brag about it.

Mr. Keyes: Yes, of course. I will not repeat the remark. It was a brilliant remark by my friend from Renfrew—Nipissing—Pembroke.

Mr. George Proud (Hillsborough): Mr. Speaker, it is a privilege to enter into the debate today, after listening to all of the eloquent speeches that have gone before I have had the opportunity to take part in it. By taking part in this debate I am taking part in a process which marks the beginning of a new era.

We were presented with a budget document on February 22 which shows a fundamental change in the attitude toward the future of the country and shows the government means what it says and says what it means. The address was a triumph of reality over rhetoric and it laid out in clear and concise terms the direction the minister and the government wishes to take the country.

As has been said in the last couple of hours that I have been listening, everybody knows the state of our financial affairs. They showed in the October election their belief in us by the majority they gave this party in the House. Now that that issue has been settled for a good many years to come, it is time for a realistic and pragmatic approach to the governance of Canada and a time to turn away from the ruinous economic policies which brought us to the state we are in today.

Canadians told us during last fall's election that the first issue we must address is jobs. The unemployment rate is completely unacceptable. Canadians are a proud, industrious and hard-working people who will not accept a continuing double digit unemployment rate.

The national infrastructure program will create jobs in the short term. The measures announced in the minister's budget will contribute to a more positive environment for businesses to create jobs in the future. The \$800 million budgeted for strategic initiatives will test new ways for social programs to help people get back to work and will reduce duplication.

In my own region more emphasis will be placed on training and getting people and communities back to work. In my province of Prince Edward Island, and in my region, one of the greatest problems faced over the past few years has been the uncertainty faced by provincial governments with respect to what they could expect in federal transfer payments.

I know that many people in the House are opposed to the system of transfer payments. Many people believe that they should not happen. However, as one who comes from a part of the country that has been devastated over the last few years with

various disasters—the latest in the fishery—transfer payments are a must. Under this budget there will be a period of stability so that provinces can rationally plan for the future.

The sad state of the federal financial scene has significantly contributed to problems being faced by the provinces where, without exception, they too are forced to look at many long term policies and programs with a view to reform.

The Liberal Party has always been at the forefront of reform and this time we are showing that fact has not changed. There have to be changes made to some of our social programs. We know that and we are working on it because they are not working as well as they should be. They are getting older and it is time to change them. In making changes though, the minister has, as always, remembered to protect the weaker and more vulnerable members of our society.

It is no secret that unemployment insurance is an extremely important factor in the economy of my province. The interim changes announced recently are causing a great deal of discussion. I can assure everyone that last week when we were out of the House that the topic was brought to my office and to my house, through phone calls and by personal contact on many occasions.

(1350)

The changes will better protect low income earners and will strengthen the link between work history and unemployment insurance. They will continue to provide assistance to regions such as mine of high unemployment, but they do foresee the day when we must become less dependent on unemployment insurance and other government programs.

I firmly believe that the residents of my province would gladly forgo the benefits afforded them by UI if there were more opportunities for them to work. Our unemployment rate approaches 20 per cent during some seasons and this is indicative of the challenge facing each of us. It is also facing the minister.

No one thought unemployment insurance would become a guaranteed annual income and very few people thought the unemployment rate would be as high as it is today. Nobody ever thought that. That was never planned for, certainly by the people who are drawing unemployment insurance.

Another major problem in my region has been the total collapse, as I have mentioned, of the groundfishery. Close to 50,000 people are potentially affected by this disaster and new, innovative solutions must be found to the problem. The government must, in consultation with the Atlantic provinces, find a solution based on sustainable development and restoration of the environment. I hope Canadians realize the magnitude of the problem and how vitally important it is that long term solutions be found.

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The other issue of great importance in Atlantic Canada has been the closure of some military bases. The adjustment assistance promised will help the affected communities set up redevelopment plans and fund alternative economic activities. The closure of a base is a traumatic event for a community, but it does open a window of opportunity for the community to get involved in economic activity which will grow and develop in the years to come.

As we all know, this was only the first step in the process of rebuilding the economy. There will no doubt be changes in our social programs over the next few years, but they will be changes which will come about as a result of careful and compassionate planning. Those people who most need the facilities and services to be provided will be treated even better in the future than they have been in the past because the government cares and will see that all Canadians regardless of where they reside receive equal services.

The challenges faced by the minister are huge. The economy of Canada and indeed much of the world is going through a very difficult period. News reports this morning said that world-wide unemployment is at its highest rate since the 1930s and it is the most pressing problem facing the G-7 nations.

I feel we are most fortunate to have a Minister of Finance and a government prepared to squarely face the problems and dedicate themselves to finding solutions. As I said at the beginning of my remarks, Canada is entering a new era with the presentation of this budget. It is not an era which will be easy. It is one which will see the country grow and develop and finally reach the full potential for which we have been striving.

No one expects the answers to our problems to be found easily. No one expects to have a free ride. Canadians have always been ready to put their shoulders to the wheel and get the job done. The challenges facing us are many. The first step has been taken. Under the guidance of the Minister of Finance, the other ministers and our leader we will move along very quickly.

I support this borrowing bill. I thank you, Sir, for allowing me these moments to put forward my case.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I congratulate the hon. member opposite for his presentation this afternoon. I have a question and would appreciate his comments. The budget presented by the Minister of Finance indicated there was a \$5 reduction in spending for every dollar increase in revenue.

(1355)

Would the hon. member care to comment on the fact it would appear that much of the \$5 decrease in spending is merely a reduction of spending anticipated by the former Tory government and not a reduction in actual spending.

Mr. Proud: Mr. Speaker, when the Minister of Finance put forward his budget, as has been said here many times today, it was put forward after many consultations with the people of the country.

The program we put forward in the fall that everybody refers to as our famous red book said that we would be fiscally responsible. We have said that the formula just alluded to would be one we were going to live with. I believe the minister is doing this. He has laid down his plan and it is not a program adopted by the former government. This is a Liberal program which will lead the country—it is not going to be easy at first—back to the time when unemployment was down. We will see government spending decrease and we will see less government. We will also see an economy that is much more healthy than in the last decade or more.

[Translation]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I would like to make a comment followed by a question.

During the election campaign, we heard at every turn that job creation would be the number-one priority of a Liberal government. Now that we have a Liberal government, this should be reflected in the budget. Furthermore, the Liberals have often spoken of the infrastructure program announced since the election as the key element of their job creation plans.

My question to the hon. member is this: How does he explain the fact that, despite this much-praised program, the unemployment rate forecast for next year will only go down by one tenth of 1 per cent. The rate will be reduced from 11.8 per cent to 11.7 per cent, if I am not mistaken. In any case, it will only go down by one tenth of 1 per cent, with an infrastructure program in which a lot of money will be invested. Why did we not get something else to raise the employment level after being told “jobs, jobs, jobs” during the election campaign? Is he satisfied with the unemployment rate going down by only one tenth of 1 per cent, and how does he explain this in the Liberal government’s budget?

[English]

Mr. Proud: Mr. Speaker, I want to thank the hon. member for his comments and his questions.

No one feels great about an unemployment rate in the double digits. I said that during my remarks. The member says it is only going to go down by a certain percentage point. It is better to have it going down than what was going on in the last number of years when it continually rose.

The government has come forward with an infrastructure program which we predict will create as many as 65,000 jobs. Along with that the Liberal government is committed to working with the private sector, the banking industry, to make sure that capital is there for small business to do the things they have been

trying to do for a number of years. If the hon. member has not already had them calling at his door, he will have the small business people coming to his door looking to get funding made available to them. They are not asking for it for nothing. They are willing to pay the going rate, but they are asking to have capital loosened up so they can get working capital and put people back to work.

This is the jobs, jobs, jobs creation we talked about during the 1993 election. This is what is going to happen. The infrastructure program is a short term program. The small business sector is the one that is going to pick it up and really bring the jobs into creation.

[Translation]

The Speaker: The hon. member for Charlesbourg has the floor for a few minutes; he will be allowed to resume his speech after question period.

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, I would have preferred to make my speech uninterrupted. But if I must, because of the schedule, I will start now.

(1400)

I listened to the hon. members speaking on the budget this morning, but I will address only budget cuts in defence spending, the only area where cuts were visible in this budget.

First of all, I would like to congratulate the Minister of Defence for standing bravely by the cuts made in the defence budget. He even took offence with some questions other members of the Bloc and myself have asked him. I must however point out to the hon. Minister of Defence that, unfortunately, he thinks he has the monopoly of consistency with regard to the role the Bloc Quebecois members have given themselves. He said: "I seldom get angry, but when I hear this kind of partisan remarks, I cannot help but react. When they speak like that, they—he is referring to us, the Bloc Quebecois—have only one thing in mind, and that is to destroy our country. We refuse to have anything to do with their game".

I am generally considered in my riding as a moderate, not a fanatic sovereigntist, or separatist as the Prime Minister prefers to call us, one who tries to base his analyses on facts and figures. I quoted the Minister of Defence because he has decided to get involved, in conjunction with members of the Bloc Quebecois—

I will continue later, Mr. Speaker.

The Speaker: It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

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STATEMENTS BY MEMBERS

[English]

VISION AWARENESS WEEK

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, March 6 to 12 is Vision Awareness Week in Canada. Its theme, "Good Vision and Literacy: There is a Clear Connection", is timely. Canada faces a staggering 25 per cent rate of illiteracy.

One of the major roadblocks standing between citizens and their ability to read is poor vision. Since one in six children has a vision problem and since at least 80 per cent of learning is visual, early detection of vision problems becomes an important part of preventing illiteracy.

Let us work to make certain all of Canada's citizens are literate for this wondrous information age.

With literacy comes access to information, employment and prosperity. If Canada is to realize its vision of a prosperous future it must ensure that in the future its people have good vision.

* * *

[Translation]

THE LATE MELINA MERCOURI

Mrs. Madeleine Dalfond-Guiral (Laval-Centre): Mr. Speaker, March 6, 1994, will always be a sad day for Greece, as well as for Quebecers and Canadians who value democracy, freedom and justice.

Melina Mercouri died yesterday after spending her life fighting oppression. Convinced of the importance of the influence of Greek culture, she also contributed to the international heritage and that of the French-speaking community.

A feminist with an exceptional destiny, as well as a woman of many talents who had a passion for life and justice, Melina Mercouri was sensitive to the survival of the French language in America.

On behalf of my colleagues, I want to tell Quebecers and Canadians of Greek origin that we share their grief and, like them, are proud of this great woman.

* * *

[English]

OFFICIAL OPPOSITION

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, Her Majesty's Official Opposition sits in this House of Commons with a stated objective of separatism for the province of Quebec.

This travesty of our system was heightened in the past week by the visit to Washington of the Leader of the Official Oppo-

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sition to further his party's quest for independence, a trip unwittingly supported by the Canadian taxpayer and with the tacit approval of the Government of Canada under the guise of amenities traditionally extended to the Official Opposition.

This government has the obligation legally and morally to represent all Canadians. Quebecers are very much a part of Canada and I am sure they share the deep concern of other Canadians at this unprecedented occurrence.

(1405)

Canadians are not living in traditional times. I call on the Prime Minister to exercise strong leadership in government and perhaps even withdraw some of the traditional amenities extended to the Official Opposition.

* * *

WOMEN ENTREPRENEURS

Mrs. Sue Barnes (London West): Mr. Speaker, in this International Women's Week I would like to highlight the contributions of women entrepreneurs in Canadian society.

An important priority of this government is the implementation of measures to stimulate small and medium sized businesses which we know have accounted for 85 per cent of new job creation since 1979.

Between 1973 and 1993 the number of self-employed women skyrocketed from 89,000 to 323,000. In 1991 over 30 per cent of the self-employed workforce was made up of women. The success rate of women entrepreneurs is twice that of men.

We have every reason to applaud the women in this land who have taken the plunge into self-employment, thereby providing themselves employment and employment for others. Despite obstacles, many more will join their ranks.

It is important that we have identified the issues and that this government support where it can self-employment for those in Canadian society who take on this challenge and opportunity.

* * *

GOVERNOR GENERAL

Mr. Alex Shepherd (Durham): Mr. Speaker, our Governor General has come under criticism recently. I believe that the people of Canada want and deserve a greater voice in choosing our head of state.

While I realize that the Governor General is the Queen's representative, I also note that the Queen generally accepts the advice of the elected Government of Canada.

In order to heighten the legitimacy of this office, I believe that the time has come for the Governor General to be elected by all

the people of Canada. I note that the vast majority of the industrialized countries that are our trading partners elect their heads of states.

Currently our system is one of appointment which I feel has outlived its usefulness.

Electing the head of state would be an excellent opportunity for the people to be involved in our nation's affairs and, at the same time, would make the office directly responsible to all the people of Canada.

* * *

PEACEKEEPING

Mr. Harbance Singh Dhaliwal (Vancouver South): Mr. Speaker, over the past 10 years I have watched the tragic situation in the occupied territories unfold. The situation in this region is both fragile and explosive. The February 25 massacre of Muslims praying in a Mosque in Hebron makes this tenuous peace initiative even more elusive.

Canada has long favoured diplomacy and negotiations to bombs and bullets. Canada has a long and internationally recognized record for its contributions toward the support of human rights and global peace. We have served in a peacekeeping capacity in the Middle East in the past. Our efforts in the Sinai in 1967 and the Golan Heights in 1973 were successful and did serve to alleviate tensions.

I believe that Canadian peacekeepers can again serve an important role in this region protecting human rights and promoting global peace.

I recommend to the hon. minister that Canada explore options which will allow it to contribute to a peaceful means to resolve this conflict and restore peace to the Middle East.

* * *

[Translation]

UNIVERSITÉ DU QUÉBEC IN CHICOUTIMI

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, the Université du Québec in Chicoutimi is celebrating its 25 years of existence. In its first year, back in 1969, this university had 857 students, including 521 full-time students, and 336 part-time students. Four university-level institutions were grouped together: the École de commerce, the École de génie, the Centre de formation des maîtres, and the Grand Séminaire de Chicoutimi.

Today, some one hundred different programs, including 15 at the master and doctorate levels, are offered to more than 7,500 students. It is important to have a university in our region.

We want to wish a long life to the Université du Québec in Chicoutimi, which is truly a development tool in our region.

[English]

MCDONALD'S RESTAURANTS

Mr. Ted White (North Vancouver): Mr. Speaker, McDonald's Restaurants of Canada has made all 253 of its company operated restaurants, including the three in my riding, smoke free as of today. In addition, approximately half of the 422 restaurants not directly controlled by McDonald's of Canada are also becoming smoke free.

(1410)

The health consequences of exposure to secondhand smoke are well known and the establishment of smoke free environments in family restaurants is to be congratulated. McDonald's will help tremendously in the move to prevent children from taking up smoking.

Ronald McDonald should be adopted as the mascot for the Canadian Lung Association. I congratulate McDonald's for taking a giant step toward the eventual elimination of smoking in all restaurants in Canada and I ask members of this House to join with me in identifying this day, March 7, 1994, as McDonald's smoke free day in Canada.

* * *

THE LATE JOHN CANDY

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, today we mourn the sudden death of Canada's John Candy, an actor and comedian who entertained us here as well as people around the world.

He is one among us who invested his many talents in the entertainment industry and left an indelible contribution. His legacy includes over 40 feature film credits.

As those of us who knew him will attest, John's brand of humour reflected his roots, his neighbourhood in east Toronto and even the hallways of Neil McNeil High School in Scarborough where I first met him and his brother. He was a powerful example of determination and success to all of us.

Amidst his career success he never stopped being the kind and compassionate person he was, a husband and a father. We extend heartfelt condolences to his wife and family.

The fun and laughter John Candy has created for all of us will forever outweigh the tears we will shed at his passing.

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CANADIAN OLYMPIC HOCKEY TEAM

Mrs. Jean Payne (St. John's West): Mr. Speaker, it is with great pride that I rise today to pay tribute to the Canadian Olympic Hockey Team that made us all proud to be Canadians.

The Canadian hockey team displayed the true meaning of sportsmanship in the final game. Its silver medal performance was outstanding and allowed Canada to finish the Olympics with 13 medals. This was the best Canadian Olympic effort ever.

I would like to offer special congratulations to Dwayne Morris from the riding of St. John's West. Dwayne is the first Newfoundlander ever to win an Olympic medal and his effort in setting up the winning goal in the game against the Czech Republic sent Canada to the medal round.

I extend to Dwayne and to the Olympic hockey team and all Canadian Olympians heartfelt congratulations for making us so proud.

* * *

CANADIAN CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I would like to thank my colleague, the Minister of Human Resources Development, for visiting Hamilton last week and delivering additional funding to the tune of \$100,000 for the national inquiry line of the Canadian Centre for Occupational Health and Safety.

This allocation will be used to make up for a shortfall in provincial funds originally committed to the centre. Each year the centre's national inquiry line handles 18,000 to 20,000 calls from employees and businesses seeking general information and research on workplace safety and health issues.

It is estimated that the cost of occupational injuries and illnesses in Canada is over \$10.6 billion a year. Clearly we have a fiscal and social responsibility to ensure that the general public has access to information that can prevent injuries and illnesses in the workplace and save lives. Helping sustain the essential services of the Canadian Centre for Occupational Health and Safety in Hamilton is another shining example of this government's red book commitment to quality health services for all Canadians.

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[Translation]

COLLÈGE MILITAIRE DE SAINT-JEAN

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, the closing of the Collège militaire royal de Saint-Jean announced by the

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government has triggered a growing opposition. The authorities, the military personnel and the students of the college, as well as the Bloc Québécois members, cannot see the logic of such a decision.

In order to reduce spending, the government decided to close the only French military college in Canada and, which is even worse, it will close a college whose per capita training costs are lower than those of RMC in Kingston, and even Royal Roads in Victoria.

The regional action committee intends to oppose this decision and is sending an invitation to all individuals and groups concerned to participate in a demonstration which will take place in Saint-Jean, next Sunday, March 13, to show their disapproval of this questionable decision, to say the least, made by the government.

* * *

(1415)

*[English]***1994 LABATT BRIER**

Mr. Bob Mills (Red Deer): Mr. Speaker, it is my pleasure to announce to this House that the 1994 Canadian Brier is currently being held in Red Deer, Alberta. The Brier began on March 5 and will continue until March 13. The people of central Alberta welcome with open arms all those who will attend this Canadian sporting and cultural tradition.

The Brier includes teams from each of the 10 provinces and the two territories. We can thank the 850 volunteers for their hard work in organizing the games, which we are confident will be the best Brier to date. The Brier is being held in the beautiful Red Deer Centrum and the event is entirely sold out. The Brier is definitely a boon to central Alberta. For this I thank the Labatt Brier.

I wish good luck to each and every competitor in the 1994 Labatt Brier.

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*[Translation]***KINGSTON**

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I was surprised at certain comments in the Quebec media on Kingston's francophone minority which, and I quote: "must cope with one of the most difficult situations in this country". That is not true. Although Kingston is an anglophone community, Canada's French fact has always played an important role in the city's history.

Today, Kingston has several entities that embody French culture: two churches, French schools and even Queen's University which offers a number of courses in French. The Royal Military College in Kingston is a vital part of our francophone community, and the residents of Kingston will welcome students from all the provinces in this country.

*[English]***OFFICIAL LANGUAGES**

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, during the last week of our sitting members of the Reform Party made a number of statements with respect to supposedly the government's policy on official bilingualism. That was a code word for French services because there is no such policy. For the record, it is the Official Languages Act.

They talked of costs of course without giving any figures to bring any precision to them. Why would they do that? To suggest obviously that it is an expensive policy, and it is, but that it is so expensive that if it did not exist there probably would not be a deficit or a debt.

That is the kind of new politics being played. Code words to frighten people, to mislead them, to make them believe something that does not exist.

Where is their plan? Where are their precise costs? Until they can bring forward clear, precise alternatives and show Canadians how we can get together, talk to each other, understand each other, they have no credibility.

ORAL QUESTION PERIOD*[Translation]***UNEMPLOYMENT**

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

In their analysis of the impact of this government's first budget, three economists at the Université du Québec à Montréal stated that the government was asking the unemployed, and I quote: "to make an entirely disproportionate contribution by obliging them to shoulder 60 per cent of the cutbacks announced in the budget". In fact, the benefit rate and benefit period of more than eight unemployed workers has been reduced, which illustrates the extent of this unprecedented attack by the government on the unemployed.

Could the Prime Minister explain why the government, instead of cutting operating expenditures and getting rid of widespread overlap in its administration, has deliberately decided to come down hard on the unemployed?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the Leader of the Opposition left out all the important parts of the budget. First of all, we increased benefits for low-income Canadians and those with dependent children. We reduced unemployment insurance premiums to

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create jobs. In fact, we said that as a result of this budget, 40,000 people would get jobs.

When the hon. member was in the Conservative government, he reduced and cut benefits under programs that had been created to fight unemployment. He raised premiums and increased unemployment at the same time. That is the difference. Our objective is to create jobs for Canadians, while when the hon. member was a minister in the Conservative government, the objective was to reduce employment.

(1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the minister has a selective approach to recent political history. I saw in this House, and I shared, the fervour, intensity and indignation with which he attacked Bill C-113, which took 5 per cent of their unemployment insurance benefits away from the unemployed. We all condemned this legislation and we voted against it. Today, I see the same minister working as part of a cabinet that has launched a wholesale attack against the unemployed.

I want to ask the Prime Minister or his deputy whether the government will admit that without genuine measures to boost employment, the government's decision to reduce the benefits of nearly 85 per cent of the unemployed will have the effect of putting several thousand of these people on welfare?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I plead with the hon. Leader of the Opposition to read the budget carefully.

When he says there are no measures to create employment, I just mentioned a very important one which is by reducing the premiums on unemployment insurance there is a very substantial stimulus, especially for small business. That was the message from small business during the consultations: "You reduce the payroll taxes, we will create jobs".

At the same time we have reallocated expenditures to initiate a major infrastructure program across Canada of \$6 billion.

In addition, to make sure we can establish brand new ways of getting people off social assistance, off dependency and back to work, we have added an extra \$800 million in the budget to work with the provinces to establish a series of initiatives strategically placed across Canada to help the very people the hon. member says he is concerned about.

That seems to be a very big difference from the actions he took when he was in government which was simply to cut, slash and burn and do nothing to help those who needed help.

[Translation]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I want to ask the Prime Minister whether he realizes that by zeroing in on unemployment insurance, he is putting the burden of the deficit on the shoulders of the provinces, which in the coming year are already faced with spending an additional \$1 billion on welfare, which works out to \$280 million in Quebec alone.

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am sure the hon. member will be very happy to know that last week we had a series of meetings with provincial ministers in education and labour.

They have all agreed to become part of a major effort to reform the social security system. We agreed we would begin to tackle the very serious problems of duplication and overlap of services which do create waste.

We are now dealing with the provinces. We believe we can make substantial savings at both the federal and provincial levels to reduce administrative costs and reduce the kind of overlap that creates additional cost. It is not to reduce the money going to individuals, not to reduce the direct delivery of programs, but to reduce the amount that goes to bureaucracy administration. That is the objective of this government.

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*[Translation]***COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN**

Mr. Michel Gauthier (Roberval): Mr. Speaker, the ranks of those opposed to the closing of the military college in Saint-Jean are growing every day: francophone associations throughout Canada, the Commissioner of Official Languages, Mr. Goldbloom, General Jean V. Allard, the college's alumni, and even the Liberal Premier of Quebec, who finally changed his mind and now wants the college in Saint-Jean to remain open.

My question is for the Prime Minister. Is the government willing to use common sense and go back on its decision to close the college in Saint-Jean, to allow French-speaking students who wish to pursue a military career to train as officers in French, in their own environment?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would like to reply to the hon. member that the problem must be put in a real context. Only 16 per cent of French-speaking Canadian military officers are graduates of the college in Saint-Jean.

(1425)

Many officers who have pursued a career in the Canadian Forces went to other universities. There are flexible programs

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allowing them to choose their universities. We will have only one military college in the future. The Canadian Forces will have about 70,000 members and only one military college. The American armed forces have only three colleges for 2 million soldiers.

As we have to make cuts, we decided to close the military college in Saint-Jean. We are sorry but we had to cut somewhere. We made cuts in every province, including Quebec. We told the Quebec government and all the people that, if they wanted to keep the college in Saint-Jean as an institution of higher learning, we were ready to help them, as we help other provinces hit by base closures and, very often, by cuts much more severe per capita than those made in Quebec. We are ready to help but the decision is final. A country with 70,000 soldiers cannot have three military colleges when the American armed forces have three colleges for 2 million soldiers.

Mr. Michel Gauthier (Roberval): Mr. Speaker, now that we know that Kingston is not a region where the Ontario law on francophone areas applies, that a Kingston French-language high school is even housed in portables without running water, and that the Kingston mayor's policy for integrating francophones is to let the English marry the French, does the Prime Minister still have the audacity to say that Kingston is the best possible place to integrate French-speaking communities into the armed forces?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would reply to the hon. member that francophones can now receive their whole training in French at the college in Kingston. This morning, I was looking at the file of a young woman who was able to take in French at the military college in Kingston 38 of her 40 engineering courses.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint-Maurice): As a francophone in Kingston, she functioned so well that, at the end of her course, her fellow students voted to give her the prize awarded to the student who contributes the most to his or her faculty's development.

So, Mr. Speaker, I think there is a way to organize the college in Kingston so that francophone students can be served in French. And, if there is a need to improve the local situation in Kingston, we will try to help, just as we are now trying to help the people who want to keep in Saint-Jean an institution that, unfortunately, can no longer serve the military.

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[English]

OFFICIAL OPPOSITION

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Prime Minister.

Many Canadians, including federalists in Quebec, were outraged last week when the Leader of the Opposition made an official visit to Washington and New York to sell Quebec separatism. The purpose of this visit was made very clear by the opposition leader. He went to lay the groundwork for future relations between a separate Quebec and the United States.

Does the Prime Minister not agree that by having the Canadian embassy involved the Canadian government legitimized the purpose of this visit?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the people of Canada voted in one election. They elected a separatist party as the Official Opposition and we are treating it as the Official Opposition.

Not only bad things came out of that trip, there were a lot of good things too. The Leader of the Opposition told the Americans he was *Canadien français*, just like me. That is great. He said he wanted the Americans to understand his position. Rather than using the confusing term of sovereignty he wanted them to know the truth and the truth will now be known by Quebecers. He said: "I am a separatist," and I was very happy.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, traditionally the primary objective of opposition leaders has been to defend the interests of Canada. The present Leader of the Official Opposition has been forthright that this is not his primary goal. His objective is to lead Quebec out of Canada.

(1430)

Does the Prime Minister believe that in this case the Leader of the Official Opposition misused his office to promote the breakup of Canada?

The Speaker: Again the Chair is having a little difficulty with the questions in that they seem to be attacking individual members. I do not know that this is really the administrative responsibility of the government.

I would let the Prime Minister answer the question if he so wishes, but I would hope the questions would be rephrased so that they deal with the administrative responsibility of the government.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I believe I can speak about national policies that can be useful in keeping Canada together.

I urge the member of the Reform Party to recognize generously that it is a very good thing in Canada to have two official languages.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, the Canadian taxpayer picked up some of the tab for the visit. Does the Prime Minister believe that Canadians received good value for the money spent?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I was pleased to hear the premier of Alberta say on Friday that he was in favour of two official languages in Canada. They like to

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use him a lot in their speeches, so that is something that should be noted.

I do not know what was the cost of this additional lunch or dinner for the Leader of the Official Opposition. I just hope it was cheaper than the party for the Governor of the Bank of Canada.

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[*Translation*]

THE BUDGET

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, before tabling his budget, the Minister of Finance told us repeatedly that he would be cutting expenditures, but he did not have the courage to follow through. Now he is telling us that it is going to happen next year, as part of a second phase. Even the Prime Minister, on tour in Western Canada, contradicts him on that point.

How can the Minister of Finance expect us to believe that he does want to reduce spending when the Prime Minister flatly contradicts him by saying that all cuts the government planned to make were made this year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, if I may quote from the speech I made to this House, the decisions we are making today are clearly putting us on a path leading to the government goal of reducing the deficit to 3 per cent of the GDP within three years. That is the position I stated here in this House and the Prime Minister took the very same position last week in Western Canada.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, in light of the minister's answer and the budget, are we to understand that the Minister of Finance has abandoned the idea of cutting government spending and will deliberately maintain the squandering and tax leakage denounced by the Auditor General, relying solely on economic growth to curb the deficit?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, again, as I told this House very clearly, and the Prime Minister and I myself said in New York City and the Canadian cities I visited last week: "Actions contained in the budget will reduce the deficit to 3 per cent of the GDP within three years".

Also, we are presently reviewing a number of programs with the Minister responsible for Public Service Renewal. We are reviewing all committees, public affairs, all kinds of government policies and programs, and we are confident that this will promote a better than forecast economic situation.

[*English*]

NATIONAL UNITY

Mr. Bob Mills (Red Deer): Mr. Speaker, my question is for the Prime Minister.

In my constituency in central Alberta as I travelled around this past week outright disgust was expressed for the separatist message delivered to our major trading partner, the United States.

Could the Prime Minister please tell me what action he intends to take to assure the United States that a united Canada is not only likely but one which the government is dedicated to maintaining?

(1435)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, of course I will work very hard to make sure the policies of the government are so good that the people of Quebec will not have any hesitation to stay in Canada.

It will be very useful when I am able to report to the Americans that I have convinced members of the Reform Party to support the two official languages of Canada.

Mr. Bob Mills (Red Deer): I have a supplementary question, Mr. Speaker. I wish the Prime Minister would stop trying to pass the buck and show some leadership.

Could the Prime Minister please tell us what he is going to do to convince the grass roots of Quebec what it really means to separate?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is very important to have the guts to present candidates in every province of Canada and to have one message for all Canadians, not one for one part of Canada and one for another. That is why when I was in Alberta last weekend I received a fantastic reception. I was talking about the policies of the government vis-à-vis Canada and the people received me very well indeed.

Some hon. members: Hear, hear.

* * *

[*Translation*]

BOSNIA

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, my question is for the Minister of Foreign Affairs.

According to reports, the withdrawal of Canadian peacekeepers from Srebrenica has been held up because of the reluctance of Bosnian Serbs to let them leave. On January 13, the Minister of National Defence promised that Canadian peacekeepers would be relieved within thirty days, a deadline that has since passed. For his part, the Minister of Foreign Affairs informed us on February 16 and 21 that their replacement was imminent.

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Can the minister confirm to us whether the withdrawal of Canadian peacekeepers from Srebrenica has been held up by the refusal of Bosnian Serbs to allow Dutch soldiers to relieve the Canadian contingent?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have made considerable progress. Of course, we would have liked to have had our soldiers out of Srebrenica by the end of February. Dutch soldiers arrived as expected; 500 of them are in theatre and Canadian troops are preparing to withdraw. Trucks are currently on route to Srebrenica. Bosnian Serbs have expressed some reservations, arguing that the roads were not very passable. Nevertheless, we believe that our troops will be able to leave within a few days.

Admittedly, they are several days behind schedule, but the operation is proceeding as expected. As for the rumour reported in the weekend newspapers to the effect that some demonstrations had taken place and that Srebrenica's Muslims were holding Canadian soldiers hostage, there is no truth to it. Muslims were merely staging a demonstration to thank Canadian soldiers for having protected them so valiantly during the past two years.

Mr. Jean-Marc Jacob (Charlesbourg): If I understand correctly, Mr. Speaker, they were prevented from leaving because they were being thanked.

I, along with the families of the soldiers, would like to know what approach the government is planning to take with Bosnian Serbs to ensure the departure of Canadian troops as scheduled? What does the government intend to do to ensure that the Serbs allow the withdrawal of Canadian peacekeepers?

Right Hon. Jean Chrétien (Prime Minister): In response to the hon. member's question, Mr. Speaker, I would say that throughout last week and the weekend, negotiations for the withdrawal were being conducted, mostly under the direction of Commander Rose, the officer in charge of UN troops. According to the information we received a few minutes before entering the House, we have good reason to believe that Canadian soldiers will be leaving Srebrenica within the next 48 or 72 hours.

As I said, the operation is a few days behind schedule. It may take a little more time, but we hope that the process will be completed in less than 72 hours.

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[English]

THE BUDGET

Mr. Ray Speaker (Lethbridge): Mr. Speaker, my question is for the Prime Minister. It is further to the question by the member for Saint-Hyacinthe—Bagot and is with regard to the Prime Minister's visit to Edmonton last week.

The Prime Minister said that Canadians would see no further spending cuts in the next three years. He also said that was according to the budget presented in the House.

Could the Prime Minister confirm whether or not that is true at this point, or whether there will be cuts as has been inferred by the Minister of Finance on other days?

(1440)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would say exactly what the Minister of Finance said. In the budget that was presented in the House we made provisions for cuts over the next three years.

If we have 3 per cent and 3.8 per cent growth in the next two years, we will be at 3 per cent of GNP in relation to the deficit. The programs cuts for the next three years have been announced. They are the big programs like defence, social expenditures and so on.

In the meantime we have asked the minister responsible for federal-provincial relations to work very actively to find some duplications between provincial governments and federal government and to reduce the duplications, and to look into all the boards within government operations and to reduce them in order to find further cuts.

These will not be the major cuts as mentioned in the budget. When we talk about the cuts in defence and other cuts announced in the budget, they were very serious cuts indeed.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, I have a supplementary question for the Prime Minister.

The impression I have is that the reason we are doing the studies in social security programs, health, defence and some other areas is that we are looking at better priorities and reduction in spending by the government.

I have a question for either the Minister of Finance or the Prime Minister. What is the purpose of those studies if it is not to reduce and redefine those expenditure areas?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we are very conscious of the seriousness of the financial situation in which Canada finds itself with the debt and the deficit.

There is no doubt that in the budget we have embarked upon cuts that are necessary for us to bring our deficit within an acceptable range in the next three years, certainly the target we have set out.

At the same time it is very important to understand—and the Minister of Human Resources Development has been explicit and very articulate on this matter as have the Minister of National Defence and a number of other ministers in the House—that we are Liberals. We understand the absolute necessity of public policy evolving along with the needs of the country.

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The purposes of those studies are not simply cuts to bring the deficit into line. They are in fact fundamental reforms in those programs so that Canada can measure up to the very serious challenges that lie outside our borders.

Mr. Chrétien (Saint—Maurice): He is doing well.

Mr. Martin (LaSalle—Émard): I am on a roll, Mr. Speaker. All I would simply say is that we are going to continue. We are going to review the problems of an aging population and of health. We are going to review the way in which our labour markets work. We are going to review defence and our industrial policy because we are going to build a better country.

* * *

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is directed to the Minister of Canadian Heritage.

The Canadian Development Investment Corporation has just agreed to sell its 51 per cent share of Ginn Publishing Canada, a Toronto company specializing in the publication and distribution of educational materials, to the American company Paramount Communications. This sale has caused an outcry of indignation in the press and the publishing world.

Could the minister confirm the suggestion made by *Maclean's* magazine that the secret agreement made it possible for the American company to take control of Ginn Publishing as soon as the book publishing policy was changed? If not, how does he explain the fact that the government has used certain unresolved questions such as the distribution agreement as excuses for not actively seeking potential Canadian buyers?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the question is long and complicated but the answer is simple.

A previous government entered into certain commitments. They were no secret; they were known. The commitment as described by our colleague was that if a policy occurs the Canadian government which had acquired 51 per cent of the shares of Ginn would sell them back to the American parent firm. This is what happened.

(1445)

I am pleased to say that while it is cleaning up past business, the policy of protecting our book publishing industry has not changed.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the minister will agree that meanwhile the Baie Comeau policy was changed to make it possible.

Is the minister aware that he is losing his credibility as a defender of Canada's cultural interests and can he reassure the House that he intends to review this unacceptable decision?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, if we were to reverse the decision, which is in keeping with a contract, it would lead us straight into judicial action.

As I said, the policy of protection, not the Baie Comeau policy, is going to be sustained. Of course everyone is entitled to one's judgment about the credibility of the minister of heritage but a number of people in the industry have understood that this was an exception confirming the rule and that the industry will continue to receive support.

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FISHERIES

Mr. Derek Wells (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

As the minister knows, groundfish licences that were inactive in 1991 and 1992 were frozen for 1993. This freeze affected approximately 4,000 fishermen and has in effect penalized them for acting responsibly in the face of declining groundfish stocks. It was stated at the time that the freeze would not have a negative effect on anyone pursuing a licence renewal in 1994.

I would like to ask the minister if he will be acting quickly to resolve the issue of inactive licences and honour the pledge made by his predecessor to treat all licence holders as equals.

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question.

As the member knows, the freeze in question was implemented by the previous administration. I indicated when I spoke to the MFU convention on February 4 that I was going to review the consequences of the freeze on inactive groundfish licences.

This past week we visited New Brunswick, Nova Scotia, P.E.I. and Quebec where we heard from many fishing industry and association groups re this subject. I am aware of the difficulties it has caused with respect to bona fide licences and the difficulties it has given to individuals.

I undertake to review and announce a decision in the very near future.

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UNEMPLOYMENT

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of Human Resources Development.

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Recently the minister told the House the Premier of Quebec could reduce unemployment by 1 per cent because of actions taken by the federal government. The budget predicts national unemployment to remain around 11 per cent.

Can the minister explain how the national unemployment rate can remain unchanged if in Quebec it falls by one full per cent?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would first like to tell the hon. member that the budget did not simply create jobs for Quebec. It will create jobs for all Canadians.

We have a national program and a national approach to these issues and do not try to discriminate between regions in any way.

What happens with the unemployment rate, as the hon. member probably knows, is that once you begin to create economic growth, once you begin to create jobs, it draws people back into the labour market, people who under the Tory regime simply gave up and no longer bothered to look for a job. Therefore the statistical survey results do not reflect their new found confidence and that people have now come back into the job market.

We intend to create jobs. It may not be immediately reflected in a serious decline in the unemployment rate per se simply because more people are coming into the labour market. They now have confidence they will have a job.

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, the promise of the Premier of Quebec and the projections of the Minister of Finance do not add up.

Could the minister tell the House whose numbers can be relied on in this case, those of the Minister of Finance or the Premier of Quebec?

(1450)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, with respect to the hon. member, I do not know what is gained by trying to play off a set of figures that he says the Quebec premier has versus a set of figures that the Minister of Finance has.

The real issues which should be at the centre of the hon. member's question is how do we create jobs for everybody and how do we get unemployment down. It is not how we play games about what one premier in one region says versus what happens in the another region. It is about time members of the opposition in both parties took a national perspective on these issues.

[*Translation*]

BEER INDUSTRY

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, my question is for the Minister for International Trade.

The United States are threatening to terminate the beer agreement signed last August. They question, among other things, the fixing of a minimum price on beer by the province of Quebec. Even if the minimum price being considered by Quebec is lower than the one in effect in Ontario, the United States are putting pressure on Quebec to make additional concessions.

Does the minister agree that it is absolutely unjustifiable that Quebec be forced to lower its minimum price to satisfy the demands of major American brewers, and what does he intend to do about it?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, throughout the discussions we have supported the Government of Quebec in seeking a GATT consistent minimal price. We have done so not only directly ourselves but with the participation of the officials of the Government of Quebec in meetings in Washington and last week here in Ottawa.

There are further meetings scheduled for tomorrow where we hope to make further progress in the resolution of this issue.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, while the Americans are forcing Canada and the provinces to meet the demands of their major brewers, they implement dozens of discriminatory measures affecting Canadian beer. What concrete action is the minister taking to force Americans to open their market to us, like we do for them?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, yes, the member opposite is quite right. The GATT found that American beer practices were discriminatory and against the interests of Canada. They are implemented mainly by states rather than the federal government.

However, in both cases we have pressed hard for the Americans to resolve this issue so that the beer trade can flow—without any pun intended—easily across the border in a way that protects the interests of Canadian suppliers in accordance with the GATT panel findings.

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Prime Minister. It was inspired by Mr. Frank Filek of Toronto.

It was reported last week that taxpayers are on the hook for another \$12.2 million shortfall in the MP pension plan. This follows the \$158 million contribution made by taxpayers in 1992.

Will the Prime Minister commit to convincing his caucus colleagues to the immediate elimination of this gold-plated pension plan for members of Parliament?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there will be a report tabled very soon concerning this problem. We said we want to review the program. We have some months before an election so we have plenty of time. We will look at what is wrong with the program and try to make it more in tune with reality.

On the other hand, we do not want to create the impression that some of us might think we are not value for the money we are paid. When members of Parliament make \$64,000 a year and the worst hockey player for the Ottawa Senators is paid \$135,000, I do not think that we are overpaid.

It is very bad to create a wrong impression of members of Parliament with the public because most members of Parliament work very hard, earn their money here and make sacrifices to be in Ottawa. The hon. member is creating the impression we are not worth the money we receive. I for one will not apologize to anyone because I think I earn every cent of my pay.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, we are talking here about a pension plan and in the private sector we have to match dollar for dollar. In this House, the taxpayers have to pay \$6 for every \$1 MPs put into their pension. It is gold plated, it is exorbitant and it is too extravagant.

(1455)

Will the Prime Minister tell Canadians why he and his government support lifetime pensions for members of Parliament after only six years of service?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we know that life expectancy in the House of Commons is not that great. Judging by the number of members of the Progressive Conservative Party in the House, we know there is no security of employment around here.

I just want to say that some people come to Parliament and when they quit it is not necessarily easy to get re-established in

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private life. When we look at other pension plans, we have to be fair too.

Some people might think the pension is too much and we will be looking into that. There is a question about double dipping that is a big preoccupation and a problem of some members who take their pensions very early in life, such as was the case a year and a half ago. This is a problem that has to be looked into.

I do not want to create the impression that those who are good members of Parliament are over compensated.

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AGRICULTURE

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, Canadian farmers from all regions have been waiting for several months now following the conclusion of the GATT negotiations for definitive word whether resolution of our various bilateral trade disputes with the Americans will be possible.

What can the minister say to the House to reassure Canadian producers and farmers that their interests will be protected.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, as the hon. member pointed out in his question, there are several outstanding issues in bilateral trade in agriculture between Canada and the United States. Those have been under discussion since last November. The work on those issues is still ongoing. They have not been resolved to date, nor have they gone away.

My preference would be to have a solid framework agreement between Canada and the United States to lay to rest those outstanding issues once and for all. Such an agreement, mutually acceptable to both countries, would clearly be preferable to ongoing trade actions and reactions that could have the effect of undermining the \$10 billion worth of agricultural trade between our two countries.

However, it is important to note two points. First of all, in our discussions with the United States, Canada will not trade off one commodity against another. Each must be dealt with independently on its own merits.

Second, any agreement we might contemplate with the United States must be fair and reasonable and in the Canadian national interest. A bad deal for Canada will not be acceptable to this government.

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[Translation]

INDIAN AFFAIRS

Mr. Maurice Godin (Châteauguay): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Oral Questions

According to an internal report of the Department of Indian Affairs, the government did a very poor job of managing the estates of aboriginal people of which it was the trustee.

Can the minister confirm that the funds invested were misused because the federal government's monitoring was inadequate?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for his question. I am aware of the Auditor General's report and I am aware of our response.

Having come from private practice I realize that it was not made well. I am not satisfied that the response is adequate. This will be a priority on our agenda once we get over the initial stages of implementing the new government.

[Translation]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, as a supplementary question, I would like to know exactly what corrective action the minister intends to take to ensure that the Indians' estates are managed properly by his department.

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated, this will be a priority of the government. As to the specific remedy, I cannot answer at this stage. In due course over the next few months I will be prepared to sit down with the hon. member and discuss it and show him what we are doing.

* * *

(1500)

LOBBYISTS

Mr. Ken Epp (Elk Island): Mr. Speaker, my question is for the Prime Minister.

During the election campaign the Prime Minister promised to clean up the business of influence peddling in government. It is widely recognized that one of the best ways to address this problem would be to eliminate the tax deductibility of lobbying fees.

Does the Prime Minister believe that the lobbying fees should be allowed as a tax deductible business expense?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there will be a statement made in this House about legislation on lobbying on the Hill very soon. I hope the minister in charge will address this problem.

Mr. Ken Epp (Elk Island): Mr. Speaker, because there is such widespread concern among Canadians that the proposed changes to this lobby legislation will be so weak that they will have very little effect, would the Prime Minister be willing to

give a commitment to eliminate the tax deductibility for lobbyist fees?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I think that I would like to see the bill before saying it is too weak. Let us wait a bit. The hon. member will see the bill after which he can pass judgment.

* * *

[Translation]

CANADIAN NATIONAL RAILWAYS

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, my question is for the Minister of Transport. Seven hundred and twenty CN workers will lose their jobs soon. With the agreement of the National Transportation Agency, the company has already begun dismantling the rail system in Quebec. Two thirds of Quebec's rail system is thus threatened, although the impact of such a decision on the economy, tourism and the environment has not been thoroughly evaluated.

Can the minister say whether he will agree to set up a special parliamentary committee to evaluate the impact of dismantling the rail system in eastern Canada and if he is prepared to order a moratorium on the abandonment of rail lines until the committee has completed its work?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, CN and CP must follow a very well-known process for abandoning activities in certain regions of the country. We do not intend to impose a moratorium. The hon. member is no doubt aware that the railways have already disappeared from some parts of the country, like Prince Edward Island and Newfoundland. However, I want to assure him that we are studying this whole issue and the proposal which was already discussed publicly by the president of CN and the president of CP will be considered when it is presented to the government.

* * *

[English]

SOCIAL PROGRAMS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister will of course know that the reform of Canada's social programs is under way at breakneck speed. Canadians have recently told the minister by a margin of three to one that they believe his main aim is to reduce social program expenditures. They must have read the budget.

With poverty on the increase and bearing in mind the enormous social and economic cost to Canadians as a result of this poverty, what does he say to the 275,000 Canadian families who live more than \$10,000 below the poverty line who fear his reforms will take them even further below the poverty line?

Routine Proceedings

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I thank the hon. member for his question.

I would like to correct one part of his preamble in that over 80 per cent of Canadians support the federal government's initiative to fundamentally redesign and restructure the social programs. One reason they do that is they recognize the best way to deal with the serious problem of child poverty, the serious problems families face and the high long term unemployment of older workers is to have contemporary programs that meet those needs where the funding goes toward the people who need it and not simply to those who administer it.

That is the objective of our reform: to get programs to meet needs, not simply to allow a number of programs to proliferate that do not really deal with the crucial issues facing us as we go into another century.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of the Bangladesh Minister of Finance, Minister Saifur Rahman.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

(1505)

*[Translation]***ORDER IN COUNCIL APPOINTMENTS**

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

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

* * *

*[English]***GOVERNMENT RESPONSE TO PETITIONS**

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, while I am on my feet, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government response to eight petitions.

*[Translation]***INTERPARLIAMENTARY DELEGATIONS**

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House in both official languages the report of the Canada–Europe Parliamentary Association on the meetings of the Bureau and of the Standing Committee of the Parliamentary Assembly of the Conference on Security and Co-operation in Europe held on January 17, 1994, in Copenhagen, Denmark.

* * *

*[English]***COMMITTEES OF THE HOUSE**

SPECIAL JOINT COMMITTEE ON CANADA'S DEFENCE POLICY

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I have the honour to present the first report of the Special Joint Committee on Canada's Defence Policy. This report requests additional powers for the committee concerning televising of its proceedings and the power to create subcommittees.

The Senate adopted this report at its sitting of February 24. If the House gives its consent I intend to move concurrence in the report later this day.

Mr. Charest: There is no consent, Mr. Speaker.

* * *

HAZARDOUS PRODUCTS ACT

Mr. Rex Crawford (Kent) moved for leave to introduce Bill C-220, an act to amend the Hazardous Products Act.

He said: Mr. Speaker, I am pleased to present this private member's bill entitled an act to amend the Hazardous Products Act.

I first presented this bill last June in response to two of my constituents, Robert and Maria Weese of Wallaceburg, Ontario. They lost a young son in a tragic accident at school when a portable soccer net blew over.

This bill is based on the recommendations of the coroner's jury in the Wallaceburg case. The bill would require that soccer goals, handball goals and field hockey goals for recreational or school use be fixed to the ground. There are many other cases in both Canada and the United States where nets have blown down and youngsters have been injured or killed.

I again commend the Weese family and the local community for working to prevent other possible tragedies. I am proud and honoured as their member of Parliament to present this private member's bill on their behalf.

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

Routine Proceedings

(1510)

PETITIONS

NATIONAL FILM BOARD

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I have the honour, pursuant to Standing Order 36, to present a petition signed by about 100 residents of Saskatoon protesting the closure of the National Film Board office in Saskatoon. That would leave Saskatchewan along with Newfoundland as the only provinces in Canada without a National Film Board presence, another nail in the coffin of our national institutions across this country.

DRUG PRICES

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I also have a petition signed by 299 people from all across Saskatchewan. They are protesting Bill C-91 which basically increased the price of drugs in Canada by reducing the availability of generic brands. They are calling upon the government to repeal Bill C-91 and to look to the interests of Canadians and their health care in order to ensure that drugs are a more reasonable price.

RURAL POST OFFICES

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I have a petition addressed to the minister responsible for post offices. This subject perhaps has taken a new slant with the new minister but I do have an obligation to present these petitions anyway. I have been sitting on them here for a week or so.

The petitioners are from little places in rural eastern Ontario, for example Lansdowne, Elgin, Westport, Gananoque, and so forth. They express real concerns about the previous government's position in reference to rural post offices.

Rural residents think they deserve the same postal services as urban residents of Canada enjoy. The previous government pillaged small towns in rural Canada.

They ask that the new minister responsible for post offices take a new look at this and he already has. The petitioners are asking the new minister to restore complete postal services to rural communities. They have grown accustomed to this service through the years and would like to see it restored.

I support these petitioners as do many of our rural caucus.

KILLER CARDS

Mr. John Maloney (Erie): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition on behalf of the constituents of Welland—St. Catharines—Thorold.

This petition adds more names to the growing number of Canadians who are fiercely opposed to the importation of killer cards. Not only do these cards glorify murder and criminals who commit horrific acts of violence but they act as a daily reminder to the victims' families and friends of the brutal violence that struck down their loved ones and struck down their security and faith in humanity.

The constituents of Welland—St. Catharines—Thorold do not want these trading cards in their communities. Those who have signed this petition affirm that: "We abhor crimes of violence against persons and we believe that killer trading cards offer nothing positive for children or adults to admire or emulate but

rather contribute to violence. We ask that the laws of Canada be amended to prohibit the importation, distribution, sale, and manufacture of killer cards and to advise producers of killer cards that their products if destined for Canada will be seized and destroyed".

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following question will be answered today: No. 4.

.[Text]

Question No. 4—Mr. Taylor:

What steps have been taken by Revenue Canada since the decision of the Supreme Court of Canada regarding the Glenn Williams Case (92 DTC 6320) requiring Revenue Canada to reconsider its interpretation of the scope of the exemption from income taxation due to Indians under the jurisdiction of the Indian Act?

Hon David Anderson (Minister of National Revenue): Mr. Speaker, following the decision rendered by the Supreme Court, the department reviewed the decision and issued a preliminary position near the end of 1992. A period of transition was put in place to allow Revenue Canada time to assess the scope of any negative impacts of the case and to allow affected individuals and organizations time to reorganize their affairs.

To clarify the application of the Indian tax exemption, revenue officials received input throughout 1993 from Indian organizations and individuals regarding the types of situations that could be affected by the Williams decision. Between June and October 1993, meetings were held across Canada with interested parties. In addition to the input obtained at the meetings, the department has received close to 250 letters and submissions from interested parties.

The department, based on all the input obtained and a sound analysis of the case, developed proposed guidelines for the interpretation of the Williams decision. The guidelines are a fair and liberal interpretation of the tax exemption provided by the Indian Act.

The draft guidelines were sent to some 200 Indian organizations and individuals on December 15, 1993. The department will accept comments on the draft guidelines until the end of March 1994. As the guidelines were not issued until near the end of 1993, the government is extending the transition period for existing employment arrangements to December 31, 1994. This will allow those who may be adversely affected to study the guidelines and rearrange their affairs if they so wish.

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

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

Government Orders

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

(1515)

[*Translation*]

BORROWING AUTHORITY ACT, 1994-95

The House resumed consideration of the motion that Bill C-14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the second time and referred to a committee.

The Deputy Speaker: The Chair recognizes the hon. member for Charlesbourg, who has eight minutes left.

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, it is not easy to pick up where one left off, but I will try.

I said earlier that I would concentrate on the impact on defence spending. In this connection, for the benefit of the hon. member for Kingston and the Islands who said that Kingston is a bilingual city, I have here an article dated March 3, which says that the military base's French school is not allowed to post its name in French on the outside of the school. I think that is rather revealing. "We wanted to emphasize the French character of the only place in Kingston where our children can speak French. In town, everything is in English". It is easy to say Kingston is completely bilingual, but this is not borne out by the facts.

My next point is that when the Department of National Defence and the Department of Finance made cuts in the defence budget, there were plenty of things we did not bother to mention and accepted without a murmur, because in Quebec we have always been somewhat deprived in this respect. In fact, the Minister of National Defence admitted that Quebec was at a disadvantage as far as defence spending was concerned.

I remember what was said in this House by the Prime Minister and the Minister of National Defence, when the former painted an idealistic picture of Canadian bilingualism and the latter, the Minister of National Defence, was upset that Bloc members refused to believe in the bilingual character of Kingston. How could we when we consider that at the time, Prime Minister Trudeau ordered the Royal Military College in Kingston to become a bilingual institution? And what is the situation now, 20 years later?

Kingston graduates are "officially" bilingual. In fact, francophones who attend the institution are perfectly bilingual. Anglophones have a very limited knowledge of French, so limited that they do not feel comfortable speaking French and lose that limited knowledge as soon as they graduate. This is from a report by the departmental committee on Canadian military colleges released in May 1993. These statements were not drafted by Bloc members, sovereigntists or separatists. This was in a report on military colleges by the Department of National Defence.

The Prime Minister said that Canada's linguistic duality was not exclusive to francophones in Quebec and included all

francophones outside Quebec as well. When making these decisions, he probably overlooked the following: If bilingualism is the rule, why do the vast majority of officers from the Maritimes go to the Saint-Jean military college to become truly bilingual?

We should also remember—and I want to include the Royal Roads College in Victoria as well—that if we consolidate military training at a single college, there are many people in Western Canada who will not opt for a military career because they would have to leave the West and come to Ontario. The same applies to the Maritimes, because most officers who studied at the Saint-Jean Royal Military College were from the Maritimes and the province of Quebec.

Some hon. members: Oh, oh.

Mr. Jacob: I have the figures. You can ask questions when I finish my speech.

At the Saint-Jean military college, anglophone students are in immersion for five years. Francophones have a chance to practice their English on a regular basis and, unlike the anglophones, are motivated to learn English because later they will have to work in other anglophone provinces or on peacekeeping missions within the international community, where English predominates.

The Saint-Jean military college is the only college that produces francophone and anglophone officers who are truly bilingual and who understand the linguistic and cultural duality which has been on the Prime Minister's lips since the beginning of the 35th Parliament.

This government has just made a decision which, according to all concerned, has no sound economic basis, because an institution of higher learning, a university that must embody the four pillars of officer-training, which are military instruction, university training, second-language training and physical education, should not have to meet narrow financial criteria.

(1520)

The Minister of National Defence has stated that I had encouraged him to make cuts in military spending, but definitely not in Quebec. The minister said I was applying a double standard. But I want to remind him that, in terms of the money spent on infrastructures, Quebec, with only 13 per cent of those expenditures, was not getting its fair share, whether from a per capita or a budget point of view. In the document entitled *Budget Impact*, the minister himself clearly illustrates what I said in my previous presentation in this House.

Indeed, the minister tells us that in 1993, Quebec only received \$302 per capita, while the Canadian average is \$398. For a population of 6.7 million people, this translates into an annual loss of about \$600 million, and this for more than 20 years now. This money not invested in Quebec represents more than \$10 billion, a sum which surely would have helped create permanent jobs.

When we asked for cuts in the defence budget, we were convinced that this kind of government, which wants to keep the bad Bloc Quebecois members from destroying the great country that Canada is, would show us that Quebec had suffered such a prejudice because of this imbalance in the defence budget, and

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that this injustice would be corrected by not eliminating what little our province had got in the first place.

Again, when confronted with figures quoted by the hon. member for Saint-Jean, the Minister of National Defence said that indeed Quebec's percentage of the defence budget was smaller. The minister also said that he appreciated the hon. member's arguments to the effect that Quebec is at a disadvantage, but added that it was because of its geographical location in Canada. How can the minister and his government confirm that Quebec is at a disadvantage and ask us to put up with yet more cuts, when we have already suffered a prejudice for more than 20 years? If our location put us at a disadvantage during the Second World War, how can it once again put us at a disadvantage today?

Moreover, it is misleading to say that 22 per cent of military spending is now made in Quebec. Again, the Minister of National Defence pointed out that after the budget under study the percentage of military expenditures in Quebec has in fact increased, because of major cuts in the rest of the country. That share, which was 19 per cent yesterday, is now 22 per cent, this in spite of the closing of the Collège militaire royal de Saint-Jean and the downsizing of the military base.

Indeed, how can the minister say that when the figure of 22 per cent is only an estimate for 1997? To imply that this is the estimate for the present is to stretch things quite a bit. The same goes for the statements made concerning the Royal Military College in Kingston, and that concerns me.

I also want to say something about the comments made by the Prime Minister and the Minister of National Defence who said that if the government had listened to the Bloc Québécois and cut 25 per cent of the defence budget, it would have been necessary to make even greater cuts in Quebec. In fact, if the government had made such a cut without affecting Quebec it would only have brought the expenditures made in our province in line with the per capita average spending for the rest of Canada. It would also have provided an argument for the few federalists still waiting for a justification of the Canadian federalism.

Not only was the Liberal government quite prepared to make cuts in Quebec, but it also showed its arrogance and its unfairness by closing the military college which is the least costly to run. It decided to close the Collège militaire royal de Saint-Jean in spite of the departmental report which I quoted earlier and which recommends that all three military colleges remain open and that operations be streamlined.

In my opinion, the recommendation made by the departmental committee is certainly a good one, considering that the closure of Royal Roads and the Collège militaire royal de Saint-Jean will only translate into savings of \$34 million. By comparison, the hon. member for Waterloo, who is one of the minister's colleagues, mentioned that if we put restrictions to the relocation of military personnel moving from one base to another, which cost \$118 million last year, we would easily save \$35 million.

I am not done but unfortunately my time is up.

(1525)

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, in light of the budget tabled two weeks ago and the additional information provided by the Minister of Finance since, it would seem that the Liberal government has taken no serious action to prevent duplication between certain federal departments as well as between levels of government or to check squandering in the public administration. We know full well that year after year the Auditor General unearths outrageous cases of waste.

Of course, the Minister of Finance says he is reducing the operating budgets of the federal bureaucracy, but that is not enough if we are to stop living above our means. The government cannot expect, with the kind of expenditure level it is forecasting, to lower the individual tax rate in the medium term, a move which would really contribute to restore the confidence of Quebecers and Canadians in the economy.

Basically, the government is not addressing the chronic government deficit problem when it fails to rationalize its spending. Moreover, it is relying on a very slight economic recovery to reduce the deficit. With the underground economy constantly gaining ground and given, among other things, our level of taxation, there is no way that government revenue can increase faster than the sum total of revenues generated by economic activity, the GDP. In fact, the government is only moving funds around from one budget item to another without reducing expenditures as a whole.

As for the unemployment insurance reform, it reflects the contempt of Liberals for the jobless. Minister Axworthy admits to be pursuing the following objective, namely to force recipients to work longer to continue to qualify for the same number of weeks of benefits. As if people chose to be unemployed and to work only a given number of weeks. This program is intended to provide income support to workers and must not be seen as a way of life in combination with work.

This reform without any job creation incentive results in pushing the unemployed toward welfare, thus passing the buck to the provinces. The young will bear the brunt of this reform as they are the ones having a hard time finding long-term jobs.

The problem with unemployment in Canada and Quebec is the lack of available jobs and increasing numbers of temporary jobs. The government must promote work and make it accessible to all.

The infrastructure program will do nothing to address job insecurity as only temporary employment will be created with the billions sunk into it.

With regard to the implementation of this program, many rural municipalities in Quebec feel left out because they have done infrastructure work in the past two years. Take for example the municipality of Saint-Maurice, with a population of 2,195. In 1991-92, this municipality spent \$413,000, or \$95 per person, on non-subsidized infrastructure work. The standard for work not covered by the new program is as follows: the cost of work done over the past two years, divided by the total popu-

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lation, up to a maximum of \$80 per person, \$80 being the provincial average for municipalities in this category.

Such a criterion clearly favours municipalities which have not done capital work during the period covered by this administrative requirement. One way to resolve this problem would be to abolish this criterion and thus not penalize anyone.

(1530)

Although the Quebec Department of Municipal Affairs is responsible for applying the program, I wish to point out to the Liberal government the situation of many small Quebec municipalities, which is cooling their enthusiasm for this program and its economic benefits.

For nearly ten years, I was mayor of a small municipality in my riding, and every budget item was minutely examined by my council so as not to burden our constituents with a deficit. All of a sudden, the federal and provincial governments are urging the municipalities to borrow, which will endanger their future budgets because of the famous calculation based on spending and investment in 1991 and 1992. What I conclude is that both the federal and provincial governments want our small municipalities to go further into debt. I wonder if these governments are not jealous of how these municipalities operate. I think our governments have some lessons to learn from these municipalities, which can restrain themselves and balance their budget.

The municipality of Saint-Maurice which I took as an example has to spend \$175,000 in 1994 and \$175,000 in 1995 before it receives a cent in subsidies, which will be allocated one third, one third and one third.

In closing, I would like to deal with one last subject: the reduction in the age credit. As we all know, taxpayers aged 65 and over can claim a tax credit of 17 per cent of \$3,482 from the federal government and 20 per cent of \$2,200 from Quebec. This credit reduces federal income tax by about \$610 a year for all seniors who have to pay income tax. In Quebec, this credit also reduces provincial income tax and the combined reduction is about \$1,050 in Quebec. The change made in the latest budget is intended to reduce this credit for seniors whose net income exceeds \$25,921; the credit will be reduced by 15 per cent of the individual's net income which exceeds this amount.

This government measure will affect 800,000 people, including 600,000 middle-income people in our society. As we can see from several examples, the Liberal government is saving money at the expense of the unemployed, young people and seniors. What is even more striking in this budget is the lack of any long-term planning for lower deficits and job creation incentives.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I would like to ask the hon. member what he thinks of the fact that, a few weeks ago, the Canadian Chamber of Commerce surveyed its members. It asked whether federal policies encourage businesses to leave the country. As mentioned in the headline, Canadian

business people are not satisfied with the way this country is governed. You see, Quebec sovereigntists are not the only ones thinking that the country is poorly managed at the federal level; the Canadian Chamber of Commerce and its members think so, too. According to surveyed members of the Canadian Chamber of Commerce, 22 per cent of these business people have partly left the country, are in the process of leaving it or have left it entirely. It is because of federal policies that business people gave such a straight answer to the questions asked by the Canadian Chamber of Commerce in its survey.

(1535)

This proves that Canada is poorly led, that the policies of the federal government, of the finance minister, do not meet business people's requirements. When the Minister of Finance says he wants to create jobs, he does not talk about what business people need to survive. It is business people who create jobs. It is businesses that create jobs. Why are they telling the minister that 22 per cent of them would rather leave Canada than continue to work and create jobs in Canada?

It is so serious that we in the Bloc Québécois have decided to promote Quebec's sovereignty. We sincerely believe that Quebec's sovereignty will enable us to manage our affairs with honour and dignity, to meet the needs of Quebecers and those of our small and medium-sized businesses so they can survive, to reduce unemployment and create prosperity. Does the hon. member agree with my comments?

Mr. Lefebvre: Mr. Speaker, of course, when the Chamber of Commerce expresses an opinion on certain issues, we must listen to it. I think that we in the Bloc Québécois work to keep our people in Quebec. In that sense, I support the hon. member's comments.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I acknowledge the hon. member's credentials from municipal politics, from the parish councils. I too have a background.

Having said that, we must realize that the member's experience would indicate the reason this government brought in the infrastructure program was that the municipalities requested it. For some 10 years the municipalities requested that the federal government cost share with the provincial governments and the municipal governments in infrastructure development.

If the municipalities are so jealous or so negligent as to not want to share, I am sure that the other provinces would gladly accept their allotment of money for infrastructure programs. We have found in all of the provinces that the requests far outnumber the ability to begin infrastructure. I would remind the member as well that this is not short term work, it is long term infrastructure that every town, every municipality in Canada requires to sustain economic development.

*Government Orders**[Translation]*

Mr. Lefebvre: Mr. Speaker, the Bloc Québécois agrees in principle with the infrastructure program, but we do not agree with the calculations done for the years 1991 and 1992. We support the rest of the infrastructure program and we agree that municipalities should have this kind of program.

[English]

Hon. Jon Gerrard (Secretary of State (Science, Research and Development)): Mr. Speaker, I am proud to speak today on Bill C-14, the borrowing authority bill to implement the budgetary measures.

In this, my first speech in this Chamber, I would like to begin by thanking the people of my riding of Portage—Interlake for their support and their confidence in me.

From Long Point, a finger-like extension which juts out into the north end of Lake Winnipeg, jusqu'à l'usine de beurre de St. Claude; from Denbeigh Point on Lake Winnipegosis past Fairford, Ashern, St. Laurent to Winnipeg Beach, Stony Mountain on to La Salle and Domain, this is my constituency of Portage—Interlake, Manitoba.

(1540)

In some ways it is a microcosm of the problems and of the opportunities that exist today in our country. There are large commercial fisheries on Lake Winnipeg and Lake Manitoba. The fisheries, like those on the east coast, are having difficulty at the moment.

Last year we had a very wet summer and our farmers experienced serious difficulties, many of them with fusarium head blight infection. In spite of these difficulties there are many positives such as beautiful scenic spots, some high quality soils, good pasture for cattle, the creative imaginations of local leaders who have produced the Interlake interactive television network, perhaps the most advanced distance interactive network for high schools in Canada.

Let us face facts. For 60 years for much of this region large numbers of young people have been moving away because we have not done enough to create job opportunities and we have not done enough to develop an environment which allows the local entrepreneurial spirit to develop new and diversified businesses.

For those who live in the 11 First Nations communities there are staggeringly high effective levels of unemployment; 60 per cent to 90 per cent plus in most of the communities.

It is time for change. The budget and the estimates have started that change, a change from the reliance on the old economy to the development of the new.

Today I want to speak specifically about the role of science, technology, research and development in the promotion of the new economy. As outlined in the budget and the estimates, our government has put considerable emphasis on this area. Because of considerable fiscal restrictions we have had to do less than we might otherwise have wanted to do in supporting some specific projects, the space station or KAON, for example.

In our approach to science, technology, research and development we have laid out our plans within the context of the philosophy embodied in the Liberal election platform, "Creating Opportunities", our red book:

"First, by stressing the notion of partnership with all sectors of society we think we can re-organize our total national resources, public and private, not only to be more efficient but to take advantage of strategic economic and social opportunities that can only be realized when all of us are working together.

Second, we wish to focus our efforts on leverage points to enable the impact of federal efforts to be as large as possible, particularly in times of tight fiscal resources.

Third, if we want to have a country that works we have to measure whether specific government programs actually deliver results over time. Whether it is in health care or regional development, it is important to measure the long term outcomes and consequences of our policies and our programs. That is why we have placed so much emphasis on evaluation, innovation and finding best practices".

Over the course of the next several months our government will be undertaking a series of new federal initiatives in science, technology, research and development. We will be consulting with Canadians over the course of this period as we develop these initiatives, as we review the current federal spending in science and technology.

A primary aim of our research and development approach will be to lay the foundation for the generation of both short term and long term wealth.

[Translation]

One of the main objectives of our approach to research and development is to do the necessary groundwork to attract more research to Canada, both in the long and short term.

[English]

We have an urgent need to find solutions to present high unemployment. We need to emphasize research and devel-

opment in parts of the economy with great potential for growth, including information technology, telecommunications, broadcasting, computer services, especially software development, environmental services and in medical and biotechnology areas.

(1545)

It is also important to continue to have a solid foundation of support for basic untargeted research because the precise source of the next advance is never fully predictable. At the same time we must pay particular attention in developing or enhancing programs which are effective in converting advances in basic research into jobs and economic opportunities, whether they lie in advance materials, in information technology, biotechnology, agriculture, fisheries, transport or other areas.

[*Translation*]

Initiatives aimed at establishing partnerships based on the lever principle to maximize our efforts, are important.

Another important goal of our strategy is to develop a culture of innovation in Canada.

[*English*]

Our second important objective is to create a culture of innovation in Canada. Creating this culture means showing leadership by being innovative. It means showing leadership by including research and development components as central elements in the way our government works, whether in the way we promote industrial development, in the way we achieve effective change to our income support programs, or in our innovative development of pilot programs, for example, like the Canada Business Service Centre in Winnipeg to ensure we have the research and development base to ensure high quality and cost efficiency.

A third goal of our research and development strategy must be to make better use of sophisticated current research and development approaches to design and implement government programs and to assess outcomes of these programs.

This goal must apply to new programs as well as existing programs including those involved with health care, income support, learning, resource management and so on. We as a government must use our resources with the greatest possible efficiency. This means continually assessing and testing our approaches.

A fourth and final goal of our research and development strategy is to integrate all our approaches to maximize the quality of life for Canadians. An enhanced quality of life is an important result of research and development efforts. Research into health care, child development and environment is an important component of this thrust.

It is our objective to work with Canadians from one end of the country to the other to utilize research and development and to support the development of a new economy in Canada. We have some marvellous models, some shining examples of success. One is the city of Waterloo, a community which has been hurt

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over the last several years with the loss of thousands of jobs in traditional sectors.

I visited there recently. Through an extraordinary research, development and training partnership between the university and business, the largest co-operative program in the world, the community has built upon the opportunities of the new economy to replace the large majority of the lost jobs through the development of new businesses and new industries.

Initiatives such as the information highway will play key roles in promoting growth in the new Canadian economy. To this end I spoke at the beginning of February in Toronto at the Information Technology Association of Canada to outline the government's goals in developing a Canadian strategy for the information highway. Our goals are threefold.

First, we want a strategy which emphasizes employment opportunities through innovation and investment. Opportunities for Canadians are our top priority.

Second, we want a strategy that emphasizes Canadian culture and Canadian values. In essence we believe the cars and the trucks of the information highway, the information packages, may be as important or perhaps even more important than the highway itself. We want to be sure that Canadians can learn about Canadian achievements and Canadian success stories through the information highway.

[*Translation*]

We want to make sure that Canadians can be made aware of Canadian successes and achievements through this information highway.

[*English*]

Third, we want a strategy which will give Canadians universal access at reasonable cost. All Canadians, whether rich or poor, whether rural or urban, must be able to take advantage of the opportunities of the information highway. Initiatives like the media centre in the constituency of the hon. member for Broadview—Greenwood and Larry Geller's freenet in rural Sprague, Manitoba, may be very important in bringing these dreams to reality.

(1550)

The information highway provides extraordinary opportunities for communities to take control of their own destiny wherever they may be located. The example of North Bay is inspiring.

Ten days ago on February 25, just three days after the budget which will result in a considerable reduction of personnel at the base in North Bay, the community was going full steam ahead with plans to make North Bay a central hub on the information highway, to create an integrated community network for health, education and business, and to bring the benefits to North Bay and surrounding areas of the emerging technological opportunities. I was there that day and felt the excitement as participant

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after participant put forth ideas and suggestions for new job opportunities in tourism, health, education and real estate. The opportunities are enormous.

I felt a similar level of enthusiasm recently in Pinawa, Manitoba. I know a number of my constituents are moving forward in developing new initiatives for the information highway. Late last week at a Manitoba Trucking Association meeting to which I was invited there was talk of what happens where the freight highway meets the information highway.

[Translation]

Late last week, we discussed with members of the Société franco-manitobaine the incredible potential of a Trans Canada French language information network, in which Quebec would have a key role, of course, and which would link all francophone communities across Canada.

In my own riding, I could feel the enthusiasm of people who would love to belong to such a network, when I mentioned it in Saint-Claude, Saint-Laurent, Saint-Eustache, Fannystelle and La Salle. These communities will finally have access to the tools they need to deal in French with the problems they face regarding learning, health care and business, as well as to other opportunities which otherwise would not have been available to them.

[English]

We shall shortly be setting up an advisory council to provide advice on our Canadian strategy for the information highway. We are still open to suggestions for names for this council and those suggestions can be imaginative.

I have even made one suggestion myself, remembering the words of our Prime Minister when campaigning in Shawinigan. Il a dit: "Je vais faire mon possible". I will do my best. I have suggested that perhaps the council could be called the council of the possible, le conseil du possible, transforming the world of dreams into the realm of the achievable, for that is what our government is about: helping Canadians to start dreaming of the possibilities of the information age and then working in partnership with other Canadians from coast to coast to turn these dreams into reality.

Finally let me reiterate my government's commitment as laid out consistently in our election platform, the throne speech, the budget and the estimates. We will work with Canadians to develop a more innovative economy. We will use and harness the benefits of science and technology to create new job opportunities, to help Canadians develop the skills to find meaningful work, and to enrich the lives of all Canadians whatever riding they may live in. Whether in Burin—St. George's, Madawaska—Victoria, Hochelaga—Maisonnette or my own community

of Portage—Interlake, we are about transforming Canada through science, technology, innovation and creating jobs. That is what our goal is and we are well on the way.

[Translation]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, I listened carefully to my colleague and, at a time when the deficit and the debt are so much talked about, I am shocked and puzzled that all they are talking about is consultation. At various times, we were told that Canadians would be consulted on this or that.

(1555)

As far as I am concerned, and especially with regard to the budget and its preparation, there was too much consultation; and yet, unions, senior citizens, the unemployed complained that indeed they were consulted but that the Liberals only took what they liked.

My question to my colleague has to do with the fact that every year the Auditor General makes a series of recommendations and as he said himself, as a general conclusion to his report, that there are no controls and that his recommendations are not followed. Would it not be better to stop travelling from coast to coast, given the cost of such an exercise, and instead focus on implementing the Auditor General's recommendations?

[English]

Mr. Gerrard: Mr. Speaker, I thank the hon. member for his question and concern. We are going to proceed in two fashions. On one hand it is important to consult Canadians from coast to coast. On the other hand it is important to listen to people like the Auditor General and to take a look at how the federal government works and spends at the moment.

We have a global science and technology expenditure in the federal government at the moment of about \$6 billion which when including tax expenditures reaches a total of about \$7 billion. It is important even as we proceed to look at how we can develop an innovative economy, how we can use the principles of leverage, and how we can look at outcomes of government programs. It is also important to review how we are making our current expenditures to make sure they are up to date and are the most effective they can be.

Even though we have committed very substantially in the budget to research and to new dollars for research, for innovation, for a Canadian technology network, for a Canadian investment fund, for dollars to put together an engineers' program and a variety of other contributions and initiatives, we intend to review how we are currently spending those dollars that go toward science and technology across the broad framework of departments.

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It is not necessarily an easy task. It will need a lot of co-operation among departments, but we think it is important to do so because it is very important to spend wisely even as we move forward on important initiatives to promote innovation and research.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières): First of all, Mr. Speaker, I would like to congratulate my colleague, the Secretary of State for Science, Research and Development, for his maiden speech in which he demonstrated a broadness of outlook.

I would like to ask him to what extent he is sensitive to the drastic changes presently occurring on the geopolitical scene and which mean that the whole defence industry is being transformed.

We know that thousands of jobs have already been lost and thousands more will be lost in the next few years, and they were highly technical jobs as the red book of the Liberal Party pointed out. I would like to know to what extent his government is sensitive to that phenomenon, since it was in the red book, but it has not been mentioned since October 25. In my opinion, it would take some strong and courageous action by the government to help the companies affected switch from military to civil applications.

In this context, I would like to ask him whether he considers that the construction of a high speed train in the Quebec—Trois-Rivières—Windsor corridor could compensate, technically and financially, the cancellation of the helicopter program? Also, does he not think that MIL Davie of Lauzon, builder of military ships, mostly for the Canadian government, which has set its own plan of conversion to civil work, should be given immediately the contract to build the ferry for the Îles-de-la-Madeleine, to offset current economic pressures? These initiatives would be in line with the proposals of the red book.

(1600)

Mr. Gerrard: Mr. Speaker, it is very important for us, in Canada, to consider what is going on in the world. The things you mentioned, that is the changes in the military situation, are really important. There is more than one answer.

[*English*]

There are all sorts of opportunities which have to be looked at very carefully. I gave the example of North Bay. North Bay is a community very significantly affected recently by the decrease, the reduction in the base.

When I was there what was phenomenal was that three days after the budget, in the wake of this announcement that this base was going to be reduced and the NORAD headquarters was going to be moving, people from the health area, the education

area and the business area were brought to the community to work together to build an integrated community network, to build a strategy for the information age that would put North Bay at the hub of the information highway in northern Ontario.

That is but one example and the examples that the hon. member chose were different. We have to look at these opportunities as we build for the future and we have to look at new technologies, just as the member suggests. Perhaps in this way we can move forward together to build for Canada the new highways, some of those information highways, other highways and trains, perhaps, that will join this country together in new ways and build a better country for all of us.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I compliment my colleague for his maiden speech in the House of Commons. It was well put and very thought provoking.

We know how important the information highway is and will be for all of Canada in order to develop our educational resources and our health resources. I wonder if my colleague would mind spending a few moments to tell the House, and through the House the rest of Canada, how the information highway that he envisages will assist the small and medium sized businesses in this country in which we have all conceded the jobs that Canadians so sorely need are going to be developed.

The question is how would the information highway assist these small entrepreneurs in order that they may benefit from this remarkable technology?

Mr. Gerrard: Mr. Speaker, it is a big question and a complex one. In point of fact, the information is enabling in whatever domain, whether in farming, fishing or tourism. In tourism, for example, using the internet we can tell about the beauties, the opportunities of our areas, and reach 30 million people more easily than we might in any other way.

In real estate, we can take clients through a tour of a farm house, a factory, a residential house without having to be there. Thus, we may be able to better market the properties to people who are interested in moving and better show people areas without having to travel around quite the same way.

There are opportunities that people have already begun to take. In Newfoundland, for example, with the TETRA network there are individuals who have been able to move their fish culturing, their aquaculturing, much further ahead because they were able to talk on computer networks with people in British Columbia and learn about techniques which would move their business forward faster.

The information, the libraries, the possibilities of the future are endless. What we need to do is look at those opportunities, build on them and make sure that our communities are able to profit from them.

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(1605)

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, hon. members' statements were quite interesting today. I could not help but think back to two conversations that I was engaged in over the last couple of weeks. The first conversation took place during a meeting I attended at which one of the speakers was talking about the information highway. The question from the group of people who were there came back: "What does that mean to me, I am still on a party line?"

In other words, what the person was saying was that our telephone system and the links that connect all of our homes in this country have not yet reached the technological level at which the benefits of an information highway can reach all Canadians.

Last week I visited one of the 22 Indian reserves in my constituency. On that reserve we were talking about the municipal infrastructure program and the ability of that program to fit a telephone system for the reserve. There are only three telephones on this reserve of 400 people. They cannot even call out their fire department. We talk about communications breakdown in this country. That community cannot even call out its fire department because it is not linked.

The municipal infrastructure program may not help with a communications infrastructure.

I am just wondering, to the hon. member who just spoke about the information highway and the growing technology that we are developing in this country, how we can apply the fairness of a good idea to all communities where our technology has not yet reached.

Mr. Gerrard: Mr. Speaker, what the hon. member speaks of is very important. However, we have made significant strides in Canada. We have 90 per cent plus of the people on digital phones already, which is much higher than the United States. Although we have a long way to go we can apply our existing infrastructure program to the electronic highway as well as to routine infrastructure.

It is important for each community to look at how it can best position itself and use the infrastructure and other opportunities to bring it into the future and into the 21st century.

[*Translation*]

The Deputy Speaker: The question and comment period has expired. We just ended five hours of debate on Bill C-14.

[*English*]

The rules require us to go to 10-minute speeches without questions or comments. It happened while the minister was speaking and therefore it takes effect after he finishes the questions and comments.

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, I rise to debate on Bill C-14. I wish to speak to this bill in the context of the overall budget presentation by the Minister of Finance.

On the eve of the presentation of that budget the Prime Minister gave to the Minister of Finance a new pair of boots. Work boots, they were. By that act the Prime Minister said: "I am with you, Mr. Minister, and we want to get the people back to work".

The boots have no direction in and by themselves. The minister provides the direction and that is where things went awry. He created great expectations. A new process was presented to this House of Commons. We had a prebudget debate as never before. We had cross-country consultations from one end of this country to the other. It all turned out to be nothing more than smoke and mirrors. The individual Canadian felt uninvolved and unconnected.

Only an elite group of people was involved in the prebudget consultations. The Minister of Finance came back and told this House that the people were not opposed to broadening the tax base. It really meant increasing taxes. The people said: "You did not hear us. We do not want our taxes to increase".

He raised another expectation that this was going to be a tough budget. The people paid attention when the minister said that. They expected that the budget cuts would be tough and deep and that the budget cuts would be cutting particularly to the big spenders. They were willing to accept a tough budget not because they wanted less but because they knew it was the right thing to do.

(1610)

It was right for them. It meant hope for jobs. It meant less government and interference in their business. It meant hope for a decent return on their investment and it contained prospects for continued prosperity. They also thought it was good for their children. In addition to those things they would get, their children would benefit through lower taxes, through a stronger dollar and a stronger economy.

What did we get? We got a blurred vision. We expected fairness and equity in cuts. While there were some cuts they were neither fair nor equitable. We got cuts in research which cut the KAON project in western Canada without a corresponding cut in central Canada. Research funds were increased for central Canada.

When one of the politicians in Ontario was told about the benefits and the characteristics of the KAON project, he was overheard to say that if it is that good it should be in Ontario—some foundation for equitable distribution of funds across Canada.

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Second, we expected the budget to have an overall decrease in government spending. Instead, we got an increase of \$3 billion. That increase adds to the national debt and smashes the hopes for lower taxes in the future.

Third, we were told that jobs would be plentiful. We discovered that the infrastructure program was to be the flagship that would start the economic engine and provide jobs. We looked for evidence as to where this would happen. There was none. The projected unemployment rate remains virtually constant throughout the projected budget years. Six billion dollars of infrastructure but no change in unemployment—what gain in jobs?

Fourth, we were promised that interest rates would remain stable, a little hope at last. We were suspicious. With increased spending and a larger debt could it be that interest rates would not rise? Last week the financial markets began to scold us and other borrowers globally. Especially in the United States interest rates began to rise.

The world around us is changing and Canada will be affected, whether the minister admits it or not. Rising interest rates spell bad news for a country that depends increasingly on foreign creditors to finance its government habit, annual deficits of \$40 billion to \$50 billion.

Our little calculators and computers showed us very clearly that as interest rates rise, interest payable rises, the deficit goes up, the proportion of the GDP required for interest payments goes up and our taxes go up, the very opposite of what we wanted.

The Prime Minister at various times in this House used words to tell us in effect that it is not good, indeed it is not moral, it is not carrying out our responsibility as guardians of the public purse if we do not pay increased spending with an increase in taxes.

It is immoral and irresponsible, he said, to place the burden for paying for our uncontrolled spending on the shoulders of our children and our grandchildren. He is the same Prime Minister who said to the finance minister: "Here is a new pair of boots". What for? To kick us and our children into an increasingly dismal future? We got a budget that destroyed both the vision and the promise of the Liberal red book as well as the promise for a tough and fiscally responsible finance minister.

Some say that is just a bunch of partisan rhetoric. Let us look at the international markets. Both stock and bond markets have taken a fright to the present prospect of higher U.S. and global interest rates. In this frightened market the finance minister added \$40 billion of debt. That brings it now to a total of \$550 billion by 1995. That is \$20,000 for every man, woman and child

in this country. As the interest rate rises the Canadian taxpayer must pay more. The discretionary spending decreases, the number of jobs is reduced and our consumer confidence goes down. Add that together and it is no surprise that people talk about a tax revolt.

However, it is not only interest rates. It is also confidence in the Canadian dollar. On March 2 and 3 the Canadian dollar dropped to below 74 cents. It is still there today. That increases the difficulty to borrow money from foreign creditors. All this adds up to an abrupt re-evaluation of Canada because the rest of the world is changing. Canada is not.

For example, the U.S. economy is growing at more than twice the rate of the Canadian economy. Its debt ratio to GDP is about half that of Canada. Hence, a rise in interest rates affects the market economy much less than it does Canada.

(1615)

Within this context, the Minister of Industry said: "Many of our fellow citizens approach the future with more anxiety than hope. Our mission as a government is to offer hope but if hope is to be meaningful, it must be realistic. And so we have put forth in this budget a plan for the revitalization of the Canadian economy, a plan which I believe addresses the challenge and recognizes the opportunities that await Canada".

He then details a number of significant proposed plans and initiatives, many of which I agree with and commend him for. Of particular merit is the Canadian scholarship program of \$24.7 million and the action agenda to help small business growth and to continue to generate jobs for Canadians.

I applaud him as he emphasizes "the need to change the culture and attitudes of employers and employees alike to the adoption of new technology. Advances in science and technology are driving productivity improvement everywhere in the world. In the 1990s no country can insulate itself from these new developments. We must organize ourselves to keep up with cutting edge technology and where possible move ahead. This is the essence of creating well paying jobs and growth in this decade."

He promises \$100 million for the Canadian investment fund over four years and adds: "We will continue to seek additional funds in the private sector". The government will seek additional funds in the private sector. Where does he think the \$100 million contribution came from? Did he create it? Did it fall from heaven? Did it come from the Prime Minister? No, it came from Canadian taxpayers, the most private sector there is.

The greatest catalyst for business is a reduction in taxes, a reduction in regulations, an elimination of interprovincial trade barriers, common standards of excellence in education and well trained personnel.

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I challenge the minister. Will the Minister of Finance admit that this budget will not decrease government spending, will not decrease the tax burden of Canadians, will not lead to deficit elimination and will not meet the Liberal red book deficit reduction entirely? Will he instead challenge every parliamentarian and every committee to examine the estimates and then ask them to provide amendments that will decrease total government spending, that will at least not increase taxes to Canadians and lead to deficit elimination. Then the Minister of Finance will give Canadians a clear mission to provide hope and build confidence. He will be able to walk with pride in the new boots the Prime Minister gave him and we will have a 35th Parliament that will be democratic.

The Deputy Speaker: To the member for London—Middlesex who perhaps was not here before the speech began, under Standing Order 74 we have to go to 10-minute speeches with no questions and answers. It throws everything out for everybody.

For example, the next speaker is not a member of the Reform Party. It is the Parliamentary Secretary to the Minister of Fisheries and Oceans.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, this is the first opportunity I have had to make a speech in the House. I want to congratulate you on your appointment.

On February 22, Canada's finance minister stood before the House to release the first budget of Canada's 35th Parliament. By doing so, the government took the next step toward completing a process that began for us a long time ago, a process that originated with the desire to bring economic prosperity back to Canada and to bring personal dignity back to Canadians.

The recent election made evident that Canadians shared the Liberal vision of a better tomorrow, a tomorrow where a top priority of government is jobs and economic growth, a tomorrow where government acts with integrity, with respect for the constituency that it represents, a tomorrow where social programs are reinforced and strengthened by a caring government and not sacrificed under the banner of deficit reduction, a tomorrow where the government believes that tomorrow begins today.

In the recent speech from the throne we confirmed our determination to deliver on the commitments we made to the people of Canada during the last election campaign.

On February 22, we demonstrated our commitment by introducing decisive measures to reduce the deficit, by showing Canadians where and how we are going to pay for our program of economic renewal. We are taking the next step toward

implementing that vision of a better tomorrow which Canadians overwhelmingly supported on October 26.

(1620)

In my riding of Vancouver South my constituents have placed a tremendous amount of confidence and trust in me. They have entrusted me to come to Ottawa and to work with the government to ensure that their voices are heard as Vancouver residents, as British Columbians and as proud Canadians. They have asked me to battle for the interests of small and medium sized businesses. The majority of businesses within my riding are small and medium sized.

Whether those businesses are located on Main Street or Marine Drive or whether they sell groceries in the Punjabi Market or process lumber on the banks of the Fraser River, they all have one thing in common. For the past nine years they have been frustrated and feeling excluded from the economic decision making process that has shaped the country.

As a small business owner for most of my life I have promised small business in my riding that I would work with this government to promote positive initiatives, initiatives which will encourage growth and security for Canada's small and medium sized business sector.

Traditionally the Liberals have focused much of their attention on the enhancement of the small business sector. I am proud to say that this budget reaffirms our commitments to small business by providing it with tax relief and by improving its access to capital. This budget provides the two ingredients crucial to building a vibrant business culture. Most important, however, the budget allows small business owners to do what they do best; manage their businesses.

While this budget makes significant progress in addressing the key issues for the smaller business sector, some challenges still remain. One of the most significant challenges that small businesses face is attitude, the attitude that big is better. This must change. If small businesses are to flourish the measures taken in this budget will make substantial progress toward eroding this attitude.

Another significant challenge to the small business sector is the increasing paper burden. This burden has hindered growth and reduced productivity for many businesses. We must find a way to alleviate the paper burden.

A further challenge to growth in the small business sector is the GST, long seen as a thorn in the side of small business. We must find an alternative to the GST so that Canadians will once again have the confidence to invest and to take risks, a process which is essential for growth.

My constituents have also asked me to be frugal with their tax dollars. British Columbians are honest and hard working people. They are angry with the way they have seen governments spend

their tax dollars. During the election the people of Vancouver South asked me to work toward putting an end to the waste and mismanagement of past governments and to act responsibly with their tax dollars.

The government knows we cannot ask Canadians to pull together in hard times if we are not ready to make sacrifices. The budget demonstrates that we are willing to make those sacrifices: a smaller, less expensive cabinet, the Gagliano plan, and a "just the facts" budget all demonstrate the government's commitment to ensuring that the hard earned tax dollars of Canadians are not wasted. The government knows that we must continue to work with Canadians to make the tough choices needed to get our financial house in order.

My constituents have asked me to ensure that we do not compromise when it comes to our environment. I consider myself very fortunate to come from British Columbia, a province that has both a mild climate and unparalleled beauty. After experiencing my first winter here, I am confident that when I initiate a private member's bill to move the national capital from Ottawa to Vancouver I will receive tremendous support.

British Columbia offers a unique natural environment which I humbly submit is unequalled in the rest of Canada. It is a combination of mountains, oceans and forests, which ensures that British Columbians remain conscious of the impact our actions have on the environment.

(1625)

No government owns the oceans, land or air, yet every government has a responsibility to protect our natural environment for present and future Canadians. We must never forget that we are only the trustees of this world. Our challenge is to pass it along to our children in a cleaner and healthier state than it was passed to us.

I hope to work very closely with cabinet, both in my capacity as Parliamentary Secretary to the Minister of Fisheries and Oceans and as a representative of a constituency very much concerned about protecting our environment.

My constituents have also asked me to ensure that government remains compassionate, both nationally and internationally. During the election my constituents asked me to ensure that despite the pressure to cut back on government expenditures, a Liberal government would maintain Canada's record of compassion and continue to provide for those areas of our society which need our help.

February's budget announcement allowed me to return to my riding and show my constituents that the government, while still acting responsibly, has remained compassionate. Whether it means ensuring fair pensions for the elderly or providing

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opportunities for less fortunate Canadians, the government will not abandon those in need.

But compassion does not end at home. In some countries in the world freedom is not a right, it is a dream. In some countries in the world human rights abuses continue regularly unchecked. Many of my constituents come from countries which have track records of human rights abuses. They know first hand the difference between good and bad democracy. They are confident that Canada as a role model for human rights and compassionate government will not lose sight of its international responsibility as a facilitator for justice. They are confident that this country will never allow itself to be silenced by commercial interests when speaking out on human rights issues.

My constituents asked me to represent their diversity. Like Canada, my constituency has a diverse ethnic and cultural base. Many of my constituents are first generation Canadians. They have come here with their hopes and dreams and have become part of the Canadian mosaic. They offer us diversity, a diversity which I believe contributes greatly to Canada's national identity. It is our responsibility as the Government of Canada to ensure that we continue to represent our nation's diversity, that we continue to represent the constituency which we serve.

The Liberal government is proud to be working to include a truly representative cross section of Canadians. I am proud to be a part of that change.

I inherit a proud tradition in my riding of Vancouver South. Nestled between West 41st to the north, Canada's largest fishery, the Fraser River to the south, and Boundary Road to the east, my riding has had a long history of demanding a high quality of representation from their elected members. John Fraser served Vancouver South for 20 years and during that time was distinguished with being the first member of Parliament to ever be elected Speaker of the House. It is in that tradition of strong parliamentary representation that I am privileged to follow.

In conclusion, I would like to humbly thank my constituents for placing their trust in me to represent them at the federal level. My constituents have placed a tremendous challenge before me which I am proud to meet. Every long journey begins with the first step. On October 26 we took our first step on the journey toward economic prosperity for Canada. On February 22 we took another long stride.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Capilano—Howe Sound, Immigration; the hon. member for Rimouski—Témiscouata, National Arts Centre; the

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hon. member for Provencher, Labour dispute; the hon. member for Winnipeg North, Tobacco.

Resuming debate. The hon. member for Abitibi.

(1630)

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, I am pleased to have this opportunity today to voice a different opinion on the last budget and on the impact it will have and not have on people in Canada in general and in my riding in particular.

The Canadian budget exercise is something extremely serious and we cannot speak about it lightly. It very often means life or death for projects or economic activities on which individuals depend. For example, in my riding mining is very important and generates income for the whole country.

Some people have criticized the budget because it does not do enough to create jobs for Canadians. Others have criticized it as well because it does not deal strongly enough with the national debt. Very often, deluged by figures, Mr. and Mrs. Average Citizen, do not know who to believe and why they should trust anyone. A budget should inspire confidence.

Although the budget is an accounting tool which allows the government to evaluate its financial capabilities for the coming year, it is often perceived by Canadians more as a means of taking more money out of their pockets than a tool for improvement and progress.

With an accumulated debt of over \$500 billion, and consistent deficits, year after year, how can Quebecers and Canadians have any confidence in their government? What should we do so that this exercise, which is so important to the country's economy, does not always, or nearly always, end up being a source of frustration but rather a tool of choice to fire up the country, if not bring it back to life?

Canada's economic situation does not allow the finance minister to give presents to taxpayers, they understand that, but to give the budget a positive image does not necessarily require presents.

Following the last budget, I heard many Canadians say on open-line shows how disappointed they were with it. I am not going to say whether they were right or wrong. Obviously, the Minister of Finance cannot please everyone, but he must try to correct inequities.

When listening to these people on the radio, one realizes that the budget could have a much more positive image if people could see in this accounting exercise the promise of some changes for themselves and people around them.

During one of these open-line shows, a lady gave her opinion of the budget saying that even though she was personally affected by it, she agreed to pay more taxes, as a retired senior, to improve the country's financial situation. But she also said

that, with a deficit still that big, and despite her willingness to pay more taxes, it might be an exercise in futility.

Another caller, who introduced himself as a federal civil servant, said that he was also obliged to do his share for the country, without being asked to, by accepting a further wage freeze, but added that he would have hoped that major companies would also have done their bit.

I only gave the example of two citizens in the Hull-Ottawa area who, even though they were disappointed, accepted to support the last budget, knowing probably that their efforts would help control the deficit.

I am certain that there are other members in this House who could give as many if not more examples of Quebecers and Canadians who agreed, willy-nilly, to support the fight against the deficit. Faced with such examples of courage among our fellow citizens, I wonder if the government is really trying as hard as they are to control the deficit.

How are Mr. and Mrs. Joe Public to believe that the government is truly making an effort to curb the deficit when year after year, the Auditor General of Canada tables a report rife with examples of waste and mismanagement and when no serious attempt seems to be made to reverse the situation?

How are we to believe that things will change and that people will put their trust in this new government and in the new budget?

(1635)

In its recent budget, the Liberal government indicated that it would be considering ways of replacing the GST with another tax, one that would not, of course, be less expensive since the government still needs revenues, but one that would be more efficient. Unfortunately, people heard the same song and dance from the Conservative government when the GST was introduced. Yet, it cost more today to administer the GST than the former tax, besides which the GST does not really generate more revenue. All this after taxpayers were forced to spend millions of dollars to meet GST requirements.

How are we supposed to trust the government once again when it speaks of a new tax, when all of the experts are saying that we should wait until this same GST is improved before we think about bringing in a new tax. How are we to restore the public's trust in its institutions? The steady increase in taxes gives the public all the more reason to turn to the underground economy and to contraband. The government has to start by finding a way to make legal work viable.

High levels of public expenditures and government indebtedness impede economic growth to the same degree as the underground economy and smuggling.

If it is to enhance the government's credibility, the budgetary process must be transparent. High-income earners would be willing to make additional sacrifices provided, of course, they

saw in the budget that the government was prepared to do likewise.

In the past, governments have always favoured tax increases or taxing target groups, the aim being not to hit everyone at the same time. The preferred approach seems to be: divide and conquer. With the result that those who are penalized are frustrated with those who are not and vice versa the following year, except that we remember only of those years when we are personally affected.

Such a policy may be profitable for a government in want of a new mandate, but this is not the kind of policy which promotes solidarity among fellow citizens or confidence in their elected representatives, if they think that taxation policies are often arbitrary and selective if need be.

The Canadian people would agree to make an effort if the government was demonstrating by its actions the firm will to tackle its pattern of expenditures instead of cutting a little in this or that item.

The Liberal government could have shown a great deal of openness and transparency to restore the confidence of taxpayers by accepting that the committee requested by the Official Opposition on many occasions be set up to review all government programs as well as their budgets.

I think it was easier for the government to say that we already have the Standing Committee on Public Accounts than to accept to be faced with questions from the public through the Official Opposition.

The Minister of Finance himself said in his budget speech that it was not enough to cut here and there, that fundamental changes were required. Does this mean that the government intends to do as much to reduce its own spending as it is asking from the taxpayers?

On the subject of joint efforts to reduce the deficit, would the taxpayers not find that the thing to do on the part of the government, when they are facing a drain of over \$14 billion in taxes over the next three years, would be to cut government spending further instead of announcing that it will increase by another \$4.4 billion during the same period?

Taxpayers would be proud of their government if it took the initiative of streamlining government structure not from the bottom up, but the other way around and reviewed its programs, because only 12 per cent of government programs are actually assessed and, even then, not always with regard to performance but only to ascertain that funds are well administered, that is to say that they are going to the right place. Savings of only a few percentage points on a budget of \$123 billion—without taking interest into account of course—resulting from a review of operating budgets and the rationale of certain programs, would

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put a very substantial amount back in the public purse, and the taxpayers would appreciate that.

In closing, Mr. Speaker, the people of Canada as well as those of Quebec have the right to require from their government more transparency in its budget, more fairness, more self-assessment and that its make as much of a sacrifice as it asks from the taxpayers.

When that has been achieved, the vast majority of Canadians will trust their government more and certainly accept to make all necessary efforts to fight the deficit.

(1640)

[English]

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, as I stand before this House to deliver my maiden speech I want to say how honoured and proud I am to be part of this new Liberal government in this 35th Parliament.

I firmly believe our Minister of Finance has delivered a budget which lives up to our campaign promises in the red book. This budget will bring back a renewed sense of confidence and hope to the people we serve.

I come to this House as a farmer from a rural constituency on the prairies. My constituency is Dauphin—Swan River. I would like to take a few moments to tell hon. members in this House about it.

Mine is a rural constituency in the northwest region of Manitoba. It is very large geographically. The major industry is agriculture with all of the infrastructure and necessary support services that go along with that. In addition we have forestry, commercial fishing and tourism.

Within the boundaries of Dauphin—Swan River are two major parks, one federal and one provincial. Our agricultural base is well diversified. Our land base is one of the most fertile and productive in western Canada.

Even more diversified than our economy are our people who derive from a broad and diverse cultural and ethnic base, including 13 native reserves. It is this very diverse group of people who on October 25 placed their confidence in me to represent their interests in this place. I thank them for this marvellous opportunity to serve. I assure them I will do everything in my power to live up to their expectations.

Of course the good people of Dauphin—Swan River did not just vote for me. They also voted for a party and a leader who had a plan. It is a plan to create economic growth and put Canadians back to work, a plan to stabilize the agri-food industry with a national food security policy, a plan to establish a new partnership with aboriginal peoples, a plan to preserve and enhance our social safety net, a plan to lead Canadians into the 21st century with a renewed sense of confidence, optimism and hope.

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That is what the people of Dauphin—Swan River voted for. They have a right to expect no less. That is what we will deliver.

There are a number of initiatives already undertaken by the government which I am sure the people of Dauphin—Swan River will view favourably. The cancellation of the helicopter deal was a campaign promise that was kept. The conclusion of the GATT negotiations will be a particularly encouraging sign to the farm families involved in the grains and red meat industries in Dauphin—Swan River and in western Canada. These industries require ready access to export markets and cannot help but be pleased at the prospect of an end to the international grain trade wars.

The hon. minister of agriculture should be complimented on his handling of the very sensitive final stages of the GATT negotiations.

The mayors, the reeves and their respective councils of the towns and rural municipalities in Dauphin—Swan River are anxiously awaiting responses to their applications on the infrastructure program so that they may use the jointly funded program to the advantage of their communities and of course to create jobs.

Let us now look at some of the additional provisions of the budget speech itself.

(1645)

In addition to the infrastructure program there are a number of provisions which will be viewed favourably by the people of Dauphin—Swan River: the government's commitment to economic renewal and job creation through the establishment of a new internship and apprenticeship program and the establishment of a Canada youth service corps; the government's commitment to research and development, particularly agricultural research; the government's commitment to the development of an information highway which could be of great consequence to the future development of rural Canada; the government's commitment to establish a centre of excellence for women's health; the government's commitment to establish a national forum on health chaired by the Prime Minister; the government's commitment to a consultation process to replace the GST; the government's commitment to enhance the opportunities for small and medium sized businesses in the Canadian economy; the government's commitment to provide stability in transfer payments to the provinces.

All of these commitments are clearly reflected and are provided for in the budget. All of these provisions will be viewed positively by the people of Dauphin—Swan River. They will be seen as a constructive step forward in fulfilling our election promises.

Finally we have a government which will restore honesty and integrity and openness to our institutions of government.

Finally we have a government which is prepared to give the highest priority to job creation and economic growth.

Finally we have a government which is committed to strengthening the social fabric of Canada.

Finally we have a government which is committed to the sound management of our nation's financial affairs not to just talk about it, but to do it.

The Deputy Speaker: Congratulations to the member on her maiden speech.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I rise to represent my own convictions, those of my constituents and millions of other Canadians.

I rise to voice my profound concern over an issue of the highest import. Other issues pale into insignificance compared with the substance of Bill C-14, an act to provide borrowing authority for the next fiscal year. If it is passed the bill before us will authorize the government to borrow up to \$34 billion, adding still more to the debt that is already without precedent in Canadian peacetime history, an astronomical sum which is difficult for us to even comprehend.

It troubles me deeply that this bill has received so little attention and so little talk on the other side of the House. We need the attention of the nation today. We need all members in this House, members who are watching on television or reading *Hansard* to sit up and notice the incredible event that is taking place.

It is obvious that the government considers this bill a fait accompli, a routine proceeding, just a boring formality to thrust this legislation in the face of an indignant opposition, listen awhile to its useless tirades and then pass it without second thought. The government has adapted easily to the incredulous thought of borrowing \$34 billion.

We all enjoy the ability to adapt to new situations. Adaptability is a coping mechanism and it allows us to live in truly abnormal ways and yet somehow develop a frame of mind which sees a situation as normal even though circumstances are far from it.

We see people with major disabilities get on with their lives and live happily. On TV we watch the kids in Sarajevo tobogganing the day after the shells stop falling. This is a good quality. It allows us to make the best of a bad situation.

This ability to adapt also has its downside. We can become desensitized, unable to detect the lowering of standards about things which would have shocked us just a few short years ago. That same adaptability allows soldiers to shell children in Sarajevo and find it acceptable.

Somehow I fear that this ability to adapt has enabled this government to descend into a fiscal frame of mind that allows us to think the unthinkable and accept it as normal. To illustrate, let me quote from the Auditor General's report of 1976. He said: "I am deeply concerned that Parliament and indeed the gov-

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ernment has lost or is close to losing effective control of the public purse”.

(1650)

The deficit in 1976 was \$6 billion. The debt was just \$37 billion but it was not considered normal at the time. The situation was regarded as nearly out of control.

Consider for a moment the Lambert commission, a royal commission on financial management that reported in 1979. The commissioners noted that our debt to GNP ratio was twice the figure of the U.S. government, and what was the deficit in Canada in 1979? It was just \$13 billion. The debt was only \$61 billion, a pittance today. The government was so alarmed that it appointed a royal commission to investigate it.

The words that this government speaks merely echo those that have been spoken over the last two decades of deficits, seeking to cast the deficit and debt in the light of normality, trying to save face, attempting to lull the electorate into believing that our situation is somehow acceptable.

Little by little, year by year we spin neat phrases and explain it with eloquent phrases and words and clever accounting tricks that merely hide the deadly truth a little longer. We are like frogs swimming in a pot of hot water. We do not know that we are going to be the supper until the water is boiling. It may be too late if this bill and this budget are passed by this House of Commons.

Governments often, for example, pull out their shabby comparison between debt to GNP ratio with our ratio just after World War II, saying that our situation was the same then, do not worry. They do not mention that the entire world was different. The baby boom was beginning. The U.S. was the unchallenged economic world leader with a burgeoning economy and an insatiable demand for our natural resources.

There was no global competition, no necessity for intensively trained workers as there is today. Our position today is uniquely perilous. A child could see it, but this House continues to hide its eyes.

In February this government brought in a budget and acted in precisely the same way as its old political enemy, the Conservatives, who took no real action against the deficit, and demonstrated that they had no will to change the status quo. What are the consequences of maintaining the status quo?

A few weeks ago I attended a seminar with the senior economist of Burns Fry Limited. After comparing our economy with the state of other world economies, he stated that he believes we may well have come to the point of no return. There is no way we will ever be able to pay our debt back. Our economy will become permanently hampered by our debt and

we will become progressively poorer as a nation. That is the result of maintaining the status quo.

When we see the size of the debt and the size of the deficit, governments past and present should hang their heads in shame. It is a debt of \$20,000 for every man, woman and child in Canada. The plan is to add another \$100 billion to that debt. This is a virtual guarantee that future budgets will be able to offer Canadians even less in the way of essential services, even less in the way of job creation, less tax relief and even less of a future.

In the 10 minutes it takes for me to finish this short presentation we will have piled another four million dollars on our national debt.

How could we have come to this? I believe we are all sincere and reasonably intelligent men and women. Could it be a systemic problem, a deep rooted problem with our political process that in some cases derails the public interest?

I believe our problem is systemic. It is a difficult, pernicious problem that threatens to engulf this nation in a sea of debt. The problem is the strict discipline that political parties impose on their own members. It is a shame, really, especially since political parties were originally formed in response to the public demand for good government, government that would not cater to special interests or be bought with the taxpayers' own money.

Party affiliation has allowed Canada to have stable government, but in recent years it has also led to governments whose agendas have been set by a select few people at the top. Something has gone wrong. Voters have come to the conclusion that strict party discipline has paralysed Parliament, making a mockery of true democratic principles. Members are not free to vote for what they know is right. They have to vote for what their leaders tell them is right.

Today we are considering a historic bill, an infamous bill. It may be the bill that renders our fiscal situation truly impossible. We are grinding our economy into mincemeat and offering little to hundreds of thousands of desperate and frustrated workers.

I know that many members opposite and those watching on television disagree with the course of this government and I want to speak directly to them today.

(1655)

Listen to the stinging indictment of the *Globe and Mail* editorial from last week: “This generation of Canadians in this Parliament is imposing a lower standard of living on the next generation through sustained, profligate borrowing. The national government is turning into a large and feeble creature, sapped of the power to take initiatives, presenting a caricature of leadership. This budget makes a mockery of Jean Chrétien’s promise of a return to the good old days. In the good old days the

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future was not mortgaged to the selfishness and cowardice of the current generation”.

This government speaks words, words and more words; words of calm assurance to its backbenchers that all is well. However, the backbenchers should be aware that those words are also accompanied by the not so subtle warnings of the school yard bully: “If you don’t vote how we trained you to vote, no more favours. If you don’t go through the motions, jump the party hoops, bow and scrape to our policy of disaster, you’re out of the club”.

Many government members will remember a few short weeks ago when they were told by their party how to vote on the selection of the vice chairs of the standing committees of this House. They will not quickly forget how some of the party veterans worked the committee rooms using their influence to ensure that backbenchers did as they were told, forcing them to vote for separatist MPs as vice chairs of every single committee.

How quickly the die is cast. How easily they have been poured into the mould that we had hoped was broken after the last election.

Now on Bill C-14 they have been told once again not to vote for what is obviously in the public interest, not to vote for their conscience, vote the party line even if it means stealing from their grandchildren. Members opposite have been lulled into a sense of false security by the calm demeanour of their party handlers. They have been deceived by smooth words and bullied by quiet party threats to think that borrowing \$34 billion in addition to the \$500 billion we already have is somehow acceptable.

I hope their adaptability serves them well. I hope they will be comfortable when the debt rises to \$600 billion and the IMF moves in and imposes cutbacks on Canada. I hope they will be flexible when the dollar falls through the floor and Canadians begin to live with a crisis similar to the one that engulfed New Zealand only a few years ago. I trust they will calmly adapt when their grandchildren ask why they did not vote for their interests, why they thought only of themselves. I hope they have already formulated a plan to cope with an enraged electorate after it has experienced the effects of Liberal actions.

There is a way out. I understand and agree that the government is charged with bringing in a budget and ordering its legislative priorities. That is as it should be. Let there be no mistake. The vote on Bill C-14, and even the next generation will see it as such, is a vote of conscience as much as any other vote in this Parliament could be. It deserves the treatment that the Reform Party has been calling for for years. It deserves a free vote in this House.

I truly believe that if government members looked into their hearts they would say it is not in the public interest to add this much debt and deficit on to the Canadian people.

There is a simple answer. If only 40 backbench MPs wanted action and not words they could alter the course of Canadian history, they could defeat Bill C-14 and the Reform Party would not request dissolution. The government could try again and bring down a more acceptable budget. Those few members could revitalize this House and the economy and Canadians would be spared the shock that they will otherwise feel in the years to come.

We are engaged in a battle today, an economic struggle against poverty and want. At this critical time when we need to marshal all of our national resources for the fight, the Liberal leaders have laid down their weapons and ordered their troops to raise white flags. It is too soon for any member to surrender to anything but the national interest.

The Reform Party of Canada calls upon all members to take courage, to take up the power of the votes and fire an opening round against the deficit by defeating Bill C-14, not for any party or for any low political purpose. Do it because conscience compels it. Do it because the good of the nation demands it and do it because our children’s tomorrow depends upon some discipline today.

Mr. Stan Dromisky (Thunder Bay—Atikokan): Mr. Speaker, there are several models of governing which a society or a community of people could choose in order to determine how it wishes to be governed and how it hopes to achieve its common goals. Of all the models, the democratic model demands the longest period of time for identifying, clarifying, implementing and assessing these goals. Without any doubt, it is the most expensive in terms of time and human energy required for the tasks that are essential for its maintenance and survival. It could also be the most expensive financially. However, there is no other model of governance that is superior to the democratic one, for it is in the democratic process that the very nature of man is recognized and taken into consideration.

(1700)

Over a lengthy period of time a network of systems has emerged that have attempted to meet the individual’s physical, mental, social and spiritual needs. But all of this is taking place in local, national and global environments which are in a constant state of flux, constantly changing.

It is imperative for our society to be in harmony with these fluctuations. It is not always an easy task to identify the changing forces and the long range directions. It is equally difficult to determine the emergent needs of our peoples and

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their institutions. A dictator could readily solve these problems according to his own whims or fancies.

However, in a democratic society we must turn to the people for guidance and that is exactly what this government did. With a new leader the Liberal Party of Canada proceeded on an uncharted course, one in which every constituency had the opportunity to provide their perceptions and recommendations through representatives, not only from every facet of our society but from a multitude of other foreign sources. All this resulted in the Liberal plan which our Prime Minister stated "is a plan for Canada, anchored in the principle that governing is about people and that government must be judged by its effectiveness in promoting human dignity, justice, fairness and opportunity".

No doubt the opposing political parties in this House of Commons subscribe to similar principles. However, the big problem is how are these principles to be achieved. As an example the Official Opposition has clearly revealed it must devote all of its energies to the accomplishment of one goal, that being the separation of Quebec from Canada no matter what the cost might be. The third party, the Reform Party, is obsessed with the state of the national deficit and the national debt. It feels it can effectively promote human dignity, justice, fairness and opportunity by slashing federal programs and services in order to eliminate the deficit within three years.

Economists throughout the entire world warn that such a move would wreck the social network and play havoc with our economy, leading to unimaginable social and economic problems. Both opposition parties maintain policy positions of special interest groups and in no way do they reflect the needs of the vast majority of Canadians. The Liberal government is here to serve all Canadians.

The consultative process has never ceased to operate and in fact it intensified as we prepared for the presentation of the first budget. This government received input in a variety of ways from all over Canada. This government read and analysed the written communiques. This government listened to the people. This government acted in a responsible and constructive manner. This government, in light of all the problems with which it had to deal, set out a budgetary plan which has its foundations in people.

As an example I would like to share part of a letter received from several constituents in my riding of Thunder Bay—Atikokan. They state:

Our knowledge of politics and economics is very limited. But we don't think it takes a masters degree to realize that when the taxes go up, consumers don't buy; it is as simple as that. A reduction in taxes will give consumers more money in their pockets and they will be more likely to go out and spend it. Taxing benefit packages will serve to remove more money from the economy and stifle whatever remaining consumer interest there might be.

(1705)

That is from a letter received from Messrs. Thompson, House, Boyd, Wolotko and Brodie from the city of Thunder Bay. The government heard these concerns and did not raise basic taxes. It did not tax benefit packages.

They also, like millions of their fellow Canadians, expressed their anxieties related to the unemployment—employment situation. These concerns were heard and collectively they determined where the major thrust of the 1994 budget would be: in a host of programs and measures that would enhance the prospects for the creation of jobs and continued economic growth.

I would like to give a few examples of budget initiatives that will have an early impact. First, the rollback of unemployment insurance premiums to the 1993 level of \$3 for 1995 and 1996. This represents a saving of \$300 million a year for the reinvestment in new jobs. The revival of the residential rehabilitation assistance program will make \$50 million a year available for the construction industry. Making the home buyer's plan permanent allows first time home buyers to use RRSP funds to buy homes.

With the reallocation of budgeted existing expenditures, jobs will be created with the national infrastructure program, youth internship and apprenticeship programs. The government intends to renew and revitalize Canada's outdated social security system within two years and to deliver better service to those in need, thus ensuring the social safety net remains affordable.

These are but a few of the many budgetary measures stimulated by the Liberal plan for Canada, as found in "Creating Opportunity," the red book, a plan that promotes human dignity, justice, fairness and opportunity for all Canadians.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, on Tuesday, February 22, the hon. Minister of Finance delivered his budget speech in this House. That day, announced a few weeks earlier, was awaited with interest by Quebecers and Canadians alike. The people of Beauport—Montmorency—Orléans, who elected me to represent them in the House of Commons, were also expecting a lot from this budget. They expected the government to start by living within its means and allow people to earn a decent living for themselves and their families, as every citizen is entitled to. They also expected the government to respect seniors who contributed to the development of Quebec and Canada, which, a few years ago, was among the most prosperous countries.

Like myself, the people of my riding are disappointed and cannot understand how, after democratically rejecting a government that did not meet their expectations, they are now governed

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by Liberals who are proud to have the same policies as the previous government, the Tory government.

The real solutions to restore the confidence of Quebecers and Canadians lie in tackling the deficit, reducing departmental waste and duplication, reviewing tax measures, and creating permanent jobs.

This government put in place, before the budget, a municipal infrastructure program, which will create some 45,000 temporary jobs. Once the roads and sidewalks have been paved, the workers will go back home to live off whatever is left of the unemployment insurance program. However, this program will cost Quebecers and Canadians \$2 billion in federal taxes, \$2 billion in provincial taxes and \$2 billion in municipal taxes.

(1710)

Quebec and Canada need stable permanent jobs that generate progress and development. Has this government thought of developing the transportation industry in Canada? As transport critic for the Official Opposition, I listened carefully to the finance minister's speech. When I heard him present his forecasts to us, I said to myself that a government cannot build the future of a people on temporary projects. Maybe in a few minutes, he will announce a major project, something that will excite the people's enthusiasm, one that will serve several provinces or all of Canada, but the speech ended and I heard nothing, except the following paragraph that I quote from *Hansard* of February 22: "The Minister of Transport will implement needed improvements to the surface freight transportation system with his provincial colleagues and stakeholders".

When the Minister of Finance presented the government's policies for the next few years to this House, I expected him to give more importance to one of Canada's basic industries, namely transportation. Since this House opened, we have suggested possibilities to him.

Several projects could develop the economy, and I mention some that I would have liked to see in the budget speech: the future of the rail system, the high-speed train, the future of air transport and the future of the merchant marine in Canada.

The Minister of Finance had no concrete solution in his budget speech for improving transportation and thus solving the problems of economic development and unemployment.

If you allow me, Mr. Speaker, I would like to tell this House about the benefits of these projects for economic development.

First, there is the rail system. Canada's railways have brought the people together from the Atlantic to the Pacific. They developed the Canadian West. They also enabled Canada to become one of the world's largest wheat producers and to

transport this product from coast to coast across the country. Yet today, at a time when other countries use railway transport as the basis for their development, the Canadian government is abandoning it everywhere in the country and particularly in Quebec.

The National Transportation Agency authorizes the dismantlement of numerous lines by CN and CP while, as I said earlier, these two carriers keep coming up with projects, especially in Quebec.

Without a drastic move to support railway transport, both for passengers and for freight, Quebec and Canada are going to be stuck with a spiralling increase of costs, not only because of the maintenance of the road network and the accidents which occur, but also because of the energy inefficiency and the pollution associated with automotive transport. The government, and the Minister of Transport in particular, must urgently develop a policy which will first take into account the public interest and which will be firmly turned towards the next century. Most industrialized countries, including the United States, are already doing so. I formally ask for a moratorium on any new abandonment of lines, as well as for the setting up of a parliamentary task force to conduct an in-depth review of the impact on the economy, tourism and especially the environment, of transport services as a whole in Quebec and in Canada.

Let us now talk about the high-speed train. I mentioned that our party had made suggestions to the government to develop the transport sector and improve the economy. Yet, the government and the Minister of Finance did not take our suggestions into account in the budget. What a surprise to hear the Minister of Transport tell a CBC reporter that setting up a high-speed train link between Quebec and Windsor was not a priority. Yet, on February 1, I described to this House all the benefits a high speed train along the Quebec City-Windsor corridor would have for Quebec and for Canada.

(1715)

I have read and reread the report the Working Group submitted on May 31, 1991, to the Premier of Quebec, Mr. Robert Bourassa, and to the Premier of Ontario, Mr. Bob Rae. This report bears the signature and meets the approval of key figures known to be influential members of the Liberal party now in office.

I do not think that I have to convince anyone in this House that Canada does need short-term jobs to boost the economy, but it also needs long-term jobs to solve the economic problems it is facing. The Working Group mentioned in its comments that it had the distinct impression, like a great many representatives of the industry, the business community and the population in general, that a high-speed train providing hourly service between the cities of Quebec, Trois-Rivières and Montreal and the cities of Ottawa, Kingston, Toronto, London and Windsor would

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encourage interprovincial travel and reinforce business and travel activities.

The success of high-speed trains in other countries was proportionate to the will of the governments to change the attitude of consumers by regulating mass transit and providing direct financial support.

It is also important to note that improvements to the commuter-rail system and regional rail services could reduce the use of private cars, particularly where there are traffic jams on highways close to urban areas.

When we analyzed the proposal for construction of a fixed link between New Brunswick and Prince Edward Island, we agreed, while pointing out that certain precautions were necessary because of the strong involvement of the private sector. We approved of the proposal for a high-speed train for the same reason we approved of building a fixed link between New Brunswick and Prince Edward Island, because this project will help inject \$5.3 billion in private investment into the Canadian economy, and this does not include indirect spin-offs.

There is another very important component of Canada's transportation industry, and I am referring to air transportation. Our two major carriers are now restructuring after reaching agreement on a number of contentious issues. We must now do everything we can to help them get ahead and become major players on the world market.

I believe we have two dynamic companies that are capable of opening up new markets and participating in Canada's economic development, and we must give them every opportunity to do so. For instance, would it not make sense to speed up and facilitate Air Canada's access to Hong Kong, a market that is bigger than all European markets combined? There are forecasts that in the next five years, there will be incredible growth in air transportation to and from Hong Kong, the most significant source of air traffic in Asia.

Finally, I would like to mention marine transportation. The budget speech refers to improving surface transportation but does not say how.

Mr. Speaker, you are signalling that my time has expired. In concluding, I want to say that together we can prepare the future of the generations of tomorrow and leave them a legacy that will be more useful than a deficit of over \$5 billion.

We must work together in the interests of our fellow citizens and ensure that future generations will have a better life. For the first time in North America, statistics tell us that our children's standard of living will be lower than ours. We cannot accept that without doing anything to change it, and change it we must, not by attacking the weakest members of our society but by building on the legacy of past generations.

[English]

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, today I am privileged to rise to speak about the first Liberal budget of the 35th Parliament. I might add that this is the first budget I have had the pleasure and honour to address.

Today we are considering Bill C-14 respecting the borrowing authority for 1994-95. The passage of the bill will raise funds for public works, for general purposes and for the operations of government. I fully support the bill because it limits the government's borrowing authority. The people of Don Valley North and many other ridings across the country voted for cuts in government spending. They gave their approval to the government's plan for fiscal responsibility.

(1720)

The budget is only the beginning of a new process which started on October 25, 1993. This process will deliver a major promise made to Canadians in the red book. We are committed to bringing down the deficit to 3 per cent of GDP in the next three years. A great deal of credit must be given to the hon. Minister of Finance for his part in consulting with Canadians from all regions and all walks of life before bringing down the budget.

This first budget is a good beginning as I said earlier. It tackles the problem in three ways. First, it is building a framework for economic renewal to help small businesses and create jobs. Second, it is a reduction in the spending on government operations, on defence operations, on subsidies to businesses and on international development agencies. Third, it is a progressive reform of Canada's social programs which will include unemployment insurance reform, review of services for our aging population and social justice issues.

On February 17 I made a statement in the House in support of full funding for the national literacy program. I am especially pleased today that the Minister of Finance pledged on budget day to restore full funding to this program. No budget can please every Canadian and this budget is no exception.

On October 25 the Canadian people gave the new government a mandate for change. I am very happy to be part of the mandate. I will take the challenge very seriously.

I represent the riding of Don Valley North which is located in the city of North York at the northeastern boundary. There are approximately 90,000 constituents from all corners of the world resulting in a diverse mixture of cultures and languages. Don Valley North is a riding we can all take pride in. It is a success story for our government's multicultural policies.

I came to Canada in 1970 after three years in Chicago, Illinois. I first joined my parents in Montreal, Quebec. Afterward I moved to Toronto. I married in 1975 my wife, Zaza, and we are proud parents of four children: Raffi, Tamar, Vatche and

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Gacia. I thank all of them for their continued and generous support over the last few years.

My election to the House of Commons is a significant part of Armenian history in Canada. The first Armenian immigrant came to Canada in 1887 and settled in Port Hope, Ontario. I am the first Canadian of Armenian descent to have the honour of serving in the House of Commons.

On the first day I came to the House as a new member of Parliament I was so moved that I had tears in my eyes, tears of joy and happiness. I reflected on 127 years of Canadian history. I remembered former prime ministers, past leaders of the opposition and members of Parliament. I noticed the flag on the Prime Minister's bench and the Speaker's chair. There were so many significant symbols of this House of Parliament that I felt overwhelmed to be a part of its history. I rise to the challenge to do my best to change the course and prepare Canada for the 21st century.

It has been a long journey for me, over 20 years, but I can say it was worth every day of it. I am no longer dreaming the Canadian dream. I am living the Canadian dream. I thank first and foremost the residents of Don Valley North for their trust and confidence in me. Second, I would like to thank the Don Valley North executive, my campaign manager, the team and the hundreds of volunteers. I would not have been here without the support of my colleagues and the captain of the A team, the right hon. Prime Minister. During the campaign I was very honoured to have my leader visit my riding of Don Valley North on a Sunday morning for breakfast. Over 600 constituents came to breakfast and learned firsthand what a great leader the Prime Minister of Canada was.

(1725)

In the next four or five years we will be judged by the people who gave us our mandate. We have been asked to bring back Canadian values. We have been challenged to bring prosperity and hope to Canadians. The budget is an important step for ourselves and for the next generation. I fully support the budget. I invite Canadians to join us in formulating the next budget. The process was started today. Let us work hard hand in hand and shoulder to shoulder toward a better future.

In closing I remind the House of President Lincoln's speech on his second inaugural address when he said:

Let us have faith that right makes might, and in that faith, let us to the end dare to do our duty as we understand it.

The Deputy Speaker: I congratulate the hon. member on his maiden speech as well.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I appreciate the opportunity to address the House today

on the important matter before us, the matter being the borrowing authority bill. Bill C-14 provides the government with the opportunity to borrow some \$34 billion to see us through this fiscal year.

I have stood in the House many times over the last five years. In each of those years I have seen the government come forward about this time, shortly after the budget was brought down in the House by a finance minister, and ask the House for the authority to borrow money in order to get it through the year.

Each year these funds address the central problem of the past, that program spending has been greater than the revenues received by government. We have now reached a point where as a nation we are borrowing money simply to pay the interest costs on the debt that has accumulated over a number of years.

Every Canadian manages debt of one kind or another. Many Canadians who purchased homes have gone to the bank and borrowed money in order to mortgage the facility and be able to live in it. Many Canadians with businesses have borrowed money or have incurred debt either to maintain the capital of the business or maintain an inventory for the business. Many Canadians have borrowed money for furnishings, holidays or whatever they want on credit cards. In each case, whether a home owner, a business person, a farmer who borrowed money for equipment to operate his farm or a consumer on a credit card, the debt is always considered in terms of manageability.

As a nation we continue to ask ourselves how much money we need in a given year and then borrow to make up the total over and above what we have. The difference between us as a nation and us as homeowners, farmers, business people and consumers is that as a government we are not managing our way through. We have no specific plan to deal with the accumulated and accumulating debt other than to talk about reducing the annual deficit to the point where we might come to a percentage above our GNP. In and of itself that certainly is not good enough.

(1730)

Looking at the public debt charges we see right off the bat that last year the government's budgetary spending was \$161 billion with revenues of only \$121 billion, resulting in a shortfall of over \$40 billion. This year, 1993-94, the government is adding \$45 billion to that total. The spending will reach \$167 billion and revenue is only \$115 billion, resulting in that \$45 billion shortfall. Of course the next couple of years continue along those lines.

As I said, in and of itself that is a horrible situation. Debt itself when it is manageable is acceptable. When it is unmanageable, it is unacceptable. The situation here is the government is not prepared to manage that debt accordingly.

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When that is combined with other initiatives it leaves us in the position that we are rapidly losing our ability to care for the citizens and residents of our nation. We are rapidly reaching the point of losing our economic sovereignty because of the programs, policies and debt that have accumulated around us. Let me give a couple of examples of what I mean by this.

On the debt side of all of this we recognize that much of our borrowing today is coming from the foreign marketplace. We continue to sell treasury bills and bonds to ourselves in Canada. However of the some \$400 billion accumulated debt at the end of 1992 more than \$80 billion have accumulated outside Canada. It was held by governments or banks or others outside Canadian borders.

Of that \$80 billion, \$8 billion a year in interest payments alone is leaving this country. That is \$8 billion earned in this country by those people who are still working. It is earned and paid in taxes to this government, only to find that the money is put in buckets so to speak and transported across the border ending up in the hands of foreign banks or foreign governments.

Those tax dollars which leave Canada are of no use to us. Everyone knows that money earned in Canada and spent in Canada creates a nice little circle allowing for the money to be used several times. However when it is put in those buckets and sent on trucks outside this country so to speak, that money is not used again in Canada. Add that to other policies of the government and policies of past governments that remain in place and it is creating a very difficult situation for all Canadians.

We recognize from the Auditor General's report of two years ago that our tax system rewards companies that invest outside our borders. Canadian companies and American and other foreign multinationals operating in Canada and paying, one would hope, income taxes in Canada, that take Canadian profits and invest those dollars in other countries and create jobs in those other countries can then reduce their income tax or corporate tax paid in Canada.

When foreign companies operating in Canada make their investments, and there have been fewer investments in recent years, the investments made are generally in existing Canadian operations. They are businesses that are producing products and employing Canadians. When they invest, companies are inevitably downsized. Foreign investment has resulted in unemployment in Canada.

(1735)

We used to encourage foreign investment to the point where jobs would be created. It would create new product. It would create new investment in our country. But the investment taking place today simply removes jobs from Canada. Of course with that downsizing and the so-called greater efficiency in that

marketplace the profits earned end up going outside Canada as well.

The Canada–United States Free Trade Agreement has spurred investment from Canadian companies into the United States. There is a greater influx of Canadian capital into the American marketplace for investment. That is not something the business community has criticized because of course it is very excited about expanding Canadian opportunities in a larger marketplace.

That means that money invested in the United States employs workers in the United States at the expense of Canadian workers. If that money were invested inside Canada instead of inside the United States the return for Canadians would be much greater.

The economic circumstance taking place is one where government tax policies and other policies and government debt make it very difficult for this country to participate in building jobs, what the government says is its main mandate out of this budget.

Our economy is almost bent on self-destruction. This economy will not create jobs while we continue to support corporations, particularly transnational and multinational corporations which create jobs outside our borders. It is time this government took a long hard look at the way the creation of debt, the tax policies and the Canada–U.S. Free Trade Agreement have diminished the government's ability to control the types of jobs that can be created in our country.

I do not want to leave the impression that perhaps all is lost. The important thing for government to understand is that, to use the language of the prairies, it must have some guts to stand up in the international marketplace and support Canadian industry and Canadian workers. It must support Canadian citizens who want to create a better life in Canada and to have some economic sovereignty within the North American and the world context.

Canada's tremendous resources in the past have simply been cut down and put on boxcars, fishing boats or whatever and shipped off some place else to allow for job creation and sales to take place in other parts of the world. For years we have forsaken a tremendous opportunity to create jobs and wealth, create new wealth in Canada that circulates in this country creating additional jobs and additional support.

If we continue to allow the marketplace to tell us what to do throughout Canada, through government, through the private sector, then our economy will slowly work itself down to the point where the only jobs left will be those servicing the unemployed or people on welfare. We have to find a way to pull ourselves out of that. Our economy cannot be allowed to shrink.

Mr. Speaker, you are signalling that my time is almost up. I will not abuse the privilege of the Chamber, although there are

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probably two dozen other things I would like to mention. I thank you very much for your patience this afternoon.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

SPECIAL JOINT COMMITTEE ON CANADA'S DEFENCE POLICY

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I think you will find unanimous consent of the House for the following motion. I move that the first report of the Special Joint Committee on Canada's Defence Policy presented to the House on Friday, February 25, 1994 be concurred in.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to.)

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(1740)

[English]

BORROWING AUTHORITY ACT, 1994-95

The House resumed consideration of the motion that Bill C-14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the second time and referred to a committee.

The Deputy Speaker: Before recognizing the hon. member for Gaspé I would indicate for the record since there seems to be some misunderstanding that my list says only Bloc Québécois members were to speak because of an error and there were also Liberal members to speak. In order to accommodate the member from the New Democratic Party who is allowed to speak and in fairness, based on my understanding of what has happened, I will now go to the hon. member for Gaspé.

[Translation]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, I will try not to go beyond my speaking time in order to allow my colleagues to speak in turn.

There are two points I want to underline in the budget of the Minister of Finance. First off, fishermen, be they from Canada or Quebec, are again the ones who have to bear the brunt of the federal's bad management. Secondly, the Maritimes are also penalized by a way of management which is ignoring the people. I will deal with these two points.

My first comment is about the fishermen of Canada and Quebec. They are among the most affected by this budget. Minister Crosbie had allocated a billion dollars to support fishermen over the last two years. The Liberal government reduced that amount to 340 million a year over five years, a cut close to 30 per cent. Under the Conservative government, we witnessed a drop in fish stocks and it seems that, under the Liberal government, we will witness a drop in the financial support offered to the fishing industry's victims.

The cut in the fishermen's support envelope should have come about naturally, through the industry's reorganization or the redeployment of workers in other lines of business, not as a consequence of Liberal cutbacks. Will the government give to fishermen the means to adapt to their new reality or will it go on reducing their financial support without giving them any means on which to build their future?

If no financial envelope is created for the purpose of opening new avenues to the fishermen, the relief measures, such as the \$1.7 billion that will be invested, will necessarily have to be recurrent ones. They will have to be repeated over and over until the government puts an end to it without ever solving the problem.

The Minister of Fisheries and Oceans must tell the fishermen exactly what financial measures he intends to implement in order to reorganize the industry and reassign workers to other areas of activity. Will the minister put some money into that program or can we conclude, as the budget seems to indicate, that he has abdicated and that fishermen will be left to fend for themselves? The minister must let us know what he intends to do after the May 15 deadline. He owes that to the thousands of people who are now living in doubt. It is even more pressing for him to act now that his colleague, the Minister of Finance, has presented his budget.

[English]

We have not yet said it enough. This budget is an outright attack on the far regions and the poorest regions of Quebec and Canada. The maritimes are among the hardest hit by the Martin budget. There are three examples.

The Atlantic Canada Opportunities Agency received cuts of \$90 million over three years. The federal government created this agency to stimulate and diversify the economy of the region. It pretends now that it will restart the economy by cutting this agency's budget.

The government goes even further. The Department of Industry which finances the larger projects not handled by ACOA has also received drastic cuts. What is the good of having development instruments if they are not given the means to succeed?

(1745)

The second example is the military. Following the federal election the government promised to re-evaluate its role in defence. We were pleased by its sensitivity as the world changed significantly even from what it was five years ago. The role and

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the budget of the military have to be reviewed. The government has to be sure to study the ministry to make all the necessary modifications and cuts.

The government's mistake is in proceeding with the cuts without the smallest concern for the people it will be affecting. The Bloc believes in the government cutting military spending. However, it believes in converting the military industry. We cannot tell thousands of people that one day or the next they will lose their jobs without giving them other alternatives. The extent of the cuts requires that we proceed while simultaneously proceeding with a plan to convert the private sector. The government has not done this. It has not taken responsibility for the people of the maritimes.

[*Translation*]

The third example: unemployment insurance. The extending of the eligibility period from 10 to 12 weeks is an extremely hard blow for the Maritimes and, I should say, for all eastern Canada. For instance, only in the areas of Gaspé and the Magdalen Islands, there are about 11,000 seasonal workers who will be affected by that decision. In the middle of an economic crisis, the government will take \$725 million next year only and more than \$6 billion in the next three years in the pockets of the unemployed, the victims of the lack of jobs. In the meantime, it reduces its spending by only \$400 million. Big deal!

Moreover, the Minister of Finance announces that the regional rate of unemployment will have less impact on the level of benefits. The Minister has found yet another way of attacking the people who already have trouble getting by. Raising the number of weeks required to be eligible to unemployment insurance without proposing a catalyst to restore the economy is utopian. Besides, as some renowned economists mentioned this morning in *La Presse*, the federal budget is like, and I quote: "shovelling the snow into the provincial yards". Effectively, since a lot of people will go directly from unemployment to welfare, the provinces will have to pay at least \$1 billion more in welfare. I call that "shovelling".

In conclusion, I will draw a parallel between the situation of fishermen and that of the Maritimes in general. People who fish see their income shrink, but the government is not proposing anything to revitalize fishing. For their part, the Maritimes see their defence installations close, their unemployed under attack, but the government is not proposing anything to diversify the economy in general or transform the defence industry into a civilian industry. There are people behind all those moves. The Chrétien government had set for itself the goal of giving hope to people, but hope is what is sadly lacking in this budget.

I do not know how long I still have—three minutes, Mr. Speaker.

I would like to add that during the week of Parliamentary recess, I met with some of my constituents. I have one of the largest ridings in the country. There may be larger ones, but mine covers three county regional municipalities. So, in a riding where unemployment in December was 27 per cent and where employment is highly seasonal, the big question that the mayors of the three municipalities were asking was: What are we going to do? What can the government do for us? We want to work for the longest possible periods, but they prevent us from doing so. Mr. Speaker, the great question in this financial balance the Minister of Finance, Mr. Martin, tried to achieve is what came first, the hen or the egg? I have the feeling though that at the present time he is eating both. How can we make it? I will work and form a committee with these people; we are thinking about the issue. However, we will need some financial assistance. When you are out of gas at the bottom of a steep hill, you need gas if you want your car to climb. Right now we have none.

(1750)

I hope we will find other ways, Mr. Speaker; I hope we will succeed in influencing this government and make them listen to the people in my riding, the people of Gaspé, because I know the problem will be the same all over Eastern Canada: seasonal jobs. I am not asking for charity; all I am asking is that they give us the financial means of reaching our goals. All I personally want is for the Gaspé Peninsula not to be a burden anymore. And we will not be a burden; just give us the proper means and we will say goodbye to you and your social programs.

[*English*]

Mr. Alex Shepherd (Durham): Mr. Speaker, I would like to speak in support of the budget. The budget is about jobs. It is about opportunity. It is about a new path away from the past, the path of unemployment, of poverty, of stress. It is about a new path for the future which involves new technology and growth for our economy.

It is about new initiatives such as the Canadian investment fund. This fund will be sponsored by the banks as well as governments in a supportive partnership to find and finance new technology for new jobs.

It is about a technological network, where we encourage the use of technology and people getting these technologies together to create new wealth.

It is also about a study into our pension funds, how we invest our money, and how we can utilize that money in our economy.

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If we reduced unemployment by 4.5 per cent we would create \$70 billion, more than enough money to pay off our deficit, to create a surplus, to put people back to work. That is the long term goal of the budget.

We talk in the budget about a new code of ethics for the banks and how they deal with small businesses. We have heard constantly of how small business enterprises are having difficulty raising capital. Why should this be? After all, that is what banks do for a living. One thing we have not focused on very effectively is that the government is competing in the capital markets with small business. A \$500 billion deficit means the government competes in the market for the same supply of funds to finance small businesses.

People have not realized how our economy has changed over the years. When we think of British Columbia, we think of the forestry. There are more people employed in medical research in British Columbia than in the forestry. When we think of Nova Scotia, we think of the fishery. There are more people employed in teaching in Nova Scotia than in the fishery. The banks we talk about have only 6 per cent of the capital base of the country.

In some ways we are going at this in the wrong way. I suggest that we need to take the studies that are mentioned in the budget to review pension funds and how the savings of Canadians can be more effectively used to support the economy. The budget refers to research and development initiatives, more expenditure on things like the space program. This will put Canada into the 21st century.

(1755)

My hon. friend, the minister of state talked earlier today about the information highway and how this is going to bring Canada into the 21st century, linking up our small communities, linguistic groups and things of commonality throughout this country, making this nation strong and whole again.

Why does the government have to get involved in all these things? Why has this become a problem? Why have we come to this point in our history where we are living through this deep recession? I suggest it is partially the psychology of Canadians in general. We have not invested in our own economy.

The economy is probably typified more than in any other country in the world by foreign ownership. Canadians have allowed foreigners to control major sectors of their economy. I am talking about automobile manufacturing, aluminum smelting, big sections of the forestry industry and on and on it goes. What has the effect of this done to us? We have not had significant investments in research and development. We have short changed our future by allowing others to take over the role of investment.

Fortunately the world has changed in a very effective way for Canada. We are now seeing the end of what I and many have called the smokestack economy. The larger companies in our economy are getting smaller every day. Many of us in our ridings feel this very much as these companies shed employment. These are the things that make the headlines in our local newspapers. However, this is also an opportunity. It is an opportunity for Canadians to take control of their economy once again.

Why is it that someone living in a home on a particular street is complaining about receiving 5.5 per cent interest rate on a guaranteed investment certificate and someone else in a company is laying off workers because they cannot get capital to finance their business. This is the dilemma and the strange aspect that affects Canada today.

Why is it our small businesses cannot get access to equity capital? What is it that prevents them from raising funds in the open market? It is very costly to get access to our market exchange. Many TSE and other stocks are foreign owned.

For the small businessman it is almost impossible to jump from his small business entrepreneurial investment and get access to registered stock exchanges.

What is the solution to some of these problems? I suggest that the budget has started us on the path to a new definition of access to capital and how Canadians have to take control of the economy into their own hands.

We have a number of institutions we can utilize to create new capital and confidence for Canadians by investing in the economy. The National Research Council, as members know, is very interested and has been very involved in new technology.

My review and discussions with some people at the National Research Council leads me to the conclusion that 75 per cent of all inventions the council has created over the years are still resident in Ottawa. We are not involving this kind of technology in the marketplace. I am happy to say that the industry ministry has talked about departmentalizing and moving some departments out into the areas where businesses are affected. I believe that the National Research Council could be an effective method of certifying processes.

Another agency we now have is the Federal Business Development Bank. I believe it can act as a secondary marketing tool creating pools of minority interests in small businesses to sell these pools to registered retirement savings plans and other pension funds. In this way Canadians will have some assurance and liquidity from the aspect of investing their money in Canadian small businesses.

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(1800)

How many times have we as members of Parliament watched some of our clients come before us, our constituents, and talk about the fact that they have a good process, that everybody wants it, that it is marketable, but they cannot receive funding for it and they have to go south of the border? What happens to most of them is they fail. We have to do better.

I believe that the budget is only the first step in the long process of creating new capital for Canadian businesses and ending our drudgery with unemployment.

[*Translation*]

Mr. Yves Rochelleau (Trois-Rivières): Mr. Speaker, during the last election campaign the Liberal Party of Canada, wishing the Canadian electorate to be well informed of its intentions, published an important document entitled "Creating opportunity". As you have probably guessed, the ultimate purpose of that paper was to kick Progressive Conservatives out of power and replace them by a team determined to create jobs, fight unemployment and not the unemployed, and make sure that the deficit would not be tackled at the expense of the poorest. That document is the red book.

Millions of Canadians, in particular in Ontario and in the Maritimes, believed in it and were deluded. Quebecers and Westerners proved to be more cautious and shrewd. Only 30 per cent of Quebec voters, for instance, trusted the Liberal Party.

Now that they have reached their goal, the Liberals who are in government must act and show concretely that they really are different from the bad Conservatives.

However, they missed a first opportunity to prove it with the speech from the throne, a text rife with clichés, pious hopes and vague declarations of intent. Subsequently, Mr. Speaker, the government, under the finance minister's leadership, embarked in extensive consultations with a view to outlining the first Liberal budget, a much touted about exercise which was to bring hope back to Canadians from coast to coast.

This great event took place on February 22, 1994, at 5 p.m. What a disappointment! The red book is becoming increasingly valuable. Never since, have the Liberals being able to find free-lance writers with such lucidity, such imagination, such insight, and so able to develop new solutions.

As a matter of fact, one must accept the obvious, that this government is following right in the previous government's footsteps by attacking not unemployment but rather the unemployed, when it announced that it intended to renew and revitalize, to use its own words, Canada's social security system within two years.

And yet, the red book did say, on page 73 and 74 of the English version:

The failed economic and social policies of the Conservative regime have left 1.6 million people out of work and 4.2 million Canadians living in poverty, of whom 1.2 million are children; and 62 per cent of families headed by single mothers are living in poverty with their incomes falling.

Since 1984, the Tories have systematically weakened the social support network that took generations to build. [—]they have taken billions of dollars from health care and from programs that support children, seniors, and people who have lost their jobs—

And yet, in its first budget, this government announces to us that henceforth, people will have to work longer in order to collect 5 per cent less in unemployment insurance and that the revitalization of social security will mean savings of roughly \$7.5 billion at the expense of the least fortunate.

Another example that is particularly interesting to me, in my capacity as industry critic, is that of industrial conversion as mentioned on page 55 of the red book.

The defence industries today employ directly and indirectly over 100,000 Canadians. The end of the Cold War puts at risk tens of thousands of high-tech jobs. A Liberal government will introduce a defence conversion program to help industries in transition from high-tech military production to high-tech civilian production.

(1805)

Since being elected, this government has not mentioned this subject again, except once, very cautiously, in the budget plan when it stated that it would not proceed until 1996–1997. Yet, two projects that have been shelved could satisfy the need for diversification by utilizing both human resources and budgets. I am referring to the establishment of a high-speed rail link between Quebec City and Windsor, via Trois-Rivières, and to the awarding of a contract to MIL Davie of Lauzon, a company which specializes in the building of military ships. Having drawn up its own plan to convert from military to civilian production, this company needs the encouragement of the federal government, which it would get if awarded the contract to build the Magdalen Islands ferry.

Not a word about these two issues, Mr. Speaker, in the budget speech or elsewhere.

So what are we to make then of such behaviour by the government? Is it cynicism or contempt? Is it just a way to fool the people so that they can take power by saying or promising anything? How can one reconcile such behaviour with the parliamentary integrity mentioned in the red book on page 90, where it says that cynicism about public institutions, governments, politicians, and the political process is at an all-time high? Is this government not giving Canadians and Quebecers new reasons to be cynical?

But that is not all. So far, we have seen some commitments made during the election campaign which have not been kept by this government. It will also do some things that it never mentioned before. I am thinking, for example, of the decision

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announced in the budget speech to close the military college in Saint-Jean.

(1810)

Since Quebec receives only 15 per cent of national spending by the defence department, we think that it is an unfair and unacceptable decision that we can only denounce.

Moreover, if we think back to the reasons and the historical background for setting up this institution, it is an unjustifiable decision which shows the failure of a certain Trudeau-style federalism where bilingualism would be recognized everywhere and francophones and anglophones would have equal opportunities in this great united Canada.

To suggest that French-speaking Quebecers can get along easily in Kingston and go ahead as if nothing had changed, as the Minister of Defence suggests, shows naivety or bad faith.

Here is what an eminent citizen of Trois-Rivières, a constituent of mine whom I salute gladly, the first francophone chief of staff of the Canadian armed forces, General Jean Victor Allard, said in the local daily *Le Nouvelliste* of February 26, 1994: "It is ridiculous to think that Kingston can offer bilingual training".

The front page of *La Presse* yesterday, March 6, carried the following headline: "No services in French in Kingston".

Unless this is an operation brilliantly orchestrated to allow the current Premier of Quebec, Mr. Johnson, to make political capital out of this event in complicity with his Liberal cousins in Ottawa. That is what awaits French-speaking Quebecers in the increasingly unitarian, centralized and impoverished Canada of tomorrow, where Quebec will weigh less and less in demographic terms.

This federalist complicity is also remarkable with regard to one impact of the changes to unemployment insurance concerning the percentage and duration of benefits. Unemployed workers will go more rapidly from the federal unemployment insurance program to provincial social assistance programs. It is estimated that the bill will reach at least \$1 billion for all the provinces, including \$280 million for Quebec.

The Liberal Premier of Quebec, Daniel Johnson, a federalist, has been very silent on this question so far, in spite of leading a government whose deficit will amount to close to \$5 billion and which cannot afford to give presents to the federal Liberal government.

It is this same federalist brotherhood that will come to Quebec in the next few months to preach the Canadian gospel to the people of Quebec, to try to sell the merits of financially viable federalism, to say that francophones have their place everywhere in Canada and that the doors are wide open from the Rockies to Percé Rock.

This brotherhood includes Mulroney, Trudeau, Johnson, Ryan, the hon. member for Saint-Maurice and even the hon. member for Sherbrooke who, united by the Holy Spirit and by mutual interests, will explain to Quebecers that dependence is better than independence, that it is better to be a minority than a majority, that Quebec cannot be anything but a province and, what is more, a province like any other. That is their opinion but it is not ours. We will talk about this again, Mr. Speaker.

[English]

Hon. Charles Caccia (Davenport): Mr. Speaker, the budget proves that this government has rejected the economic theories of the Reform Party and that it has put most of its emphasis on its belief, and quite rightly so, that what we are facing today in our economy is a crisis of revenue. It is not a crisis of expenditure as the Reform Party would like Canadians to believe.

At the next election we will be able to demonstrate to those who voted for the Reform Party that they placed their confidence in the wrong party. Let me stress the fact that the crisis of revenue is going to be tackled by this government by stimulating the economy, by creating jobs and by bringing back confidence in the economic system of Canada which for many years has been the object of decreased confidence. This has resulted in the formation of an underground economy.

The budget places an emphasis on increasing revenue through a number of initiatives, not believing that our economic situation can be remedied through cuts alone. It is an encouraging and well received statement by Canadians at large.

The budget also contains a green strategy, so to speak. It is modest but it is timely. It is the first step but it promises others because the minister announced changes that will encourage companies to contribute to mine reclamation funds, commitments to improve the tax treatment of a certain type of tax conservation equipment and enhanced incentives for newer and cleaner technologies.

The Minister of Finance announced that the strategy for encouraging the growth of environmental technology and services will be revealed later this year. These announcements outline the fact that there is a willingness and a commitment to turn our budget making into a green colour as the years go by.

There are many items that are still to be considered in future budgets. One is the introduction of green taxes. Time does not permit me to go into detail. Let me only say that a graduated taxation system which would recognize the environmentally friendly role of certain products would be helpful and well received by Canadians.

Lower taxes, for instance, for products approved by the environment choice program would be a highly desirable step which has been adopted in other jurisdictions. In the United States, to give members another example, there is an annual vehicle registration fee that is geared to the weight of the vehicle. There is a recognition that the tax system should reward those who use vehicles that weigh less and are more fuel efficient.

There is a whole range of initiatives that could be taken and I hope will be taken under the general heading of green taxation.

It is interesting to note, when it comes to natural resources, a white paper produced by the European communities a few weeks ago. It states: "Market prices do not incorporate sufficiently the limited availability of natural resources and the environmental scarcities related to their consumption". The result is a systematic overuse of our national resources. Here again a graduated taxation on a resource demanding products and services would serve as an incentive and would be highly desirable.

(1815)

Next the minister announced in the budget speech his commitment to create a task force to examine certain subsidies and taxes which are harmful to the environment. They are commonly called perverse subsidies. Although they are well intended, over time we have discovered they are damaging.

This task force has a terrific opportunity to examine existing and major federal subsidies, programs, expenditures and the like, including federal-provincial agreements from the perspective of development and growth that is sustainable environmentally speaking.

There will be an opportunity for the task force to examine, for instance, the budget of the Canadian International Development Agency and the budget of the energy department. The incentives that have been and are being provided in agriculture, in forestry, in fishery and in trade will be examined with the hope in mind or with the intent of ensuring long term sustainability through fiscal and other measures, including policies in the field of energy. Fossil fuel subsidies and programs will be at the core of the particular task force.

[Translation]

The Deputy Speaker: It being 6.15 p.m., it is my duty pursuant to Standing Order 73(b) to interrupt the proceedings and put forthwith the question necessary to dispose of the second reading stage of the bill now before the House.

Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

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Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to order made Thursday, February 24, 1994, the division on the question now before the House stands deferred until 6.30 p.m. Tuesday, March 8, 1994.

[English]

There being no further business before the House, we will suspend for 10 minutes or until 6.30 p.m. for the late show.

Mr. Milliken: Mr. Speaker, I think the members required for the late show are in the Chamber. There might be unanimous consent to proceed with it now.

The Deputy Speaker: Is there consent to proceed with the late show now rather than 10 minutes from now?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

(1820)

[English]

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

IMMIGRATION

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, frequent contacts with my constituents indicate that the two areas of greatest concern to them are the deficit and immigration. The two issues are related.

My constituents wonder about the costs which immigrants impose on Canadian governments during this period of fiscal crisis. Even though on average and over their lifetime immigrants historically have made a net contribution to the coffers of the government, they are concerned about those who enter Canada under the family unification program.

The minister has announced that next year he has ordered the admittance of 110,000 individuals in this category. Under current laws these family unification immigrants are almost exclusively the elderly parents of persons already in Canada as landed immigrants. We know from past years that the bulk of these parents are of an age where they are likely to pay only small if any premiums to the provincial medicare program. Yet

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as landed immigrants they are entitled to free medicare for the rest of their lives.

A distinguished newspaper columnist had obtained information on the numbers and age distribution of family unification immigrants admitted during the period 1988 to 1992. Using data on the average cost of medicare services required by older people, the columnist estimated that the family immigrants admitted during this period added about \$1 billion to the annual cost of the Canadian medicare system.

I think it is legitimate to ask an equivalent question about the family immigrants to be admitted next year and in future years once their levels have been decided. In fact I believe that the government should be required to publish regularly estimates of the costs immigration policies are expected to impose on public services.

If the costs are as high as some experts think they are, the government might consider changes in existing policy. One such change might involve the rule now existing in Australia according to which parents are admitted only if they do not leave at home more of their children than they join in their new country of residence.

Another perhaps somewhat more radical policy might be to admit only immigrants who agree to live in Canada without having their parents join them. There are large numbers of foreigners willing to come to Canada under these conditions, I am sure.

I should note that no one expects a definitive answer on the dollar costs. Canadians are sophisticated about the uncertainty surrounding all such estimates involving social and economic magnitudes. They want an estimate accompanied by explanations of the underlying data and the assumptions. They will interpret it with the proper caution.

I thank you, Mr. Speaker, for allowing me to bring forth these issues again in the House. I am sure the people of Canada will appreciate having the answer to the question I raise.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, the Minister of Citizenship and Immigration has launched a public consultation process that will help shape the country's immigration policy for the next decade. His intentions are clear, and that is to hear from Canadians.

Family reunification has always been a cornerstone of Canadian immigration policy. We must never underestimate the advantages of family based immigration. Family members help to integrate and settle newcomers successfully with little associated costs.

In a 1991 study the Economic Council of Canada stated that immigration had a positive albeit small impact on the real per capita income of Canadians. Thus if the impact is not negative it

cannot be used to argue that levels are too high. Economic neutrality in fact supports the current levels of humanitarian immigration.

In addition the Economic Council also made the point that an increase in immigration did not increase unemployment neither in the short nor the long term. This was verified by examining 12 OECD countries.

We on this side of the House tend to agree with the council's findings when it says that everyone benefits economically and otherwise from immigration.

(1825)

Another study by Samuel and Conyers in June 1986 entitled "The Employment Effects of Immigration: A Balance Sheet Approach" concluded that the net impact of immigration from the perspective of job creation was positive and that immigrants were net creators of jobs.

Studies using the 1986 census data have concluded that immigrants collect less welfare. Since they also pay taxes they are contributing positively to maintaining our social safety net, which in turn helps pay for Canada's social programs including and perhaps most especially our health care system.

[Translation]

NATIONAL ARTS CENTRE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, on February 22 last, I put a question to the Minister of Canadian Heritage concerning the \$350,000 in severance pay awarded to the Director General of the National Arts Centre following a putsch organized by the Mayor of Ottawa.

As a supplemental, I asked him whether it was true, and I quote:

that the person responsible for the placement agency in the Prime Minister's Office, Mrs. Collette, is desperately looking for a new job in the federal public service for Mr. DesRochers?

The minister answered as follows, and I quote:

there is...an announced vacancy that is not yet effective but will become so a little later in the year.

What are we to make of the minister's response? He listened to my question and he answered it. I must therefore interpret it and draw a connection between it and my question. So, by informing me that there will be an opening later this year, the minister led me to conclude that the director of appointments in the Prime Minister's Office intends to keep this position for Mr. DesRochers.

If my interpretation of the minister's answer is correct, then we in this House have the right to wonder whether the Liberal government plans to replace all senior public servants with Liberals because, if it is so, we will be paying compensation for a long time. Let us just remember all the political appointments made by the previous government in its dying days.

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I sincerely hope that, even though the answer was written in advance, the minister will reassure the House and make a commitment to take the necessary steps to address the problem of mismanagement in government agencies, which is extremely costly to Canadian taxpayers.

We have to remind ourselves of the difficulties encountered in 1987 in securing the appointment, for the first time, of a French-speaking director at the National Arts Centre. As Mr. Leroux, the Chairman of the Advisory Committee on Francophone Affairs of the City of Ottawa, mentioned, and I quote: "The dismissal of Mr. DesRochers is a step backward for the Francophone population which can no longer deal with the senior management of the National Arts Centre in its own language". Mr. Leroux resigned to show his disapproval, and we can expect further resignations.

Furthermore, the minister hides behind the managerial autonomy of these agencies to avoid responding to the real questions and the real issues raised by the Bloc Québécois. If the minister wants to be responsible, he must tell us clearly without further ado what concrete measures he intends to take to address the problem of mismanagement in government agencies, particularly in the Canadian Museum of Nature and the National Capital Commission.

The minister must regain control of these agencies, ensure a more transparent form of management and, this time, answer the questions that are put to him with all the intelligence that I am willing to give him credit for, otherwise he could very well lose his credibility once and for all.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, in answer to the question asked by the hon. member for Rimouski—Témiscouata, first of all I have to make it clear that the National Arts Centre's director general is appointed by the corporation's board of directors. Moreover, the director general's salary is set by the Governor in Council; so, all the terms and conditions of employment of the director general come directly under the responsibility and authority of the National Arts Centre's board of directors, as provided under the National Arts Centre Act. As for the first part of her question, the hon. member for Rimouski—Témiscouata can therefore see that it is not incumbent on the government in this specific instance to determine the working conditions and the severance pay of NAC employees.

(1830)

[English]

The director general position is classified by the Privy Council at the GIC-8 level which currently has a salary range of \$110,100 to \$129,700. Mr. Yvon DesRochers was appointed director general of the National Arts Centre in 1988 for a

five-year term and was reappointed for another five years in May 1993.

His salary was fixed by the Governor in Council subsequent to negotiations between the board of trustees and Mr. DesRochers at the time of his appointment. Specific information on Mr. DesRochers' salary is protected under the Privacy Act as it is for all Canadians protected by this legislation.

The Minister of Canadian Heritage would also like to point out that the salary of the director general was set by the previous government.

[Translation]

Finally, Mr. Yvon DesRochers' contract has been terminated following the decision made by the National Arts Centre's board of directors on January 14, 1994.

[English]

LABOUR DISPUTE

Mr. David Iftody (Provencher): Mr. Speaker, I rise in the House today to refer the Minister of Human Resources Development to a question that I raised in the House on February 7 concerning the issue of labour disputes at the port of Vancouver.

As history has proven, free and unimpeded movement of goods and services is the cornerstone of an economy that relies on a free market. Western Canada in particular was opened by our exports almost 100 years ago. In 1896 the wheat boom was a creation principally by a transportation system and security of labour relations which allowed us to export our grain to markets around the world.

When the free flow of these goods and services of any type is obstructed the Canadian economy is harmed and indeed weakened. In any kind of labour dispute which brings about these kinds of work stoppages there are no winners but everyone loses.

This was most definitely the case in this instance. Grains and other exports were stored in warehouses while 74 ships in the port of Vancouver were idle without any stock and not moving out of the port at all.

The Canadian Wheat Board said that this backlog of ships cost the prairie farmer \$6 million in penalties. I want to point out that this is a cost Canadian farmers cannot afford to bear in these times. The storage fees alone for keeping that grain outside those ships was \$300,000 a day.

I want to point out that this strike affected personally the people in my riding of Provencher. Outside of the grain farmers I want to draw members' attention to a manufacturing firm that has Japanese customers and is shipping over finished products in the lumber industry. It faced over \$50,000 worth of late

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penalties and an additional \$13,000 in air freight charges to ship those goods to the Japanese customers to get them there on time.

Above and beyond this, one of the principal concerns of these kinds of labour interruptions is the fact that they call into question Canada's reputation as a good trading partner. The day before the actual strike the marketing director for the port of Vancouver in Beijing, China was receiving hundreds of calls questioning Canada's ability to deliver its goods to its trading partners on time.

China is Canada's largest importer of grain and it is a very valuable market to Canada. What sort of message are we sending to our international trade partners, to China and to the Asian Pacific rim in particular?

At a time when we are linking our economic trade to international relations it is critically important that Canada have security in our transportation systems and in our labour systems to ensure that business people in Canada, in western Canada and in Provencher in particular have their goods and services transported to their destinations without interference.

(1835)

This is why I am asking the minister on behalf of the people of Provencher what specific measures were taken since the government introduced its legislation to bring the parties back to the table? What specific measures are being taken to ensure that we will have easy and unimpeded access to international markets throughout the world and the Asian Pacific Rim?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I am pleased to respond to the hon. member's question concerning the recent dispute on the west coast between the British Columbia Maritime Employer's Association and the International Longshoremen's and Warehousemen's Union.

The West Coast Ports Operations Act, 1994, passed by Parliament on February 8 and given royal assent the same day, called for the immediate resumption of longshoring operations on Canada's west coast upon the coming into force of the act and provided for the final settlement of those items remaining in dispute between the parties by the final offer selection process.

While disappointed at the inability of the parties to resolve their dispute through collective bargaining, the Minister of Human Resources Development did not hesitate to act in the public interest and take measures to ensure the resumption of important export shipments through the west coast ports.

During the House debates on Bill C-10 the minister committed to consulting members of the opposition parties regarding the selection of an arbitrator. I am pleased that members of the Bloc Quebecois and the New Democratic Party supported Mr. Allan Hope's appointment as arbitrator.

Prior to the recent disruption there had been indications of reasons to hope that labour and management in the port of Vancouver had moved away from the dismal pattern of the 1970s and the first half of the 1980s when Parliament was forced to provide for resolution of their disputes. Settlements arrived at through the collective bargaining process in the two previous rounds gave some reason to believe that the pattern had changed and that the parties were entering a new era of constructive labour relations.

It is hoped that the current difficulties do not represent a reversion to previous form and that the parties will endeavour in future to find better ways of resolving their differences. The competitive future of our west coast ports and consequently the livelihood of those involved in the longshoring industry relies on their ability to approach the bargaining relationship in a spirit of common interest.

Reports from the west coast indicate that grain shipments are being loaded at a brisk pace in order to fill outstanding export commitments. While it is unfortunate that export commodities were impacted upon by the work stoppage, the government realized that through co-operative initiatives such as the Vancouver Ports Corporation stakeholders conference and the government's involvement with the western grain storage and handling industry, solutions can be found to industry concerns which will allow for improved relations between the parties and the fast, efficient movement of export commodities through the west coast ports.

TOBACCO

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, on February 16 I posed two questions to the Minister of Health, essentially asking what steps the department will take to ensure that the network of health care volunteers, professionals and organizations will be involved in the design, implementation and monitoring of any blueprint to ensure that the anti-smoking education campaign is successful.

Since that question, we had a report last week of a survey indicating that the anti-smoking campaign has not had much influence on the habits of young smokers. Therefore, I ask the minister again, what specific steps will she take to ensure that any anti-smoking education campaign will have the input of health care professionals. By using their expertise and skills we will ensure greater success for any such campaign.

A second point relates to what specific new regulatory framework the government envisions taking to ensure that the Government of Canada has greater control over tobacco manufacturers and to ensure again that we prevent young Canadians from starting the habit of smoking.

What a turn of events. Only last week we heard the report that tobacco manufacturers might have added nicotine deliberately during the manufacturing of cigarettes. That almost strengthens

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the urgency of the need to move with a new regulatory framework.

Today the regulation allows manufacturers greater latitude and freedom to do things other than those prohibited by law. The focus must be changed. When tobacco manufacturers envision doing something new or something unknown to us as yet, they should submit their proposals and then the government will say yes, it is okay or no, it is unhealthy for Canadians. We need that kind of new regulatory framework to ensure that we truly take to heart the health of Canadians foremost.

On that note I would beg the minister and his parliamentary secretary to bear before Parliament the steps they will take to ensure that health care network of the country will be involved in the design, implementation and monitoring of any new blueprint to combat smoking in the country and at the same time indicate the new regulatory framework the government is prepared to take to ensure that the health of Canadians is foremost and that we prevent the smoking habit that only creates illness, disability and ultimately death.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, on behalf of the Minister of Health I welcome the opportunity to respond to the question raised by the hon. member about our anti-smoking campaign.

I know how much he is committed to it. I can assure my hon. colleague that his government's determination to reduce and eventually eliminate tobacco use particularly among Canadian youth is very much in force. We will not stand idly by allowing young people to be exploited and to become addicted. The unnecessary tragedy of premature death and the burden of disease caused by smoking with which he is very familiar must not be inflicted on another generation.

We are well aware that smoking is already responsible for approximately 40,000 preventable deaths in Canada each year.

We realize that with lower tobacco prices additional work very seriously needs to be done now.

I am pleased to report on behalf of the minister that much of this work is in progress. As the member may be aware, stronger more visible messages will be appearing on cigarette packaging by September 1994. The Tobacco Sales to Young Persons Act came into force in early February 1994. It is now unlawful to sell tobacco products to persons under 18 years of age. If we go into local stores we should be able to see federal signs to this effect.

In addition, legislation has been introduced to ban the sale of kiddy packs. As well the Minister of Health recently announced the tobacco reduction strategy, an \$185 million dollar initiative over three years with which innovative legislation is combined. That is to say targeted health activities will develop appropriate prevention and smoking cessation efforts. This will be combined with media campaigns aimed at younger people.

The Minister of Health has had preliminary discussions with her provincial and territorial counterparts as well as the National Health Organization. Within weeks she will meet again to discuss joint approaches on this very serious subject. There can be no doubt about the need to convince people to stop smoking, not because it is politically correct, environmentally friendly or fiscally prudent, but because it will be healthier.

We will save our limited health resources and more important, as my hon. colleague is well aware as a physician, it will save lives. I know my hon. colleague will offer his support to further ensure the success of these efforts.

The Deputy Speaker: Pursuant to Standing Order 38(5) the motion to adjourn the House is now deemed to have been adopted. The House therefore stands adjourned until tomorrow at ten o'clock.

(The House adjourned at 6.42 p.m.)

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