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OFFICIAL REPORT  
(HANSARD)

**Monday, March 14, 1994**

**Speaker: The Honourable Gilbert Parent**

# HOUSE OF COMMONS

Monday, March 14, 1994

The House met at 11 a.m.

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*Prayers*  
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## PRIVATE MEMBERS' BUSINESS

[*Translation*]

### PARLIAMENT OF CANADA ACT

**Mr. Eugène Bellemare (Carleton—Gloucester)** moved that Bill C-201, an act to amend the Parliament of Canada Act (oath or solemn affirmation), be read the second time and referred to a standing committee.

He said: Madam Speaker, I welcome this opportunity to introduce Bill C-201, the first Private Members' bill of this session. It concerns the oath of allegiance we swear to the Queen, to which I would like to make some changes.

[*English*]

On October 25, 1993 I was honoured and proud to be elected to Parliament for the second time. On November 9, 1993 at my swearing in ceremony I had the honour as an elected member of the Canadian Parliament of pledging allegiance to the Queen.

Having been elected to Parliament by the electors of my riding of Carleton—Gloucester by a record 46,800 votes in my favour, about 35,000 votes more than my nearest challenger, I felt proud but above all I felt honoured at having been elected to serve so many Canadians.

(1105)

For this reason I want to add to the present oath of office, that is to say the one that pays allegiance to the Queen, a pledge of allegiance to Canada and its Constitution.

After swearing allegiance to the Queen on my family Bible and signing the parliamentary documents handed to me by the Clerk in the presence of my wife and children, I requested that the Clerk of the House of Commons let me read the following affirmation:

[*Translation*]

I, Eugène Bellemare, member of Parliament for Carleton—Gloucester, swear and solemnly affirm that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly in conformity with the Constitution of Canada.

[*English*]

I was extremely proud to add this affirmation to my pledge of loyalty to the Queen.

Since I first introduced this bill in 1993 when it only went to first reading, I have had many discussions and conversations on this topic and received many letters from across Canada from my constituents and colleagues applauding this bill which adds to our present oath to the Queen. It adds to our allegiance to Canada. It is with this support that I present the bill to the House today.

This private member's bill in no way negates or removes our allegiance to the Queen. Our parliamentary monarchy is part of our Canadian Constitution, our Canadian history and our Canadian heritage. The Constitution cannot be amended by Parliament without the consent of the provinces and territories.

My proposed oath for solemn affirmation to Canada and the Constitution is a proposed amendment to the Parliament of Canada Act, not the Constitution, and therefore is in proper order. It comes as an addition to swearing allegiance to the Queen.

The wording of my private member's bill was prepared according to parliamentary rules by the legal experts of the House of Commons.

[*Translation*]

Some people think this bill is redundant, in that the oath of allegiance to the Queen already implies allegiance to Canada and Canadians and it would therefore be unnecessary to add a pledge of allegiance to the Constitution. In my experience, however, what is implied is often interpreted differently by different people.

I think it is important to affirm what we believe in when we pledge our loyalty, and in this case, I pledge my loyalty to Canada and to Canadians, and I am not afraid to tell the whole country and the whole world.

[*English*]

Canada, as a member of the British Commonwealth, is headed by the Queen. The existing oath sworn by members of Par-

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liament is the swearing of allegiance to the Queen. I was as proud as any member of the House in pledging allegiance to the Queen during my swearing in ceremony.

[*Translation*]

However, the oath sworn by all members of this House is practically identical to the oaths sworn in all Commonwealth countries.

I may point out that we were all elected by Canadians in Canada, and I assume that we all represent Canadians and not people living in other countries like Australia, Bangladesh, Ghana, India, Pakistan, Nigeria, Tanzania, and so forth. These are all Commonwealth countries whose members of Parliament pledge allegiance to the same Queen.

(1110)

Canada is a distinct society and is different from other countries that belong to the Commonwealth and are represented by the Queen. The pledge I made to my constituents clearly indicates that I represent Canadians, not citizens of the whole Commonwealth.

Since the bill I introduced in the House today is not votable, this will prevent me and my fellow members from taking a position and stating whether we feel patriotic about Canada.

I was very disappointed to hear that the Standing Committee on Procedure and House Affairs, which is responsible for deciding what happens to a Private Member's Bill, has judged that my bill would not be votable.

[*English*]

Even though my bill answered all 11 criteria for the selection for votable items as set out in the rules of the House, I had submitted a positive written reply to all these criteria when interviewed by the House committee. It told me the interview would be five minutes. It seemed interested enough to prolong the interview to over 20 minutes and the attitude was very positive. I do not know what has happened since the time I left that committee when it decided in private to make the bill, unfortunately, non-votable.

I want to make it clear that the bill is an amendment to the Parliament of Canada Act and is not intended to replace the current oath but rather to add to it. The pledge to Canada and the Constitution is in addition to the pledge to the Queen.

Members of Parliament, present, past and future, I am sure are proud to be Canadians and are proud to serve in the House of Commons.

Several other Commonwealth countries are presently studying the need for an oath such as the one I am presenting today. Members of the national assembly in the province of Quebec already pledge allegiance to the people and the constitution of

Quebec. They do this because they feel the need to affirm their loyalty to the people they represent. They also, as everyone knows, swear allegiance to the Queen.

[*Translation*]

I would therefore urge all members, who wish to pledge their loyalty to Canada and Canadians or who feel the need to do so, to do this in the form of a pledge of loyalty to the Constitution and to this country. I would be delighted to meet anyone who would like to discuss the pledge of loyalty to Canada I made when I swore my oath of allegiance after the last election.

In concluding, I can inform all hon. members that I am proud that at my swearing-in after the last election, I added my pledge of loyalty to Canada, to Canadians and to the Constitution.

[*English*]

I believe that all of my colleagues presently sitting in the House of Commons would like a chance to individually go on record and officially tell their constituents that they are proud to be Canadians. Giving all members of Parliament a chance to vote on this bill in the House of Commons is the perfect vehicle for such a patriotic statement.

[*Translation*]

Madam Speaker, in concluding, I wish to say that yes, I was elected by 46,800 Canadians in a Canadian riding, and I have a responsibility to my constituents in Carleton—Gloucester.

(1115)

I have a solemn commitment and I am conscious of my responsibility, to use my judgment to serve all Canadians, and I would ask my fellow members to do likewise. I know from discussions I have had with them that in their hearts they want to pledge allegiance to their country, in addition to pledging allegiance to the Queen. They want to pledge allegiance to their Constitution and their people.

**Mr. François Langlois (Bellechasse):** Madam Speaker, I am pleased to speak on Bill C-201 which was tabled by the hon. member for Carleton—Gloucester. Constitutionally speaking, I have a problem with this bill. Pursuant to section 52 of the Constitution Act, 1982, "the Constitution of Canada is the supreme law of Canada, and any law that is inconsistent with the provisions of the Constitution is, to the extent of the inconsistency, of no force or effect".

What exactly is the relationship between the Constitution of Canada and the oath of allegiance? The provisions respecting the oath of allegiance are contained in section 128 of the Constitution Act, 1867 which I will take the liberty of reading. Section 128 of the Constitution Act, 1867, which most of us know as the British North America Act, reads as follows:

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Every Member of the Senate or House of Commons of Canada shall before taking his Seat therein take and subscribe before the Governor General or some Person authorized by him, and every Member of a Legislative Council or Legislative Assembly of any Province shall before taking his Seat therein take and subscribe before the Lieutenant Governor of the Province or some Person authorized by him, the Oath of Allegiance contained in the Fifth Schedule to this Act.

The fifth schedule reads as follows:

I, A.B. do swear, that I will be faithful and bear true Allegiance to Her Majesty Queen Victoria.

Of course, in accordance with the law governing succession to the throne, the reference to Queen Victoria includes all of her heirs and successors. This is the sole requirement for sitting in this House that is set out in the Constitution of Canada. And, as we have seen, the Constitution is the supreme law of Canada.

The hon. member for Carleton—Gloucester is proposing, through a simple bill, to amend section 27.1 of the Parliament of Canada Act by the addition of the following: “No person holding a seat in the House of Commons shall sit therein nor shall any funds be made available to such a person for the carrying out of parliamentary functions unless the person, in writing, has taken the oath or made the solemn affirmation provided for in Schedule II before the Governor General or any person authorized by the Governor General to administer such oath or solemn affirmation”.

Schedule II of Bill C-201 reads as follows:

I, —, swear that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly in conformity with the Constitution of Canada.

Clause 27.1 of this bill states very clearly that no member can sit in this House unless he or she takes this oath. Enacting a statutory law is certainly not the way to go about changing the oath of allegiance. What we need to do is amend the Constitution of Canada, just as a member of Parliament, Mr. Keyes, attempted to do during the third session of the 34th Parliament with Bill C-270, An Act to amend the Constitution Act, 1867 (oath of allegiance).

It is clear that unless the Constitution of Canada is amended, and since section 128 applies not only to the federal government, but to the provinces as well, the amending procedure that applies here is unquestionably the one set out in section 38 of the Constitution Act, 1982, that is the 7/50 rule which requires approval of seven provinces representing 50 per cent of the population. Curiously enough, we are not moving in that direction. We therefore have before us a bill that would be futile at best since it would contradict Canada's existing Constitution.

(1120)

Some of the comments made by the hon. member for Carleton—Gloucester about the merits of his bill surprised me a little. He told us that the oath of loyalty to the Crown prescribed in Schedule V of the 1867 Constitution could apply to His or Her Majesty as head of the Commonwealth. There is a timing problem. When we look at the situation, we see that there is an anachronism somewhere for, when the Constitution Act of 1867 was enacted, the Commonwealth did not exist. How could it have been possible in 1867 to consider a measure applying to the Queen as head of the Commonwealth when the Commonwealth was formed almost 100 years later?

It also ignores the whole evolution of the monarchy in Canada, from the imperial conferences of 1926 and 1930 and the 1931 Statute of Westminster to the Constitution Act of 1982 that definitely Canadianized the monarchy.

It is now clear that the monarchy in Canada is solely dependent on the will of the Canadian Parliament and the Canadian people. We are not subjected to any foreign monarchy. Our oath of loyalty to the Queen is undoubtedly directed at the Queen of Canada, and only Canadian parliamentarians can swear allegiance to the Queen of Canada. This oath is not required of parliamentarians in Australia, Great Britain or New Zealand who swear allegiance to their Queen; we are the only ones affected.

Canada is not a republic where the official oath is usually directed at the state. It would be rather surprising to see French parliamentarians, for example, swearing allegiance to President Mitterrand. They have to swear allegiance to the institutions of the Fifth Republic. It is the same thing in the United States of America.

In a monarchical system of government like ours, the Sovereign, the Queen of Canada, is the embodiment of the state as the official head of the Canadian state.

Like Louis XIV, Her Majesty the Queen could say, “I am the state,” subject, of course, to the limits imposed by the Constitution since we live in a constitutional monarchy.

Swearing allegiance to Her Majesty Queen Elizabeth II as Queen of Canada is the same as swearing allegiance to Canada, everyone having their own definition of Canada. Is it the Canada of 1867 with its four provinces? Is it the Canada that existed prior to 1949 without Newfoundland? If this oath had existed, would it have been possible to allow Newfoundland to join the Canadian federation if we had sworn to keep the oath's status quo? Is this a way of singling out the members of the Official Opposition, who want to promote and eventually achieve Quebec's sovereignty in a democratic fashion and by respecting

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clearly established constitutional conventions and the right of peoples to self-determination?

Those are questions I ask myself and to which I have no answer. We have always been comfortable since we have always said that we would respect the current system as long as it remains unchanged, as well as its institutions. We are showing it every day in this House, and such an oath, even though it can be voluntary, cannot in my opinion encroach on the provisions of the 1867 Constitution which are unusually clear.

(1125)

[*English*]

**Mr. Darrel Stinson (Okanagan—Shuswap):** Madam Speaker, I am speaking today in favour of Bill C-201, an act to amend the Parliament of Canada Act and not the constitutional act.

The bill would ensure that all members elected to this place, before they could sit here and before any funds would be made available to them, would have to take an oath or make a solemn affirmation of loyalty to Canada and to the Constitution of Canada.

This oath seems to be an appropriate step in the process of recognizing our nationhood. It is only recently that Canada became a nation in its own right rather than being merely a so-called dominion of Canada, a part of Great Britain.

As our nation moved through this maturing process, we acquired our own flag, the beautiful red and white maple leaf of which we are so proud today. We have chosen as our national anthem "O Canada" in which we sing about having true patriot love for our home, our native land.

In my dictionary the word patriot is defined as being a person who is devoted to and ready to support or defend his or her country. It comes from a word in Greek and also a word in Latin that means father.

Many people living in Canada today are new Canadians, people whose fathers and mothers were from some other country who came here as immigrants or new Canadians to seek a new life for themselves and for their families. I want to say a special word of welcome to them and to tell them I hope they will now become Canadian patriots, devoted to and ready to support or defend Canada.

I devoutly hope that they will be proud to call themselves simply Canadians, not Chinese-Canadians or Lebanese-Canadians or any other hyphenated Canadian. Personally, I believe there is nothing more racist than saying that we have English Canadians and French Canadians and new Canadians. We should all just be Canadians and proud of it. If we want to celebrate the customs and traditions of the land where our parents were born, we should be free to do so but we should first of all be proud Canadians.

Two weeks ago I was in my constituency of Okanagan—Shuswap. I had been invited to visit the children of an elementary school in the community of Sicamous. They were interested in some of the simpler facts about being a member of Parliament, like where did I live, where did I work. However one little girl asked a question that had me stumped. She wanted to know why she and her little classmates do not start every school day by singing "O Canada".

I would be obliged if some hon. member could answer that question. Why do all our Canadian school children not start every school day by singing "O Canada"? When members assemble in this place, why do we not start our proceeding by singing "O Canada"? I believe such a practice should go hand in hand with swearing our loyalty to Canada as this Bill C-201 would require to show that we are patriots devoted to this country.

There is a group in our midst in this place who are not devoted to Canada. No, no, this group brags that it is devoted not to Canada but instead to the breaking up of Canada, to making the great province of Quebec a separate country.

Personally I would like to go to each of them and ask how they can dare come to Parliament to try to break this great nation apart. Many of us from western Canada have been hit hard by such legislation as the national energy program which hit Albertans especially hard. We are paying for official bilingualism while hospital beds are closing from lack of money when we do not even know anybody who speaks French.

Many of us westerners think we have grievances, yet we do not talk of breaking up Canada. The Reform Party has come to Ottawa to try to right some historic wrongs but we are pledged to working within Canada. We are each, every one of us, proud patriots devoted to one federation of 10 equal provinces.

It has been said before and in many ways that a country is like a big family. When hard times come, it can bind a family closer together but it can also tear that same family apart.

(1130)

As I mentioned earlier a group in our midst in this place thinks times have been so tough for Quebec that it wants to tear Quebec away from the rest of us. This group says there have been wrongs done to the great province of Quebec. Therefore it wants to separate from Canada and become a separate country. Nevertheless members of this group somehow found it in their hearts to swear allegiance to the Queen when they took their oaths on becoming members of Parliament.

Many Canadians in Okanagan—Shuswap and all across our nation have asked: How can anybody be allowed to serve in Parliament who is not loyal to Canada? How can people be allowed to serve in Parliament who are not patriots devoted to doing the very best for the people they represent both in their own constituencies and for people all across Canada?

Each of these constituencies we as members represent is not some isolated island, not some little kingdom all on its own. Each and every constituency is part of one country, Canada. Therefore I cannot accept it when someone in this place says: "I only represent Quebec". All of us must represent Canada. We should swear an oath of loyalty to that one great country, Canada.

All of us must feel some pride in the examples set by some members of the government recently when they started making tough decisions about what services, programs, and military bases should be cut. They did not just think of their own little backyards; they thought about all of Canada. Much as we on this side of the House may disagree with some of its overall philosophies, much as we may disagree with this or that piece of the budget or with this or that amount being spent or cut, we must give the government credit for at least trying to look at what is good for the entire country.

Now it is time for each of us to look at Bill C-201 and ask ourselves: If we are one country and if we have our own flag and our own national anthem then why should we not swear or affirm allegiance to Canada before taking our seats as members of Parliament?

Personally I think this is an excellent idea which is long overdue. I believe in it so firmly that before Black Rod opened the first session of the 35th Parliament, I held a grand opening of my office back home in Okanagan—Shuswap. I put ads in the paper inviting the community. With a standing room only crowd I personally took an oath of loyalty to Canada and had everyone at the ceremony sign as my witnesses. In conclusion I might add we started that little ceremony by singing "O Canada".

**Hon. Audrey McLaughlin (Yukon):** Madam Speaker, it is a pleasure for me to speak on Bill C-201, a bill to amend the Parliament of Canada Act so that members of the House may pledge allegiance to the country.

I am pleased to support this initiative. It is extremely important and reflects very much the public opinion I heard during the previous election in my travels throughout various parts of Canada.

I come from Yukon which in this federal Parliament is probably the farthest area away from Ottawa. I recognize how important it is for those of us who live in regions not in central Canada to share in that feeling of commonality which exists among the majority of Canadians.

I certainly do not share in any way the point of view of colleagues in the Bloc Quebecois who want to see Quebec separated from Canada. However I respect the right of duly elected parliamentarians to express their views in this Parliament. That is the essence of democracy. Should we ever be in a position in this country where we did not have a forum to

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express various views we would indeed be losing not only our democracy but the essence of what we are as a country.

This issue is very important to me as an individual who has worked in federal politics for a number of years and to all Canadians. The country is going through a period of uncertainty. Many people fear for their economic security but there still remains a pride in what we have achieved together. We can go further in that and build not on our differences but on what we have in common.

(1135)

That is where I part company with some of my other colleagues in the House who have often asked why we cannot all be the same. As a white female anglophone from an Anglo-Saxon background I take great pride that Canada respects different languages, different cultures and that it welcomes people to its shores. There are only three people in the House of Commons whose ancestors did not come to Canada generations before as immigrants.

We must learn to rejoice in the diversity of our culture, not defile it. It will make the loyalty to and strength of Canada which the bill expresses meaningfully.

There are two visions of what kind of country Canada is. One vision was presented by my colleague just before me. Using the analogy of a field of flowers, he would see Canada as a field where all the flowers were the same, all pretty and neat. My vision of Canada is as a field of flowers of different colours, sometimes chaotic, always difficult but vibrant and providing excitement to the North American continent.

What have we achieved? We have achieved a political system with different points of view from social democratic to Liberal to Progressive Conservative and the Reform Party. We represent those views in our debates. By presenting different alternatives we come out with better solutions.

For the cause of our disunity the tendency today is to point to those individuals who have come to this country and not accepted what it is to be a Canadian. This is what I believe it means to be a Canadian. To be a Canadian it means first that we are loyal to this country. We want to take walls down, not put them up. Every part of the country from Newfoundland to Yukon is as important as every other part. When it comes to employment equity and other issues our goal of social and economic justice sometimes stands alone in the world where the tide often goes the other way.

Canada is not a perfect country. Things are not always done perfectly, but what are the options? An option is to wrench our country apart, in many ways to rend our democracy apart when the whole world is moving to work together on major problems of the day such as unemployment and growing debts. Those are not just Canadian problems. They are not the problems of the North American continent. They are problems of the world.

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In closing it is with pride that I support the bill. It is a very important message that we put those constituencies we represent front and centre in the House of Commons, but that we know and accept that our first responsibility is to work for Canada.

I hope people will take this debate very seriously and will support this bill. Canada is worth standing up for and we will all be better for doing that.

(1140)

**Mr. Ted White (North Vancouver):** Madam Speaker, in rising to speak to private member's Bill C-201 I would like to state at the outset that Reform MPs do support a change to the oath of allegiance. In fact a separate oath of allegiance has already been developed by the Reform Party. Many of us used it in our ridings, as my colleague from Okanagan—Shuswap mentioned.

I held a local swearing in ceremony at my office in North Vancouver on January 7 of this year. We invited about 175 voters, chosen at random from the voters' list, people we liked and people we did not. It did not even matter if they voted Liberal; we had them in our office. Although for the most part the event was fairly informal we did have a formal part of about five or ten minutes when I took the oath of allegiance.

I would like to quote from documentation we used that day which is headed: "A Statement of Principles and a Pledge of Commitment by Your Reform Party Member of Parliament". I will read some of these principles quickly.

I, Ted White, having been elected by the voters of the Federal Constituency of North Vancouver to represent you in the 35th Parliament of Canada, do hereby sincerely pledge that I am committed to the following principles as I carry out my duties on your behalf:

I am committed to the development of a new and stronger united Canada: a balanced democratic federation of provinces, distinguished by the acceptance of our social responsibilities, and the recognition of the equality and uniqueness of all of our provinces and citizens.

I am committed to equality for all Canadians regardless of race, language, culture, religion or gender and will give true and faithful representation to all of my constituents.

I am committed to being your democratic and fiscal conscience in the 35th Parliament, and I am prepared to demonstrate this commitment by showing leadership by example.

I believe you have sent me to the House of Commons to present your views in that forum, not to represent Ottawa's views to you. I believe that the House of Commons must be the house of the people, not the house of the parties. The word "politician" must mean a *representative of the people* not a servant of a party. To that end, I shall not only encourage you to communicate with me, but I am committed to consulting your views at every opportunity, and shall make myself available to you regularly, within our constituency. I need your advice and guidance.

I believe that when decisions are to be made on contentious issues of major national importance, it is my duty to seek the consensus view of my constituents, and to represent that consensus in Parliament, even if it conflicts with my own personal view.

I believe you have placed me in a position of great trust. I shall therefore conduct my personal and public life with honour and integrity. I shall administer public funds as carefully as if they were my own. I shall make sure that neither I, nor my family, will profit from any knowledge or influence I have as a legislator.

Then I took the short oath with one of my peers, the hon. member for New Westminster—Burnaby taking the oath. The oath read:

I, Ted White, your Member of Parliament, do pledge, that I will be faithful and bear true allegiance to the Canadian federation and to Her Majesty Queen Elizabeth, and that I will faithfully represent the people of the Electoral District of North Vancouver in the Canadian House of Commons.

The document was then signed and witnessed by 25 of the people present.

The wording for a new oath as suggested in Bill C-201 is similar to the suggested Reform oath in that it addresses the concept of loyalty to the Canadian federation. However I feel that it does lack the very important reference to the need to faithfully represent the people of the riding. Bill C-201 proposes that the oath read:

I, Ted White, swear that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly in conformity with the Constitution of Canada.

The oath refers to performing the duties of a member of the House of Commons. However the problem is that there is no job specification for a member of the House of Commons. If the duties are not defined then it is meaningless to swear to carry out those duties. MPs are entrusted to conduct themselves in a manner appropriate to the position and very few constraints are placed on us. We must be free to speak and to act on behalf of our constituents without any controls being placed on us by the system or the government.

(1145)

It is virtually impossible to define our duties, making the suggested new oath better than the one presently used. However I believe it is open to improvement. In the absence of the ability to amend the bill I do support it. I am sorry it is not a votable bill. I congratulate the member for introducing it to the House.

*[Translation]*

**Mr. Jean-Paul Marchand (Québec-Est):** Madam Speaker, many things have been said this morning about Bill C-201. I cannot comment on all the points raised. Perhaps I could just correct or qualify a number of remarks like this one, to the effect that to effectively sustain Canadian unity, all ten provinces must be equal.

That is the problem, this lack of understanding of the fact that Quebec is slightly different. We have been trying for a long time to make English Canada understand that Quebec is not like any other province. Actually, it was one of the things we tried to do with the Meech Lake Accord and again with the Charlottetown Accord. It was in good faith, I think, to seek recognition of the fact that Quebec is different from the rest of Canada. It is absolutely obvious to me, even a blind man could see, be it only at the cultural level, how rich the French language is in Quebec and how many cultural industries it sustains, as compared to English Canada.

Quebec is different in many regards, not only culturally, but also economically. Quebec has been trying for thirty years or so to be recognized as a distinct society or at least as a province which is not like any other. That is part of the problem with Canada in fact. As long as Quebec's distinctiveness is not recognized—because of the failure of Meech and Charlottetown—we will find ourselves stuck with an amending formula which prevents the Constitution of Canada from being amended to recognize Quebec's uniqueness, and that is a shame, of course.

It is a shame, but only to a point because it sets us on a course where we will be forced to readjust our relationship with English Canada. I think this will do Quebec much good, and English Canada as well, judging by another remark made this morning, to the effect that Canada was a distinct society. The fact of the matter is that Canada is made up of a number of distinct societies. Just as British Columbia is completely different from Atlantic Canada, English Canada is different from Quebec. And I believe that by setting off on this course, by restructuring Canada, we will be able not only to better define ourselves, in Quebec, but also to develop better relations with English Canada, at least that is what I think.

Basically, we must bear in mind that we are part of a truly great democracy. The Bloc members were elected with quite substantial majorities. This show of will from the people of Quebec was not artificial, it was not fabricated. It is not the kind of thing that happens all of a sudden, by surprise. It must be recognized that the people of Quebec massively supported the Bloc Québécois and this is a reality that we respect and live by. If we at least want to respect the democratic principle, we must recognize the legitimacy of the Bloc Québécois as representative of the distinct character of Quebec here in the House of Commons. This is not to insult anyone. This is not to irritate English Canadian nationalists—on the contrary, I find it is a very fine thing to affirm the beauties and virtues of English Canada. Is that opposed to recognizing the distinctiveness of Quebec? I think not.

*Private Members' Business*

(1150)

Someone mentioned the diversity of Canada. I too am a great believer in it. Furthermore, it is a principle found in nature, all the diversity found in gardens—there are many examples of it. Indeed, diversity is a richness. That is what nature teaches us and of course we in Canada have great diversity.

However, this government, like previous governments, has tried instead to make Canada uniform. I think that is a bad idea. I think that it is very good to recognize the diversity of Canada, since it makes our country richer.

**The Acting Speaker (Mrs. Maheu):** I recognize the hon. member for Carleton—Gloucester and add that by exercising his right to reply, he will close the debate.

**Mr. Eugène Bellemare (Carleton—Gloucester):** Madam Speaker, thank you for letting me reply at the end of the debate. I would like to challenge the sense of loyalty of all Canadian members of the House present here today. I ask that we waive the Standing Orders of the House, as I will move at the end of my reply, so that we can vote on my bill.

[*English*]

What a wonderful opportunity to have MPs declare publicly that yes, they want to vote on my private member's bill, to swear allegiance not only to the Queen but also to Canada, Canadians and the Constitution, and that they are loyal and patriotic citizens.

[*Translation*]

A few minutes ago, the member for Bellechasse made a presentation on the legal aspect of my bill. He took us into the history of Canada in 1867 and spoke about the Constitution and Queen Victoria and all the regulations of 1867. He overlooked all the changes to the Constitution since 1867. He overlooked the patriation of the Constitution in 1982.

Above all, the member for Bellechasse did not mention that in 1976, I believe, in Quebec, Premier René Lévesque wanted to respect the Constitution, as I do and all hon. members here, especially the member for Bellechasse and the other members of the Bloc Québécois, wanted to tell us they do want to respect the Constitution. With reference to the Constitution, the then-premier, who was a member of the Parti Québécois, added that once elected to the Parliament of Canada or a provincial legislature—the Quebec members in the Quebec legislature would swear allegiance to Quebecers and to the Constitution of Quebec.

(1155)

I congratulate the former premier for that. Why not?

Members of the Bloc Québécois were elected to the federal Parliament. Very often they seem to forget that they are not members of the Quebec provincial legislature, which I esteem and respect greatly, but members of the Canadian or national or federal legislature, let them choose the term they like.

*Supply*

They have come here to help make life in Canada better, and let me make an aside on this point. I often hear members of the Bloc Quebecois refer to French Canada, to English Canada, to Quebec, but what is English Canada? I would say to them that it includes the province of Quebec. What is French Canada? It includes Quebec and also Ontario, New Brunswick, the Yukon, the territories, the other provinces, all of us.

We must be proud of being Canadians and I challenge all members of this House today to proclaim that pride.

In closing, I invoke the Standing Orders of the House which allow me, as a member, proud to be what I am, a Franco-Ontarian, a French Canadian, or if Reform Party members prefer, a French-speaking Canadian, a fourth-generation Franco-Ontarian whose ancestors came from France in the 17th century, and call upon all my colleagues here in the House to let me have a vote on this bill by overriding the Standing Orders. We can do so with unanimous agreement and I call upon the patriotism and loyalty to Canada of all members of this House.

Long live Canada. Long live Canadians.

**The Acting Speaker (Mrs. Maheu):** Can the member for Carleton—Gloucester move a motion in the House? Does the House agree to allow the member to present his motion?

**Some hon. members:** No.

**Mr. Bellemare:** Only members of the Bloc Quebecois said no to the country.

**The Acting Speaker (Mrs. Maheu):** The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the item is dropped from the Order Paper.

(c) produce quarterly reports on the progress being made on deficit reduction; and

(d) commit to immediate corrective action using a spending contingency plan developed in consultation with all parties in the House.

(1200 )

He said: Madam Speaker, I rise today only three short weeks since the budget was presented to the House of Commons. Those three weeks have been very significant. Today we want to evaluate that budget in light of some of the recent economic changes and events that have occurred. It is on this basis that I move the motion before the House.

Reformers have objected to the lack of true cuts in the budget. We have said that it does not go far enough and we still hold to that criticism. To our ministers currently at the G-7 conference to attempt to create job opportunities, jobs in Canada, jobs in North America and throughout the world, the message today must be very clear to them that it is not the government that will create jobs but rather a matter of the economy being able to have the circumstances in which jobs can be created without the intervention of government.

The budget that was presented to us three weeks ago is already off track. Assumptions and calculations done in the budget are no longer relevant. Today in light of that I would like to examine the budget with three factors in mind. I believe it is time we look again and rethink our responsibilities in the House of Commons.

First, I want to examine the revenue predictions and ask a question. Is it prudent today to expect the type of revenue forecast that is in the budget?

Second, I want to examine interest rate assumptions. I ask is it prudent today to expect the type of interest rate forecasts in the budget?

Third, I want to examine the question of what is the true deficit. Have we been presented with the true picture in the House and as Canadians?

As Canadians we felt that we were misled. We thought the deficit was \$38 billion; then it was projected to be \$45 billion. Someone is misleading us. Therefore, it is very important that we ask is it prudent today to believe the deficit numbers that were presented to us by the Liberal government?

I would like to look at each one of these questions. I am certain the answer is no to each one, but I believe it is time that we look at each one with greater detail, realism and sincerity in this assembly.

First is the issue of the unrealistic revenue assumptions presented to us. Forecasting fantastic growth in government revenues is certainly not a recent phenomenon. The former Conservative government consistently predicted revenues far in excess of what it ever collected. Knowing this, the Liberals in the budget promised that their budget would be the end of those unrealistic assumptions. They pledged to come clean with Canadians.

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## GOVERNMENT ORDERS

[English]

### SUPPLY

#### ALLOTTED DAY—THE BUDGET

**Mr. Ray Speaker (Lethbridge)** moved:

That this House declare that the budget plan of this government is not a solution to Canada's debt and deficit problem and therefore requests the government to:

(a) place a moratorium on all new spending programs announced in the budget such as Youth Services Corps, Court Challenges Program, Residential Rehabilitation Assistance Plan, Engineers Program, and Infrastructure Program;

(b) establish effective spending caps in co-operation with all parties of this House;

*Supply*

What are the facts? Robert Fairholm of the forecasting firm DRI Canada said recently: "The government is saying that revenue growth will exceed the growth in the economy by roughly 22.5 per cent. This is optimistic". If we examine the growth of revenues coming out of the 1982 recession we find that tax revenues increased just over 8 per cent faster than the economy. The finance minister stood in the House and promised that he would come clean with Canadians. He now says that the revenues will grow 22.5 per cent faster than the economy. That is unrealistic. It is blatant wishful thinking. I wonder where the numbers come from.

(1205)

There is no indication that we will grow out of this recession as fast as we escaped the recession of 1982. Because of massive public debt and deficits our growth out of the recession is absolutely hampered. To expect revenues to grow faster than they did coming out of the 1982 recession is foolhardy. The finance minister is playing games with Canadians.

We have not seen a change in the way government predicts revenue. The finance minister is following in the footsteps of his predecessors. I am sure if Mr. Wilson or Mr. Mazankowski were in the House they would be very proud of the way the budget is playing itself out. They would be very proud and very pleased to see that the pattern is the same.

It is right to ask: Is it prudent today to expect the types of revenue forecasts that were in the budget? The answer is clearly no, it is not.

Second, I would like to look at the interest rate assumptions. We must understand exactly what an increase in interest rates really means. For every 1 per cent that interests rates on our debt increase, that translates into \$1.7 billion in increased interest rates on a yearly basis for the Canadian taxpayer. That is a significant amount, \$1.7 billion per year with a 1 per cent interest rate.

We must recognize that just a 1 per cent increase would wipe out the net savings that the Liberals have claimed in the budget. Also we must recognize we are very dependent on these interest rates because our debt is so massive.

In the budget the Minister of Finance assumed that short term interest rates would be 4.5 per cent and that long term rates would be 6.4 per cent in 1994. What are the facts? Today the short term rates are just above 4 per cent and are rising and the long term rates are already one full point above the minister's predictions. These rates must be sustained. If sustained, it will cost anywhere between \$2 billion to \$3 billion in the budget so that the final outcome will mean a greater deficit for certain.

Where will the minister get this revenue? How will we come to a point at which we only have a \$39.7 billion deficit as projected when we have not taken into consideration these interest rates? What are the markets saying about future interest rates? Are these increases just a temporary measure or an indication of future trends?

Sherry Cooper, chief economist of Burns Fry, said as early as last week that the government's projections look suspect. If the term structure of interest rates is the best indicator of long term rates, as is commonly understood, then the predictions that long term rates will fall are clearly hogwash. Our current term structure would indicate that rates are on a slow but steady climb up, not down, as predicted in the budget.

One of the other factors we have to consider, and it has not been talked about in the House of Commons, is the Quebec factor and the influence it will have not only on interest rates of the upcoming fiscal budget but certainly on a longer term basis on budgeting in the future.

I am not any more pleased with the prospect of further constitutional wrangling than the government or anyone else in Canada. However I have the courage to stand today in the House and say that whatever the outcome, the uncertainty created by the separatists who want to tear our great country apart, who want to break us down, will affect our markets and will affect interest rates. We must recognize that uncertainty is the enemy of the financial markets. Uncertainty is the enemy of the budget that we are examining today after three weeks.

(1210)

Let us look at some facts about interest rates and the various effects of constitutional discussions or constitutional wrangling. How does that type of environment affect interest rates and the value of our Canadian dollar? I would like to make a couple of quotes.

First, Scotia McLeod had this to say following the debates: "During the key weeks of the Charlottetown constitutional discussions, the spread between 10 year Canada and U.S. government bonds rose sharply. The rate on 91 day T-bills jumped from 4.6 per cent to 7.9 per cent and the Canadian dollar dove from 85.4 to 80.0 U.S." This is a significant shift.

If this type of uncertainty and this circumstance were created and continued and applicable here today, a 3 per cent rise in rates would translate into \$5.1 billion of increased interest costs because of constitutional wrangling. That would occur over a one year period in a fiscal budget.

We have every reason to believe that the upcoming Quebec question will be more severe and more drawn out than the recent Meech Lake and Charlottetown fiascos. There are two things I would like to bring to members' attention. First, the potential separation of Quebec will undoubtedly have a much more

*Supply*

devastating short term effect on Canada than the passage or failure of the Charlottetown accord. There is no question about that.

Second and most important, the debate will be more prolonged and certainly delayed in terms of a crisis circumstance.

Mr. Parizeau, the leader in Quebec, has said that if he is elected he would hold a referendum within six months or a year. That translates into a significant period of uncertainty and, more important, it will have a significant effect on the 1994-95 budget before us.

As Reformers, how do we feel about this matter? I want to put on record so that it is very clear that we do not want all that constitutional wrangling. We believe that Quebec should continue to be a part of Canada and that we fully expect Quebecers to see the benefits of staying in Canada. We will do everything we can to get that message across clearly and concisely. We reject any divisive message of either the Leader of the Opposition or Mr. Parizeau. We will do everything on our part to ensure that Quebec stays as part of this nation.

I ask the Minister of Finance today, considering the potential of the Quebec circumstance and considering other circumstances, what provisions he has made for this potentially explosive and expensive issue in the budget before us in the House.

When this issue creates a significant jump in rates and if that jump is sustained, we recognize and we all know that it will cost our federal treasury untold billions of dollars, not millions, which we cannot afford at this time. We should take this matter into consideration. That is the reason that this motion is before this assembly today. It is so we can rethink our position, re-entrench what we are doing and be ready for any type of critical circumstance that may befall us.

I want to make a final point with regard to interest rates and the interest rate spread between Canada and the U.S. The spread between Canadian and American rates indicates the confidence in one economy relative to the other. When investors lose confidence in Canada or in their Minister of Finance it is reflected in increased costs of borrowing relative to our major partner.

(1215)

The real question is: Did the budget increase the confidence of markets in the economy of Canada? Despite the reserved acceptance by the markets these questions should be asked as well: How are investors voting with their money? What are investors doing at the present time? Are we watching that? Has the finance minister got his finger on where our Canadian investment money is going?

As I examine those questions the news is not good. Canadians have been investing abroad in increased numbers due to taxation and lack of confidence in the government's dealing with the debt and deficit question.

International investors are moving away from Canada to lower risk investments. This has been occurring with greater significance in recent years, especially the last quarter of 1993 and into the early part of 1994. We can blame the latter government for this, and we should, but we also must take responsibility currently with the budget before us in this assembly.

What are further facts about this budget in terms of confidence? What can we say it has done for confidence? How are the investors voting with their dollars?

I quote a couple of people, first, Robert Palombi, senior economist with MMS International who said this recently:

The cracks in investor confidence are beginning to show. Despite the increase in bond yields, buyers were not attracted. This does not suggest the financial markets have confidence in lower Canadian rates or tighter Canada-U.S. yield spreads. This is why Martin's deficit projections are questionable.

The *Financial Post* pointed out as early as February 24:

Canadian markets have been hit hard by the recent hike in U.S. interest rates, despite a lower inflation rate and weaker economy. This is a sign that foreigners are selling our bonds, continuing a trend that started in the fourth quarter of last year—A post-budget widening of 10 year Canada-U.S. yield spreads suggests U.S. investors are the ones pulling out of Canada, a big concern since the size of the U.S. holdings now rivals that of the Japanese.

Clearly the 1994-95 budget is no solution to the confidence required in the Canadian economy. Despite calm assurances from the financial community, investors are telling the story with their money. They are losing confidence in the ability of Canada to deal with its debt and deficit and the budget gives them no reason to regain that confidence. I ask this question: Is it prudent today to expect the types of interest rates forecast in the budget?

To this question I have to say the answer is no. The market since the budget has destroyed the interest rate assumptions. The Quebec question is never raised, never mind dealt with in the budget, and the budget has done absolutely nothing to build investor confidence which will create the necessary jobs.

I would like to talk about the fudging of numbers. What are the facts here? I pointed out very clearly in that section of my remarks that the government projections of \$39.7 billion will not hold. It will most likely be more like the current budget. The deficit will be \$43.7 billion. I point out that this is not acceptable and it should be dealt with.

On all three of my questions with regard to revenue projections, interest rate projections, and whether the deficit projections are accurate, I want to say no, no, no, on all three counts. They are unrealistic revenue assumptions, unrealistic interest

rate projections, and the Liberals have misled the people in terms of the numbers.

(1220)

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Madam Speaker, I want to make a brief comment to bring out two points. First, I agree with the hon. member for Lethbridge when he says that the budget does nothing to reduce Canada's deficit and excessive debt. Indeed, in spite of unacceptable cuts of \$7.5 billion which will affect the unemployed, the poor and the elderly, we will end up with a record deficit which will probably exceed even the least optimistic forecasts of about \$45 billion.

However, I do not agree with the hon. member when he dares say that the gap between Canadian and American interest rates, as well as the difference in the two economies, are attributable to the fact that there is a sovereignist movement in Quebec. I also disagree when he claims that our bad financial situation and the sudden fluctuations in our interest rates are due to the existence of that movement.

I want to remind him that, during the debate surrounding the Charlottetown Accord, in the fall of 1992, the rise of interest rates and the lowering of Canada's credit rating were not due to the presence of sovereignists, but to the catastrophic situation of Canadian public finances and the inability of federalists like the hon. member to control government finances and the economic future of Quebec and Canada. This is the real problem.

If we go back to 1992 and 1993, we see that the problem is also due to the chronic inability of the Ontario government to control excessive spending, which had the effect of hurting Canada's reputation, and not only Ontario's, with foreign investors. The problem of interest rates and the economy in general is much more related to government finances than to the presence of a sovereignist movement. In fact, this is the real source of the problem.

To think and speak like the hon. member for Lethbridge is to bury one's head in the sand. And this kind of excessive talk, which stirs up emotions and is pure misinformation, will scare away investors, who will think that Canadians are not serious.

[*English*]

**Mr. Speaker (Lethbridge):** Madam Speaker, I say to my colleague that constitutional wrangling in the past has had a major effect on interest rates, and that is realistic.

The debate on the Constitution will take place in 1994. An election is going to take place in Quebec in that period of time. If Mr. Parizeau is successful the sequence will be a referendum following that and there will be a lot of tug and pull between the federalists and the separatists.

### *Supply*

Investors are going to ask themselves whether they really want to invest in Canada. Interest rates will most likely increase. For every 1 per cent rise in interest rates on the debt, which is over \$500 billion, it costs Canadians \$1.7 billion. That will increase the deficit projections in the budget. Other factors have to be taken into consideration. All of it is stress and strain not only on the budget but the Canadian economic circumstance. That is the way it is.

It is not looking at the circumstances if I have my head in the sand. I am looking realistically at what is going to happen in the Canadian political system in the next few short months.

**Mrs. Jane Stewart (Brant):** Madam Speaker, I would like to comment on the hon. member's statements. He is talking about his sense of realism.

I would like to share with him that yesterday morning at nine o'clock I received a call from a constituent who said that the government's budget is working. He is an individual who looks for investment for Canadian projects. He says we are turning the corner, that Canadians are showing a strong interest in spending money here and that the confidence of Canadian investors is increasing and growing rapidly as a result of the government's presence and policies.

When it comes to the issue of Quebec, I would say to the hon. member that we are not looking toward a future of doom and gloom. We believe the people of Quebec want what every other Canadian wants: a good job.

(1225)

By focusing on projects like the Canadian youth service corps and the infrastructure program we are telling the people of Quebec that yes, they should have confidence in the government because we are here to do what it is they want and that is find the people jobs.

Finally I would like to say that I have had meetings with people in my riding particularly with regard to the infrastructure program and the Canada youth service corps. The degree of interest and desire for those programs is phenomenal. There is a sense we cannot stand back, do nothing and just look at numbers. As a government we have to find opportunities to create work in the short, medium and long term. I believe the programs we have outlined in the budget are going to do just that.

**Mr. Speaker (Lethbridge):** Madam Speaker, I certainly hope there is that optimism and things will happen but the Reform Party believes that we must deal with the yearly deficit so that we get the cost of government down. In that way more dollars will be in the marketplace for private investment. This will create job opportunities and give confidence that the investment will be respected after it is made. Then investors will not lose all their profit and whatever to higher government taxes and higher government take. That is what has to be stopped and we are trying to do that.

*Supply*

**Hon. Audrey McLaughlin (Yukon):** Madam Speaker, I would like to ask a question of the hon. member. I noted in his motion that two particular programs are targeted by the Reform Party. One is the youth services corps and the other is the court challenges program.

Is the hon. member aware that youth unemployment is very near the 20 per cent mark? If we cannot provide hope for our youth then surely we have failed in the tasks we set ourselves as parliamentarians. I am not sure why the hon. member would target youth in this way, saying it was not important that something should be special.

I am not commenting on the particular quality of this program, but I would say that the youth of our country deserve better than simply to be told there is no particular problem concerning youth.

Why does the hon. member ignore youth in this way? Why does his party not care about the youth of Canada?

**Mr. Speaker (Lethbridge):** Madam Speaker, we absolutely do care about youth so they have job opportunities, so they can be independent, self-sufficient, and able to have a life outside being employed by government, or life outside government coming along after they create a business or have a profession, whereby 30 per cent of the take is taken by government. We want to move away from that kind of an environment.

I have had experience with the Company of Young Canadians and a couple of other youth programs created by government. They never created long term opportunity for our young people. It is not the right way of doing things, to say that we are going to deal with jobs for young people. It just does not satisfy a long term need.

It is an artificial, government created environment which is not sufficient and is not the highest priority in terms of job creation as far as we are concerned as the Reform Party.

**Hon. Douglas Peters (Secretary of State (International Financial Institutions)):** Madam Speaker, I welcome the opportunity to respond to the motion put before the House by the hon. member of the opposition.

Let me say that I appreciate the member's sincerity. But while his intent may be positive it seems that his view of the government budget plan, the range of economic challenges we had to address has been blinkered by deficit myopia. I say myopia because the real solution to Canada's debt and deficit situation will not come from short term and shortsighted hatchet work. Amputation is no way to restore Canada's fiscal health. We need a co-operative, consistent and comprehensive plan of action and that is what our February budget delivers.

The motion before us states baldly that "the budget plan of this government is not a solution to Canada's debt and deficit problem". It follows this up by urging four steps including a moratorium on spending such as the \$6 billion national infrastructure program. I want to comment briefly on each of the unnecessary nostrums the motion advances. First let me step back and remind the House of the concrete plan for deficit reduction we have put in place.

(1230)

There need be no question about our objective. Our goal is to eliminate the deficit. Our interim target is to reduce it to 3 per cent of GDP by 1996-97. The budget puts us on a course to meet that target. We will reduce the deficit to \$39.7 billion in 1994-95, to \$32.7 billion in 1995-96 and, with only moderate growth, to about \$25 billion in 1996-97.

The motion before us intimates that these targets do not represent fast enough progress, but that view simply and dangerously chooses to ignore the destructive consequences that more drastic spending cuts would impose. Canada's economy is still in recovery. Unemployment remains unconscionably high. Consumer and business confidence, although improving since the government was elected, cannot be called buoyant. Industrial restructuring from the fisheries of the maritimes to the manufacturing heartland of Ontario to the farms and ranches of the prairies to the forests of B.C. remains a painful reality.

These are all part of the context within which our budget decisions were framed. These challenges demand that the government play its part in helping restore economic vigour, in restoring national confidence and job creation. They also demand that government continue to assist those in real need.

That is why our budget refused to take a slash and burn approach to government spending. That is why we are reallocating funding to the infrastructure program and to residential rehabilitation, activities that do not merely create jobs on their own but act as a catalyst to further job creation and renewed optimism.

The budget recognizes that sustained deficit improvement can only be achieved in a growing and healthy economy, an economy that is equipped with the skills and technology to meet and beat the challenges of global competition in today's information age. That is why the budget funds programs such as the youth services corps, the technology network and the engineers and scientists program that will help small business.

While the budget invests in jobs and renewed competitiveness it also applies, and I would like to underline this, the most significant net spending cuts of any budget in over a decade. We are reducing departmental operating budgets and extending the salary freeze for Parliament and the public service. The total savings from cuts in government operations will rise from \$468 million in the coming fiscal year to \$1.6 billion in 1996-97.

*Supply*

We are closing military bases and reducing other elements of defence infrastructure. Combined with the cancellation of the EH-101 helicopter program, savings over the next three years will total some \$3.6 billion.

We are renewing our unemployment insurance system in order to make it more effective, more fair and more affordable. Savings here will reach \$2.4 billion a year in 1995-96. We are also looking to change other aspects of Canada's social security system to produce savings of \$1.5 billion annually in provincial transfers.

Yes, these actions will take time to achieve their full weight, but we make no apologies for refusing to rush helter-skelter into cutting simply for the sake of cutting. If that approach actually worked then the previous government's record would have been one of sustained deficit reduction instead of exactly the opposite.

It is the need for consistent, considered and co-operative action that explains why we have set future targets for savings in provincial transfers rather than imposing them overnight. Again this is a lesson that the previous government failed to understand. There is nothing to be gained by offloading the federal deficit on to Canada's provinces by unilaterally changing the structure of transfer payments the federal government makes to those provinces. That simply shifts the debt from the federal ledger to a provincial one.

Instead we firmly believe the two levels of government must approach their respective challenges through co-operation. That means consultation and deliberations before we act. This is the strategy the budget embraces.

(1235)

I should also say that we are encouraged by the fact there is an unprecedented consensus today both nationally and provincially on the need to bring deficits down. Strong action is being taken across the country, and this will have a significant impact not simply on the federal deficit itself but on the national deficit overall. That in the end must be the ultimate goal.

Some people have said that we should simply cut spending by 5 per cent across the board. In a number of areas we went well beyond that and the results will be evident. There are other reasons why simplistic across the board approaches do not work. This ties right back to a fundamental principle of the budget's approach to deficit reduction. We do not believe that sustained success lies in treating symptoms that Canada needs to change.

That is why we have given notice of the need to modernize unemployment insurance and the federal-provincial social security system. We believe that a new design can be more effective and less costly. We have given ourselves and the provinces two years to succeed and have set out the minimum savings that must be achieved.

This needed change is not an option. It must happen and it will happen. There are due dates. There are deadlines. There are firm fiscal targets. This plan offers a real solution to Canada's fiscal challenges.

Let me emphasize this by drawing on some recent remarks by the Minister of Finance. He said: "We are not doing this simply to cut spending. We are doing it because Canada needs a new architecture for a new economy on the verge of a new century. But in the end the result is also going to be to get the financial monkey off our back. That is going to be one of the legacies of this Canadian government to its people".

To further explain our approach, I ask all hon. members to consider this. In difficult times would any sensible company manager simply cut operations across the board or would cuts be deeper in some facets of an enterprise and less in other areas of strategic importance for further growth? That requires prudent planning. It requires strategic analysis and sensible commitment, and that is exactly what the government has done in the budget.

I believe my remarks offer real reasons why the motion before the House is unnecessary and ill-considered. Let me just tie off some of the particular suggestions that the motion offers. It urges a moratorium on all new spending, such as the youth service corps and the infrastructure program. First, the motion fails to realize that virtually none of this is new spending. These actions are being funded by savings elsewhere or reallocation of existing funds.

That is not the real flaw in the suggestion. As I stated earlier in my remarks, such spending is a bottom line investment in job creation, restored confidence and long term competitiveness of our economy. Eliminating this investment would be a classic example of penny wise and pound foolish. It would hold back the economic recovery that will be essential to long term deficit elimination and debt reduction.

Incidentally those who would be hurt by such spending cuts would be Canada's young people and small businesses, communities that government and all Canadians should be doing all they can to nurture. I can hardly believe that punitive action here is what the hon. member really means by this motion.

The member's motion also proposes that the government establish effective spending caps. The budget by definition sets spending targets that represent the caps the government intends to apply to spending.

The previous government legislated a more formal cap process. This did not prevent it from falling substantially off its deficit track by tens of billions of dollars. Again the real answer to spending control is a consistent, comprehensive plan based on credible economic assumptions. That is what the budget delivers.

*Supply*

(1240)

The member's motion also proposes that the government produce quarterly reports on the progress being made on deficit reduction. I am not sure if I understand or the member understands exactly what he is looking for. The Department of Finance already produces monthly and quarterly fiscal reports covering the most recent data available on revenues and spending. Perhaps he is not aware of that publication.

I should also point out that the Minister of Finance has committed to producing this fall a comprehensive statement laying out changes in Canada's economic and fiscal outlay. This is a major departure from the past and will help ensure that all Canadians have a clear understanding of our fiscal process and whether further action is needed.

Finally, the motion before us refers to committing to "corrective action using a spending contingency plan". I can see no reason why we need corrective action when there are no grounds to assume our plan will not deliver the objectives we have set out. The member may not be aware that we did build into our fiscal projections increased contingencies to ensure that our fiscal targets would be met.

If the member had been attentive, he would have realized that our revenue assumptions are very prudent indeed and that our interest rate assumptions are very prudent as well. The hon. member stated just a minute ago that political uncertainty is caused by elections. Surely the hon. member believes in elections. If we did not have elections none of us would be here today. However political uncertainty is certainly part of our democratic process.

In conclusion, all members concerned with regard to Canada's deficit and debt situation deserve an adequate response. It is a concern all of us in government share. That is why the government in its first budget took action that was both balanced and courageous, action that is delivering results now but also looks to the future, action that takes aim at spending where appropriate but also works to strengthen the economy and job creation.

More people working and paying taxes and a more efficient government are needed to reduce the fiscal deficit and that is exactly what the government delivered in its first budget. To me and to the government the bottom line is clear. We have put in place a budget plan that is credible, realistic and responsible, a plan that meets the needs of Canadians today and for our national future.

There is no reason for the motion with its pessimism, scare tactics and myopia to pass.

[Translation]

**Mr. Jean Landry (Lotbinière):** Madam Speaker, some of the measures identified by the Reform Party to reduce the deficit and the debt seem quite interesting. As far as the opposition parties are concerned, we must reduce the deficit.

[English]

**Mr. Speaker (Lethbridge):** I rise on a point of order, Madam Speaker. Is it not the usual custom that following a member's remarks there is time for questions to that hon. member?

**The Acting Speaker (Mrs. Ringuette-Maltais):** On the point of order, the Official Opposition has the first priority on questions. Maybe the member could follow after.

[Translation]

**Mr. Landry:** As far as the opposition is concerned, we must reduce the deficit, but the latest Liberal budget raises some doubts as to the government's intentions. Does it deal with the real problems?

The Liberals ignored the Auditor General's report. During the past three years, the Auditor General has identified waste and unnecessary spending, totalling at least \$5 billion annually. I will get back to more obvious cases later on, but I would like to recall the real problems which the party in power was afraid to deal with. Former Quebec Revenue Minister Yves Séguin provided some good examples in an article published in *Le Devoir* on February 5, 1994.

(1245)

The way resource profits in the energy sector are interpreted and defined will cost Revenue Canada more than \$1.2 billion, although a simple amendment could have prevented this tax loss.

But the worst part is, Madam Speaker, that the minimal deficit reduction planned by the government will put a heavy burden on the provinces. It was criticized recently by Pierre-Yves Crémieux, Pierre Fortin and Marc Van Audenrode, all with the Economics Department at the University of Quebec in Montreal, when they discussed this passing of the federal buck to the provinces. The government reduced its deficit at the expense of the unemployed who, once their benefit periods have been cut, will have no choice but to go on welfare. Just 280 million less for Quebec.

We have to agree with the Reform Party when it condemns the general level of government spending. Our colleagues, however, should also respect the position taken by the Bloc Québécois. We have already said that we want to reduce government spending and fiscal spending by \$10 billion and inject half of this amount into job creation.

*Supply*

Getting rid of waste is not just a buzz word, it is a goal within our reach. Think about it! This government would not have lasted long in Sherwood Forest! When we say waste, we are referring to all the shortcomings mentioned by the Auditor General.

Investment Canada spent \$132,000 on a new office with kitchen and bathroom for its new president, although her predecessor's office, located in the same building, had the same amenities. The cost of government travel using the Challenger jet fleet totalled \$4 million, with more than half spent on trips by ministers.

According to the Auditor General, these figures represent a total cost per flying hour of \$19,650. The federal vehicle fleet is worth more than \$500 million, with an additional 4,000 vehicles being purchased each year. We could go on for hours with the list of horror stories, Madam Speaker.

Look at the waste caused by interdepartmental overlap! Staff and equipment assigned to similar activities could be deployed more effectively. The government mentioned setting up one-stop counters in some departments to streamline internal operations, which is all very well, but watch out for undue administrative growth that might reduce an agency's effectiveness.

We all know what happens when bureaucracy gets out of hand. Take this example from the Auditor General's report concerning the Canadian Aboriginal Economic Development Strategy. The CAED Strategy was to invest \$1 billion over a period of five years. Three departments were directly involved: the Department of Indian Affairs and Northern Development, the Department of Industry and the Department of Immigration.

The purpose was to reduce disparities between aboriginal peoples and Canadians. The strategy's objective was to help aboriginal peoples achieve economic self-reliance.

In 1993, \$900 million was spent under this strategy. The Auditor General deplored the lack of co-ordination between the three departments. According to the Auditor General, it was not clear who was to provide leadership in implementing the strategy. The departments concerned were supposed to co-ordinate the strategy and provide for an evaluation mechanism.

This mechanism was not put in place until 1993. I agree with the reduction of all government expenses providing, I repeat, that the cuts in government and fiscal spending reach \$10 billion and that half the savings are injected in job creation. What I am saying is stop wasting public money.

(1250)

You want examples? Here are a few. Anyone giving money to a charitable organization wants to know whether the money is used to reach the stated goals. This is only natural, Madam

Speaker, and this applies to the government as well. However, in this case, we are not talking dollars, we are talking billions spent without any evaluation of the expected return on the investment in given projects.

I was saying that we are all careful with the way we spend or give away our money, we want to be sure that it will be used properly, but grants are allocated by the government without making sure that the stated objectives are reached. We could at least make sure those grants to companies will create jobs.

Coming back to the example I was mentioning earlier, the government spent \$900 million, in 1993, for the Canadian Aboriginal Economic Development Strategy. The Auditor General is telling us that there are few ways we can measure the efficiency of the strategy. Would I give a lot of money to a friend without knowing what he was going to do with it? Not me, but the government does.

The Auditor General says that it is not possible to determine the impact of the strategy. For example, in 1992, the Department of Indian Affairs gave \$20 million to 73 economic development entities in native communities it considers fully developed. Almost \$33 million more were spent on 296 less developed community organizations.

The Auditor General is asking that program control and assessment measures be put in place. It is not a mystery, Madam Speaker. The government prefers to attack the unemployed and the old people, which is less complicated. Yet, all they have to do is to better manage public funds so that we can see concrete results in the whole Canadian economy.

In the aforementioned example, we talked about the Department of Indian Affairs, but the same goes for all other areas. We do not know which real benefits came from the strategy activities. We do not know if funds were spent in accordance with aboriginal people's priorities. We do not know if there is a more effective way of getting the same results. Yet, it is possible to reduce operating expenses.

Let us open the Report of the Auditor General at any page. Here, in November 1992, a consulting firm did an operational examination of the Department of Public Works. According to these experts, the Department could save annually \$63 million to \$68 million by March 31, 1997. These savings would come mainly from business planning and management and support activities.

The government must stop trying to fool people when it speaks of cutting the fat. I think there are still a lot of areas where we could cut spending, and people have had enough of lies. They know that the government will still take the money out of their pockets instead of reducing the big government machine.

*Supply*

(1255)

In conclusion, I would like to examine the last point of the Reform party's motion. Our colleagues want the government to develop a spending contingency plan. I suggest they adopt the Bloc's position concerning the creation of a parliamentary committee which would examine government expenditures one item at a time. My colleague, the member for Shefford, will present another point of view later on, but we have said time and again that such a committee is absolutely necessary and we will keep on saying so till the situation is corrected.

It is the responsibility of members elected by voters who trusted them to represent them effectively and keep an eye on such brazen squandering of public funds. The members of this House and of some committees are better suited for such a task than the civil servants since they are accountable to those who elected them. They would see to it that the various programs really reach their targets and that the government manages public funds with equity, effectiveness and thrift.

I know the present government has some reservations concerning our proposal for the creation of such a committee which would examine and review government expenditures item by item. The Liberals have suggested we expand the mandate of the Public Accounts Committee. We would agree, but only if the rules governing the committee are modified.

Our party insists on giving the Public Accounts Committee the following terms of reference: to analyze and examine the whole of government spending, item by item, in order to present to the House a review of various programs, with the power to gather any information or financial data necessary to carry out its mandate. Officials and political staff members of departments and Crown corporations should be obliged to testify in front of the committee if asked to do so and give it all the information requested. I think that would be the fair way to go about it.

A consensus seems to be possible. The Reform Party wants to develop a government spending management plan, and we would accept such a proposal under the conditions I just mentioned. For once, we should set an example and agree about it.

[English]

**The Acting Speaker (Mrs. Maheu):** Before going to questions and comments to the member for Lotbinière we will be returning to questions and comments to the hon. Secretary of State for International Financial Institutions.

**Mr. Ray Speaker (Lethbridge):** Madam Speaker, I have a question for the Secretary of State for International Financial Institutions.

In terms of monitoring the budget as it progresses from today into the fiscal year, what mechanisms are in place that trigger the government to come back to this assembly to deal with such problems as revenue projections off track?

That could happen on the basis of two things. The first is the cigarette tax reduction and the potential reduction in taxes on liquor across this nation. There is tremendous pressure for that. Second, marketplace interest rates increase significantly. Because of those two factors we would see our deficit moving from \$39.7 billion to over the \$40 billion mark.

What mechanisms are in place to trigger a reaction by the government in the House?

I want to say two more things to the minister. First, I appreciate we are going to have a review this fall, but that is a long time into the fiscal year to wait to react.

(1300)

Second, the concern I have with regard to the government's approach is that there were much appreciated cuts but at the same time they were replaced by new expenditures. I do not feel this really came to grips with fiscal accountability.

I would appreciate the minister remarking on the question and the remarks.

**Hon. Douglas Peters (Secretary of State (International Financial Institutions)):** Madam Speaker, there are a number of items in the question.

On monitoring the revenue projections and the expenditures, this is done very easily by the publications put out monthly and quarterly by the Department of Finance. These are published and made available widely across the country. Any member can follow those projections easily.

The question of whether the revenue projections will be off track is a question that concerned us in the preparation of the budget. That is why we took a very prudent view of the forecasts this year. We took the lower end of the private sector forecasts. The private sector forecasts for this year ranged from 2.9 per cent to 4.3 per cent economic growth. We took a 3 per cent number in our projections and we did the same lower estimates for future years as well.

These are very prudent projections. These are taken at the low end. It is very likely that our revenue projections will be low, not high. It is very likely that our spending projections will be in line or lower as well.

As far as interest rates are concerned, the interest rate projections we used are again very prudent, we assumed higher than private sector estimates presented to us in December and since then by the groups of private sector economists. I have spent 27 years looking at interest rate forecasts. Believe me, if the hon. member would like to tell me exactly what interests

rates are going to be over the next 12 months, I would be glad to listen. If he did know he would not be sitting in the House. He would be out making himself a few million dollars.

I guess my message is we do not know what interest rates are going to be over the next year. Nobody does. We make a very prudent estimate of what they are. We have set aside funds to look after any errors on them. We will very likely come in on a deficit number well under the number we have projected.

[*Translation*]

**Hon. Audrey McLaughlin (Yukon):** Madam Speaker, I listened carefully to the hon. member. I have one question and one comment relating to the part where he said that the government has set firm fiscal targets—I believe these are the words he used.

Given the debt and the deficit we are faced with, it is of paramount importance to set firm targets when it comes to taxation, but at the same time he mentioned revenues. I would like to ask the member if its really possible to get the debt and the deficit under control without creating more jobs, since it is obvious that the lack of revenue is directly linked with the present unemployment rate.

Does the hon. member agree that it is as important for the government to set targets, in its forecasts, regarding job creation and the reduction of the debt and the deficit, and to balance them, giving people a chance to examine the government's agenda and its targets concerning unemployment?

(1305)

[*English*]

**Mr. Peters:** Madam Speaker, the question raised by the hon. member is an interesting one. We did face those questions squarely in the budget.

There are definitely spending cuts but there are also job creation programs. It was a balanced approach of both job creation and fiscal responsibility. It was done because that was the only way that one could achieve an adequate result in deficit reduction.

The Reform Party's program that simply slashes and cuts will not work because it will backfire and we will get higher unemployment. We need a combination. We need to get both the jobs to pay the taxes and an efficient government.

As far as providing targets for unemployment, that is an interesting proposal. It is very difficult to target that item. There are so many variables that enter into the unemployment numbers.

We are looking at an unemployment rate that has dropped marginally since this government took office, but it is still very high. If one adds to that the discouraged worker effects and the other effects, one will probably get an unemployment rate close to 15 per cent which is a terrible number.

### *Supply*

The speed with which the discouraged workers return to the workforce is unknown. It is very difficult to forecast that number. Therefore we could have a sharp drop in the unemployment rate and still many discouraged workers or we could have the discouraged workers moving very quickly into the workforce and have rising unemployment even though job creation was growing at a substantial rate.

We do not have a target in that but my personal feeling is that the only acceptable target for any political party is that every Canadian looking for work should have a job available to them. That is a long way off but that is the political target.

**The Acting Speaker (Mrs. Maheu):** I would like to direct the question and comment session now to the hon. member for Lotbinière.

**Mr. Ray Speaker (Lethbridge):** Madam Speaker, to the hon. member for Lotbinière, in my remarks earlier today I made the point that the Quebec election followed by a potential referendum would have a major effect on the 1994–95 fiscal budget of the Government of Canada.

The comment of the hon. minister was that we will have an election and that is the normal process in our democracy in Canada. I can agree with that. It is true but this is rather an abnormal and unusual circumstance that would be an aberration in the election process and how the election process would affect the budget or the economy of our nation.

I would appreciate a comment from the member on how he sees the current 1994–95 budget affected by an election in Quebec and the position of his party with regard to an independent Quebec.

[*Translation*]

**Mr. Jean Landry (Lotbinière):** Madam Speaker, obviously an election is looming on the horizon in Quebec and clearly a major movement is emerging at the present time in the province. I listened to my colleague speak of democracy and I believe that in Quebec there is also a similar process of democracy. In the upcoming election and referendum, the people will be called upon to make a choice, through a democratic process.

(1310)

When the hon. member speaks of a strain on the economy, I for one do not believe that the economy will suffer. The hon. member must know that the federal government and the provinces have been examining for some time now the issue of overlap and duplication. It is not a question of saying that Quebec wants to separate. That is not the point at all. You can rest assured that when Quebec decides democratically to become sovereign—you can forget the word separation because since coming to this House, all we hear is separation and we are not separatists at all—you can rest assured that when Quebec decides to take charge of its own destiny as a nation, an economic union will be forged.

*Supply*

This fact is never mentioned. It goes without saying that there will be an economic union and I believe that this will be an extremely positive development. Let me tell you something. When I was a boy, my father travelled across Canada, from east to west, doing business. When he returned from conferences in the west, from Vancouver and elsewhere, he would say to me: "Jean, do you know which regions are the most separatist-minded?" I would answer: "No, dad, which ones?" And he would say: "The western regions. I have just returned from a three-day, or one-week, business trip out west".

Believe me when I say that this is our goal. From an economic and monetary standpoint, we want to assure you—and this is one of the reasons why the leader of our party went to the United States, to reassure the Americans—that there will be no barriers or borders, as there were between East Germany and West Germany. Right now, we already have tariff barriers between Quebec and Ontario or the other Canadian provinces and I would like to see these barriers removed. Quebec wants to do away with them.

If we can eliminate these barriers while acting as serious, honest individuals, and if we can make the people of Canada and Quebec understand Quebec's economic viewpoint and resources, we can be good friends and partners. Personally, I will always work with Canada and Quebec. Rest assured that I will be honest and frank. If we explain our position clearly, all Canadians and Quebecers will be reassured.

[*English*]

**Mr. Monte Solberg (Medicine Hat):** Madam Speaker, I rise in response to the challenges which were laid out but sadly not met by the finance minister in his budget speech and to speak in favour of the motion that is now before the House.

Canada's federal debt has given birth to the vandals that ravage the Canadian economy: bankruptcy, ruinous taxation, crumbling social programs and dehumanizing unemployment. Interest payments on the debt consume a third of every tax dollar from taxpayers who are already among the highest taxed people in the world.

Our level of foreign debt for all levels of government now approaches 50 per cent. We are particularly vulnerable to financial chaos should investors grow concerned about our stability and withdraw their funds. They are concerned. Thus our soft underbelly lies exposed.

Time after time bond rating services caution us about getting our spending under control. Two provinces, Saskatchewan and Newfoundland, teeter on the brink of fiscal crisis. Canadian investors vote with dollars, and with the stability of our econo-

my in question they are increasingly looking south, to Europe and to the Pacific Rim to invest their money or they move their trade to the underground economy beyond the maw of the insatiable tax man.

Meanwhile the uncertainty that surrounds the future of Quebec has driven up the premium that investors demand on their money to the point at which some analysts say we pay an extra \$6 billion a year in interest on the debt. As always those investors are ready to flee our country to more capital friendly regimes at the very first sign of trouble.

This is the grim reality unadorned by the charming optimism that formed the minister's budget speech. The budget merely tinkers with the problem of the deficit. Some mild spending cuts, some tax increases and a lot of luck will leave us with a still untenable \$40 billion deficit. To be kind, it is an effort that is left wanting.

(1315)

I hasten to point out that the government deserves congratulations in a few of the measures it has taken. Apparently it is no longer politically incorrect as it was during the election to suggest that social programs need not be universal.

The reduction of UI benefits for some, the targeting of benefits for others and the subsequent removal of January's UI premium hike are all welcome moves. In their modest ways they will improve the economy. However much more needs to be done to mollify the fears of investors, both domestic and foreign, and of taxpayers to encourage them to stay in Canada and to remain in the above-ground economy.

The Reform plan focuses on judicious and humane spending cuts, cuts first to the top levels of government starting with MPs and senators. Including but not limited to it would be immediate and radical reform of MPs pensions. This pension plan is so unjust and so motivated by greed it is beyond belief that the Prime Minister has feebly attempted to defend it on several occasions in this place.

We advocate cuts to grants and subsidies for big business and special interests. We advocate the targeting of social programs to those most in need with the retention of the present levels of funding for education, health care and the core of the pension programs. We also advocate that unemployment insurance be administered and funded solely by employers and employees on an equal basis.

The effect of these cuts to government operations, the elimination of subsidies and grants and targeted social spending would be to reduce spending by about \$20 billion a year. This combined with growth in the economy would bring us to a balanced budget or close to it after three years.

*Supply*

Naturally we therefore support a cap on spending as is advocated in this motion. We support the elimination of the infrastructure program and the other measures listed in this motion.

Let me talk more specifically about a single department and the measures which can be undertaken in that one area to bring spending under control. As a member of the Canadian heritage committee I am aghast that this department was almost completely overlooked in the government's initiative to cut spending.

It is no exaggeration to say that no other department has more vague, nebulous and implausible objectives than this one. Building understanding, striving for equality, preserving one's culture and appreciating our Canadian heritage are all noble goals and things we should all strive for as individuals. Generally speaking however these are areas where government is in way over its head.

Despite the billions and billions of dollars spent on official bilingualism in this country there are no more and perhaps fewer bilingual Canadians than 20 years ago. This is a failure by any standard. Because Canadians resent the heavy hand of government, official bilingualism has served to divide us along linguistic lines.

Despite the hundreds of millions of dollars poured into official multiculturalism, racial tensions are hitting new heights. That is also a failure by any standard. The sense that government favours certain minorities serves to divide us along racial lines.

Despite the billions of dollars poured into subsidizing and protecting Canadian culture, more and more we see Canadians gobbling up American TV, music and movies. Even CBC TV has acquiesced. With great embarrassment I am sure, it is forced to run American sitcoms to capture viewers. This too, by any conceivable standard, is a failure on a grand scale.

Just as important, Canadians are left to assume that this government intervention must mean our culture is inferior to culture from elsewhere. Or again, they simply resent the government's show of favouritism to the selected few, harbour their grudges and thus another division is created.

Why in the world does the government continue down this path that is so littered with failure? The \$2.8 billion spent in the Department of Canadian Heritage could be cut by two-thirds. Average Canadians not only would not be hurt by it, they would probably stand and cheer out of gratitude for the tax dollars it would save them.

The problem is as plain as the nose on the Prime Minister's face. We have a very serious problem of overspending in the federal government. Our country is hemorrhaging red ink.

(1320)

Let us not be fooled by a temporary upturn in our economic fortunes. The next few months may signal a stronger economy but to assume that the economic battle has been won is just whistling in the dark. The debt is always lurking nearby ready to drag us down at the first opportunity.

I ask the government to acknowledge the obvious problems I point to and to act immediately to reduce its overall spending in accordance with the motion before us.

I neglected to mention at the beginning of my talk that I would like the time to be divided pursuant to Standing Order 43(2).

**Mr. Jim Abbott (Kootenay East):** Madam Speaker, the media entrepreneur, Ted Turner of CNN fame, has a plaque on his desk which reads: "You can lead or you can follow, but if you are not going to lead, get out of the way".

I want to speak about leadership. There is a leadership vacuum in this country on the issue of compliance with taxation rules. Canadians have lost confidence in the ability of their governments to get spending under control. Therefore they have increasingly turned their backs on tax compliance and instead have become involved in aggressive tax avoidance. Tax avoidance takes place illegally and legally, but why would Canadians have reached the point of being prepared to break the law and potentially suffer the consequences?

Let me make my position very clear. I am not in any way condoning or excusing tax avoidance. If the government does not have the income then providing services to people and even the servicing of our national debt will become impossible. Furthermore, if we do not have respect for the laws of Canada, including taxation laws then we have anarchy. Therefore the epidemic of tax avoidance is an issue far larger than the issue of missing revenue.

We need to have leadership by example. We must show ordinary Canadians that people involved in the political process, members of Parliament, members of the government, cabinet ministers, are prepared to lead by example.

Many of us in this House are aware of single income families where the homemaker babysits one or two of the neighbour's kids but does not declare the income. There are housekeepers who clean the homes and toilets of others but again are not declaring the income. We are also aware of tradesmen who are avoiding the GST, in fact any taxation, simply by not declaring the value of their work. These people need to be shown sacrifice and leadership by members of the House of Commons, including the cabinet.

*Supply*

That is all part of the so-called underground economy. It is growing at a phenomenal rate. Yet the vast majority of these people desire to be law abiding citizens. In all other areas of their lives they obey the laws of Canada. So I ask: Who is going to lead them?

Many businesses have a friendly, approachable and helpful demeanour toward their customers and clients. This helpfulness is carried out by the staff. Can you imagine that the president of the company is not also friendly, approachable and helpful? In other words, the staff takes the lead from the example set by the chief executive officer. If a firm is open, honest and straightforward in its dealings with suppliers, the government and its customers, we can safely assume the leadership of the firm will also be honest and straightforward.

The bottom line is that Canadians are prepared to comply with reasonable tax laws, reasonable laws respecting taxation. When members of this House and the government lead by example, Canadians will follow. This is the reason the Reform Party has the unrelenting objective of straightening up the MPs pension plan.

The Liberal red book specifically states:

The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

Whether by accident or design, politicians from the House have historically told Canadians that the MPs pension plan did not cost the Canadian taxpayer any money, that it was self-funding.

(1325)

Any reasonable individual looking at the numbers concluded that members were mistaken in their assertions. It would be impossible to support the luxury of the MPs plan solely from the members' contributions. Only two weeks ago it was revealed that in 1992 Canadians forked over \$158 million to top up the MPs pension plan and a further \$12 million in 1993. The Canadian public is rightfully outraged at this excessiveness but are beyond outrage when they understand they have been duped.

As recently as the election the former member for Kootenay East was protesting loud and long that his pension plan was fair and reasonable. Yet the Prime Minister has said in the House he would correct the situation sometime before the next election. That is some time in the next four years. Is it only during elections that members of Parliament are answerable to Canadians or listen to them?

If Canadians are looking for leadership by example why will the Prime Minister not immediately alter the MPs pension plan to reflect a pension plan that would be available to any other

member of the public? There must be leadership by example. Members of Parliament who choose to stonewall this issue in my judgment are doing a major disservice to this parliamentary institution.

We have spoken today about illegal tax avoidance. I would like to raise the issue of legal tax avoidance as shown in a newspaper article by Tim Naumetz of Sterling News Service. This very solidly falls under the issue of leadership by example.

In documents filed under the conflict of interest and post-employment code for public office holders a cabinet minister has revealed he has six companies registered in Liberia among his many holdings.

Let me make my position crystal clear on this issue. I am not stating nor suggesting or even implying there is any legal wrongdoing on the part of this cabinet minister. I also recognize the practices illustrated here may very well be standard practices in the shipping business. However within the shipping business I ask why ships are registered in Bermuda and Liberia rather than in Canada.

That is just one example of legal tax avoidance which brings into question the whole issue of fairness in our tax system.

**The Acting Speaker (Mrs. Maheu):** I would remind the member that the tack he has been taking is very borderline with regard to parliamentary procedure and acceptable parliamentary conversation. Would the hon. member please be careful.

**Mr. Abbott:** Thank you, Madam Speaker, I will dispense with the balance of my speech in deference to your advice save to conclude if I may.

Canadians rightfully are looking for parliamentarians to lead by example. At the end of the day, unless there are substantial changes on the part of the majority of members of Parliament and members of the cabinet in the next four years, Canadians will rise up and say in a very loud voice: You can lead or you can follow, but if you are not going to lead get out of the way.

**Mrs. Dianne Brushett (Cumberland—Colchester):** Madam Speaker, in response to the two hon. members who have just spoken I suggest that the 400,000 youth who have been unemployed for the last two years are looking for employment. The budget deals with that in creating the youth corps.

The infrastructure program which is in progress arose out of concerns for municipalities which cannot fund the infrastructure work alone.

The rehabilitation assistance program has arisen out of the needs of seniors on fixed incomes.

That is why this budget addresses fair, realistic approaches to all Canadians. Today's headline is: "66,000 jobs return". That is leadership and it is coming from this government.

*Supply*

(1330)

**Mr. Abbott:** Madam Speaker, I suggest that the youth of the country may very well hold this government accountable for the fact that it is passing on the spending of today to Canadian citizens to be paid for out of their income at some future point in time.

Constant deficit spending absolutely ties down and chains up the present youth of Canada.

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency):** Madam Speaker, before I begin my remarks in this debate, I wish to convey my sincere congratulations to you on your elevation to the chair. I wish you luck in your deliberations over the next number of years.

As you probably recall, Madam Speaker, in another Parliament I had some familiarity with opposition motions. While in opposition we would examine the policies of the government and of course make our pronouncements and our suggestions to the House and to the Canadian people.

One thing I learned as an opposition member in drafting opposition motions is that if we have something to say, something shall we say substantive, we come to the point and we say it. I do not wish to question the efficacy of the length of the votable opposition motion here today, but I see it has a preamble, a part (a), part (b), part (c) and part (d). I see that part (a) has several subparts: one, two, three, four, five, six, seven, eight, nine.

If one really has something substantive to say to the Canadian people, it does not necessarily follow that one has to use all those words to say exactly what one means. The distinguished member who moved the motion has a long public career in the politics of this nation and in particular in the politics of one province. I am disappointed that he would bring forward such a votable motion. I thought he would have taken the route of putting something which is very clear, very substantive on the floor of the House of Commons and then give us his view.

I heard his colleague moments ago. I did not bring into question the issue of relevancy which is covered by the standing orders, but it had very little to do with the motion which was before us. It leads me to conclude, and I may be wrong because I have been wrong on occasion before—

**Some hon. members:** Oh, oh.

**Mr. Dingwall:** Well, okay, I have never been wrong. Surely an opposition party wishing to become the national Government of Canada did not have to put all of those words. It could have been

clear and unequivocal unless of course one is trying to use the shotgun approach.

I am saddened that hon. members opposite have seen fit to bring forward this particular motion and focus on an element of society who look to governments, and note I use the plural and not the singular word, for assistance. They sit in their wonderful parliamentary offices. They eat food from the parliamentary restaurants. They take their fat paycheques home to their constituencies. They wear their Gucci shoes, their Boss suits and their tailor made shirts, but they are the first crowd to say to low income Canadians that they want to do away with the RRAP, a rehabilitation program for people on low incomes.

(1335)

What sort of intestinal fortitude do members opposite have to do that? Hon. members have had their say and as sure as God is our creator, I am going to have my say. They can yell and catcall all they wish but the point remains that members of the Reform Party stand in this House and mould expressions with regard to assisting Canadians on one hand and then stand in their place and do the exact opposite, which is to take away from those Canadians who deserve assistance, leadership and the compassion of the Government of Canada as well as all other governments across this country.

Part of this mammoth opposition motion that one could never put on a marquis, that one could never get into a one-line sentence, says that they want to get rid of the RRAP. That is one thing they want to do. What is the other? They want to get rid of the national infrastructure program.

Perhaps hon. members later in the discourse will have an opportunity to rise in their place and correct the record, but I thought when the Reform Party talks about democracy and the will of the Canadian people, that was paramount in their deliberations. That is what they say on Fridays but on Mondays it is a different thing.

Today they want to rid us of the national infrastructure program. Provincial governments, municipal governments, numerous councillors in every region of Canada, and provincial MLAs commissioned by votes in the respective legislatures support overwhelmingly the objectives of the national infrastructure program, but we have here today the Reform Party members once again speaking out of both sides of their mouth, saying on Friday that democracy and the will of the people is paramount, but when the Government of Canada delivers the goods with regard to servicing that constituency, it is they and they alone who protest.

I suggest there is a reason for that confined to opposition parties, particularly those that are on the rump side of the House

*Supply*

and not necessarily the official opposition, which is to try to play all sides and cater to all sides whenever convenient.

Hon. members must realize that members on this side of the House, provincial governments, municipalities, individuals, construction companies, reasonable Canadians both young and old support overwhelmingly the national infrastructure program.

The hon. member will rise in his place and provide us with a quote that says that so and so from somewhere in Canada is opposed. However the fact remains that Canadians overwhelmingly support the national infrastructure program.

I say to the Reform Party members that if they do not want moneys spent in their constituencies as they relate to the national infrastructure program and if they have their province on side, why do they not do the honourable thing? Why do they not stand in their place and say to the people of their riding that there are no moneys in this area of Canada for the national infrastructure program? That is if they have the intestinal fortitude. I ask the hon. member opposite who reads his book, reads his "Quorum", flips his glasses, who wishes to catcall from his seat: "Do you have the intestinal fortitude to turn it down?" The hon. member will have an opportunity later to give us his answer. I say to the hon. member through you, Madam Speaker, that there are numerous members on this side of the House who will take that money and spend it on behalf of Canadians.

(1340)

I am always reluctant to enter into debate, but I have to say on the floor of the House of Commons in terms of the motion that is before us that there are two things on which I would like to comment as they relate to this mammoth opposition motion.

Third is the youth services corps. This is the same crowd that puts their hands over their chests, stands on guard for Canada, and says they are all in favour of motherhood and apple pie, which I am too. However, when it comes to providing some economic assistance to youth in this country, who are the first to oppose it? The Reform Party of Canada.

Perhaps I am incorrect. Perhaps it really is not the Reform Party of Canada. Perhaps it is just the Reform Party that happens to represent an area of Canada and not all of Canada. That is the issue.

[*Translation*]

This government's vision of Canada includes all Canadians, irrespective of their income, their language or their social status. Our vision is that of a country where everyone enjoys some quality of life, a country where we are responsible for the well-being of others and where people still have hope both for themselves and for their children.

There is no doubt in my mind that this vision is tied to the provision of decent housing to all Canadians. Also, there is no

question of excluding certain people from this vision just on account of the fact that they need help to meet their basic housing needs.

[*English*]

I am saddened that members opposite would use this opportunity, a privilege which I would say to the mover of the motion is only granted to a select few Canadians who have earned the right to sit in this Chamber and voice the concerns they believe to be important in public policy matters affecting this nation. I for one would never, ever disagree with hon. members opposite exercising that fundamental right. But having agreed to exercise that right, do not be fooled into thinking that those of us on this side of the House are consenting or in any way agreeing with the public musings nor the contents of the resolution which have been put forward by the Reform Party of Canada.

We in the Liberal Party oppose now and will continue to oppose these Draconian, inarticulate, vague concepts of public policy as they confront Canada. The hon. member may laugh. He has that right. I say to him that those who have been elected to this side of the House also have the right to stand in this place and stand for Canadians who want assistance, leadership and economic activity from their government.

In this recent budget we have provided that leadership and we have provided that direction. I find it unacceptable for members of the Reform Party to waltz in here and put a motion before the people of Canada which I suggest is nothing more than griping at its best. They have not provided alternatives. They have not spoken to the real issues which affect Canadians. Yes, deficits are important, but it is not the only thing that confronts Canadians. To suggest otherwise is being totally irresponsible as a member of an opposition party.

(1345)

It would be equally irresponsible for those of us on this side of the House not to talk about deficits. We have talked about deficits. We said in the campaign, in the throne speech and now in the budget that all of our commitments in the red book have now been put into effect and we are moving in the direction we said we would with regard to deficit control.

I find it unacceptable that a seasoned member who has experience in public life would raise on the floor of the House of Commons the chopping of our youth, chopping our senior citizens and low income Canadians and dissipating and doing away with the national infrastructure program which is a program needed, wanted and delivered by the government.

I want to talk about several other issues since hon. members dared to tread that line. They talked about pensions. They said: "How terrible it is for members of Parliament to receive pensions". The Prime Minister said clearly and unequivocally: "Yes, that matter will be addressed". However, was that sufficient enough for members of the Reform Party? No that was not

sufficient enough. They continuously raise the issue of pension reform when they know the matter is being given due consideration by the appropriate authorities and at that time they will have an opportunity to address that particular issue.

However, what do we hear? We hear that if this is not corrected the heavens will fall and the country will disappear. That is the way in which they paint the issue. That is not to suggest that the hon. member's points deserve consideration. Again, as I said with the national infrastructure program, they should be careful and prudent in the way in which they present their arguments because a number of Canadians perceive, perhaps quite rightly and or indeed quite wrongly, that the Reform Party is nothing—these are not my words and I want to be very clear because I do not wish to be unparliamentary—more than a bunch of antis: anti-immigration, anti-French, anti-regional development, anti-seniors, anti-women, anti-youth. That may be unfair or it may be fair, it could be unfair but then again it may be fair. These are not my words, that is what Canadians tell me from time to time as I travel the country.

Let us not be unfair. Let us be fair and let us say that the resolution which the hon. member put down is not deserving of the support of members on this side of the House. It is not deserving of support of members on that side of the House. Certainly it is not deserving of the support of the member's own political party. I am sure that in exercising their free vote they want to be fair, not unfair. They will exercise their free vote and they will vote against this particular resolution put forward by my colleague opposite.

(1350)

Finally, in closing—I will probably get a few questions, at least I hope I will—I want to say to members opposite that when they are developing an opposition motion they should give it some more thought, do their homework, go back and think what it is they want to accomplish. Do not put it in vague terminology; long, windy, whiny sentences. Do not do that. Their grade seven English teacher, my grade seven English teacher, would tell us that when we are writing a composition or a resolution. Chop it down, be focused, be specific before bringing opposition motions before the House of Commons for adjudication by members and ultimately by the people of Canada.

But to say, as the hon. member did in his remarks, and to imply in the resolution that somehow it is low income Canadians who benefit from RRAP, that somehow it is disabled Canadians who benefit from the residential rehabilitation assistance program, who are the cause of the deficit, that they, the weakest members of our society, should not have leadership from their governments, is a pretty gutless way really to represent Canadians. I mean there is nothing tough, is there? Is there anything

### *Supply*

tough? Is there anything really tough about saying this to senior citizens who happen to be disabled?

I will close with this message. Today I received a letter from a lady who has multiple sclerosis, and she is going to be a beneficiary of the RRAP disabled program announced by the Minister of Finance. If the hon. member is saying to those kinds of Canadians that yes, they are the ones that we want to chop off and that yes, they are the ones who do not deserve any attention from the Government of Canada, let him say it. Do not do it in a phony motion, comprised of many words written by some staffer in the back rooms of his political party. Have the intestinal fortitude to come to the floor of the House of Commons and say to disabled Canadians, low income Canadians, the youth, the municipalities, councillors across this country that the programs we put into effect are not necessary and are not needed by Canadians.

If not, the hon. member should do the honourable thing.

**Mr. Jean-Paul Marchand (Québec-Est):** Madam Speaker, I have a very brief question. I am very impressed by the form of the speech from the minister, maybe not the content but certainly the form. I was just wondering whether he has recently made an application to join the Shakespearian troupe in Stratford.

**Mr. Dingwall:** I will keep it in mind.

**Mr. Ken Epp (Elk Island):** Madam Speaker, I appreciated very much the presentation of the member opposite. In particular I enjoyed his lesson on the use of brevity of words. That was very interesting to me.

I would like to make a comment. He mentioned that we are here to represent our constituents and he gave us a little bit of a tirade about how we are misrepresenting this democratic responsibility. I report to the House that I represent my constituents when I support a motion like this one. I have had people express to me great concern about the amount of debt and deficit. I have had people tell me that they do not support the infrastructure program but they feel blackmailed by a federal government which with a \$2 billion commitment has forced a province to match it and the municipalities to match it. They are opposed to going into further debt and they are opposed to further borrowing. Consequently I do represent my constituents when I say we want to put a cap on spending. We want to reduce it.

(1355)

I had a conversation with one of my constituents this weekend in which we discussed this point. I did a little calculation and found that a deficit of \$40 billion is taking us into debt in this year alone to the amount of \$500 per family per month and that is a huge concern.

*S. O. 31*

I believe I have used my time allotment and I will stop.

**Mr. Dingwall:** Madam Speaker, that was an excellent intervention by the hon. member for Elk Island. I am sorry, because the hon. member has just given, and I know it was not intentional, facts to the House from his particular vantage point. The hon. member should check the record.

The national infrastructure program was not the creature of national political parties. The national infrastructure program came from municipalities en masse in all of the provinces and territories. The hon. member shakes his head. If his particular province does not wish to take part in the national infrastructure program he should have said that to his premier who signed on the dotted line on December 21, 1993.

Furthermore, the hon. member has made reference to representing his constituents. I applaud the hon. member for representing his constituents. I say to the hon. member that he was not elected to be a weather vane, to check the political winds to see whether they like this or they like that. Since my colleague is a great student of Shakespeare, his colleague might be a great student of one of the great philosophers Edmund Burke who said: "You owe your constituency and constituents much more than your industry. You owe them your judgment".

It is our judgment as a national political party that a national infrastructure program is needed by Canadians, wanted by Canadians and we as a national political party are delivering on that commitment.

**The Speaker:** It being two o'clock p.m., the House will now proceed to statements by members, pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[English]

### LABOUR FORCE SURVEY

**Mr. Sarkis Assadourian (Don Valley North):** Mr. Speaker, my statement today is under the heading "Good news gets better with the Liberal government".

I am extremely happy to rise at this moment to make mention of a few encouraging points from last month's labour force survey. The survey has indicated a decrease in the unemployment rate while an increase in the help wanted index has grown. The help wanted index of job advertisements rose for the fourth time in the last five months, the largest increase of the recovery. I was particularly encouraged by the strong gains in employment in sectors that had experienced recent declines, such as manufacturing and retail trades.

The other good news is that all regions of the country experienced growth in the employment rate. In my province of

Ontario alone 11,000 new jobs were created. The government's commitment is to put—

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[Translation]

### ALPINE SKIING

**Mr. Michel Guimond (Beauport—Montmorency—Orléans):** Mr. Speaker, on behalf of all Quebecers, I would like to extend today my heartfelt congratulations to one of our own athletes who won the giant slalom yesterday at the world junior alpine skiing championships in Lake Placid. I am referring to, you have guessed it, young Mélanie Turgeon.

(1400)

It was not Mélanie's first medal at the championships either. She had already reached the podium twice before; first winning a silver medal in Super G, and then bronze in downhill.

Yesterday's victory puts Mélanie in the overall lead at the championships. Another event is scheduled for today: slalom. I want to wish her, personally and on behalf of the Bloc Québécois, the best of luck. We are proud of you, Mélanie. Go for it!

\* \* \*

[English]

### SMUGGLING

**Mr. Jake E. Hoepfner (Lisgar—Marquette):** Mr. Speaker, since the government's anti-smuggling measures were announced, several Manitoba border crossings have been open 24 hours a day. This only sends a clear message to smugglers to avoid these border crossings.

In addition, extra customs officers must be kept on duty at night at each crossing because of the extra hours. The only increased traffic at these crossings has been in the form of vehicles going south to the United States to take advantage of cheap U.S. liquor, food and gasoline.

Revenue is being taken out of the pockets of Manitoba businesses and sent over the border. Everyone agrees we should be concentrating on a decrease in smuggling, but instead the local RCMP which is already understaffed has to contend with increased smuggling of not only cigarettes but liquor and guns.

Would it not make more sense to close down the customs ports at night and increase the RCMP personnel to create better border patrol? This would show real action against smuggling and would keep more Canadian dollars at home.

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### WOMEN ENTREPRENEURS

**Mrs. Dianne Brushett (Cumberland—Colchester):** Mr. Speaker, although last Wednesday was specifically designated as International Women's Day I would like today to acknowledge women entrepreneurs.

In 1989 women founded 50 per cent of all new Canadian businesses. In Atlantic Canada between 1984 and 1990 the percentage of women owned businesses employing five or more full time employees increased from 16 per cent to 28 per cent. Women are also succeeding in existing businesses.

In my riding in 1990 a former bank worker, Lois Robarts, took over Advocate Harbour Seafoods. She has since expanded her sales and her processing plant and now employs five people. That is significant considering that small businesses created 90 per cent of our region's new jobs in the 1980s.

It is imperative that the joint government-business committees we are establishing to encourage small business be particularly sensitive to the economic potential of Atlantic Canadian women.

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### THE BUDGET

**Mr. John Bryden (Hamilton—Wentworth):** Mr. Speaker, I am delighted the government has declared in its budget that it intends to review the funding of some 500 special interest groups which are relying on taxpayers' dollars rather than raising their own money. The results of this review are to be incorporated in the 1995 budget.

I hope that this review will result in ongoing cuts where obviously warranted this year, not next. We must concentrate on the genuinely needy now, not later.

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### EMPLOYMENT

**Mrs. Jane Stewart (Brant):** Mr. Speaker, like all Canadians I am encouraged by the reduction in Canada's national unemployment rate in February. However it is with great concern I report to the House that the riding of Brant was not so fortunate.

Our monthly unemployment rate jumped from 11.7 per cent to 14.1 per cent in February, well above the provincial average of 10.7 per cent.

One way that government can address the unemployment problems of smaller centres is by decentralizing some of its services. In my riding, for example, we have no unique post-secondary institution. Our level of post-secondary education falls well below the national average.

My community could greatly be supported by the location of a federal research and development centre or some other technological institute or agency within its boundaries.

While I strongly support the job creation measures taken in the budget, I believe that decentralization is another proactive step that governments can take to create opportunities in our smaller communities.

*S. O. 31*

I encourage our government to take steps in this direction.

\* \* \*

[*Translation*]

### MINING INDUSTRY

**Mr. Bernard Deshaies (Abitibi):** Mr. Speaker, the "Mining, an industry to support" campaign launched by the mining industry last September has received massive public support in over 150 mining communities in Canada and Quebec as well as from many other Canadians and Quebecers who are concerned about the future of this industry.

The mining industry is one of the driving forces of the economy and as such requires more serious attention from the government as well as urgent action.

Canada's mineable reserves keep decreasing. But this country cannot afford to lose an industry which contributes so much to the national economy and to regional development. The government must take steps to revitalize this industry. Time has come, for example, to look at the possibility of giving preferential tax treatment to mining flow-through shares as well as at the need for a definition of "research and development" in the Income Tax Act that would include mining exploration.

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(1405)

[*English*]

### WORLD CUP SKIING

**Mr. Herb Grubel (Capilano—Howe Sound):** Mr. Speaker, during the last two weekends the resort community of Whistler in my riding hosted three World Cup skiing events.

They were a great success as a result of the hard work of a large army of volunteers, the management and employees of the Whistler Ski Corporation, sports federations, the media and sponsors from the private sector. Over 12,000 spectators and many more television viewers throughout the world saw the events.

In the women's downhill Michelle Ruthven finished third, Kate Pace fourth and Kerrin Lee-Gartner ninth. In the men's downhill Cary Mullen finished fifth, Rob Boyd tenth and Edi Podivinski fourteenth. Cary Mullen also placed fifth in the Super Giant Slalom yesterday.

Let us thank all those who have made the event such a success. Let us congratulate those who braved one of the world's most challenging race courses and send sleds full of roses and a hearty thank you to those who represented Canada so well by beating some of the world's best racers.

*S. O. 31*

[Translation]

### SIXTH PARAOLYMPIC WINTER GAMES IN LILLEHAMMER

**Ms. Albina Guarnieri (Mississauga East):** Mr. Speaker, the official opening of the Sixth ParaOlympic Winter Games took place last Thursday, in Lillehammer, Norway.

[English]

The Paralympic games are the premier competition for high performance athletes with disabilities.

[Translation]

Six hundred athletes representing 31 countries are participating in these Games, which are held from March 10 to 19.

[English]

Canada is represented by 34 athletes competing in alpine skiing, cross-country skiing, sledge hockey, biathlon and ice sledge racing. These athletes deserve our full support and recognition for their hard work and commitment to their sport.

Stacy Kohut of Calgary has won Canada's first gold medal of the Paralympics today. She was victorious in the Super G event. Lana Spreeman of Calgary has won two bronze medals, one in downhill skiing and the other in Super Giant Slalom. Ramona Hot of Edmonton won a bronze in a separate downhill event.

[Translation]

I am very pleased to announce that Canada's athletes have already won four medals at these Games.

\* \* \*

[English]

### ROTARY INTERNATIONAL

**Mr. Paul Szabo (Mississauga South):** Mr. Speaker, Canadian unity has been enhanced by the unselfish contributions of many organizations that have worked so hard to make Canada a better place.

One such organization is Rotary International. I was first introduced to Rotary 12 years ago by Mr. Allan Shulman and over the years I have been most impressed by its community leadership role.

In recognition of Rotarians, I would like to share with the House the Rotary International four-way test to guide what we say, think and do:

First, is it the truth?

Second, is it fair to all concerned?

Third, will it build goodwill and better friendship?

Fourth, will it be beneficial to all concerned?

Rotarians reflect the true spirit of Canadians and it is because of that spirit that Canada will always remain strong and united.

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[Translation]

### COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN

**Mr. Maurice Godin (Châteauguay):** Mr. Speaker, yesterday, some 3,000 people gathered to ask that the Collège militaire royal de Saint-Jean remain open. This demonstration was truly a show of solidarity, with residents from Saint-Jean, Montérégie, the greater Montreal and my own riding participating. Politicians representing all political affiliations joined in a common front to convey the message that the French-speaking military college in Saint-Jean must remain open.

The federal government must not make the mistake of closing this unique institution in North America, which serves to train military officers in their own language and milieu. The government must reconsider its decision and have the courage to recognize its mistake, to clearly show that French-language institutions have their place in the federal system.

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(1410)

[English]

### THE REFORM PARTY

**Mr. Leon E. Benoit (Vegreville):** Mr. Speaker, charges of racism have been used all too often as a means of attempting to undermine the Reform Party. These allegations of course are completely false and contribute nothing to the daily operations of the House.

These allegations are based on the fact that Reformers speak openly and honestly on issues such as Indian affairs and immigration. The members opposite sometimes seem more concerned about choosing politically correct words in a speech or question than with the actual content.

Members should be able to express themselves without looking over their shoulder for that politically correct watchdog every time they speak. A return to basic values, including respect and consideration regardless of gender, race or religion, is a much needed improvement in the House.

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### LOBBYING

**Mr. Paul DeVillers (Simcoe North):** Mr. Speaker, on pages 94 and 95 of the red book the government made a commitment to develop a stringent code of conduct for lobbyists under the auspices of the soon to be appointed independent ethics counselor.

*Oral Questions*

The people of Simcoe North and Canadians in general expect substantial reform in the way lobbying is conducted. I feel the government must go all the way, making mandatory the full disclosure of fees, clients and the names of government officials being lobbied for first and second tier lobbyists.

In addition the government should give serious consideration to making the costs of lobbying non-tax deductible.

[*Translation*]

Canadians really appreciate the fact that this government kept its election promises in the recent budget. With the implementation of these reforms, they will be all the more pleased to see that a real effort is being made to reestablish political ethics in our parliamentary institutions.

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[*English*]

**UKRAINE**

**Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I would like to pay homage to the victims of the 1933 Ukrainian famine and make fellow Canadians aware of this atrocious historical event.

Last year was the 50th anniversary of the famine and Ukrainians throughout North America and Europe held special ceremonies to commemorate the atrocities inflicted on their people.

The famine inflicted the highest casualties during the winter of 1932-33. While city dwellers were kept healthy and supplied with food, the countryside was wiped clean. By the spring of 1933 people were dying at the rate of 25,000 a day. By the end of 1933 it is estimated that between six million and ten million Ukrainians had starved to death.

Even today as Ukrainians commemorate the 50th anniversary of the famine, the events are still largely unknown.

I realize that we cannot do anything to bring these people back. However, we can make Canadians aware of the social and political injustice that has been relatively unknown for too long and ensure that such atrocities are never repeated.

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**UNIVERSITY HOCKEY**

**Mr. John Murphy (Annapolis Valley—Hants):** Mr. Speaker, this past weekend in Toronto, and for the third consecutive year, Acadia University hockey team participated in the National University Hockey Championship Tournament. For a school of 3,000 students, this is a great accomplishment.

While Acadia, the defending national champions, fell just short against the eventual winners, Lethbridge, I feel the accomplishment of this year's team must be recognized.

Led by the CIAU's player of the year, Duane Dennis, Acadia had an outstanding season; a season marked by dedication, hard work and a commitment to excellence.

I am proud of the young men involved in Acadia's hockey program and their academic achievements. I believe that the members of this team have shown themselves to be responsible, dedicated and hard working on the ice, in the classroom and in the community.

Congratulations to Acadia. It has every reason to be proud of its accomplishments.

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**INDIAN AFFAIRS**

**Hon. Audrey McLaughlin (Yukon):** Mr. Speaker, last week the Minister of Indian Affairs and Northern Development announced the devolution of his department's responsibilities to the First Nations of Canada, beginning with a demonstration project in Manitoba.

All I can say is that it is about time. We have heard a lot in this House about the need to define self-government. Self-government will not be defined the same in Yukon as it is in Manitoba because we must define it in terms of the cultural heritage, of the various aboriginal groups that are being dealt with. It must be an item for negotiation.

Each settlement will be defined by the history and culture of the First Nations people. This is an extremely important initiative and because of that I ask the minister to place before the House a plan with clear timetables and, most important, the financial resources to be allotted to this plan of devolution. That will determine whether this initiative is genuine or just another step on the highway of broken promises.

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**ORAL QUESTION PERIOD**

(1415)

[*Translation*]

**EMPLOYMENT**

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

Several members of the government are attending the G-7 summit on employment held in Detroit today. According to a government source quoted in this morning's newspapers, Canada intends to submit to its G-7 partners a proposal to put in place

*Oral Questions*

a tax credit for employers who create new jobs and for those who save jobs.

Can the Prime Minister confirm that Canada is about to present such a proposal, and can we expect the government to put in place such a tax credit for employers who create new jobs and for those who save jobs that would otherwise be threatened by technological changes?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I do not think that the Minister of Finance will present in Detroit a proposal on Canadian taxation. I think that the ministers who are there today want to look with their colleagues at solutions that could be applied in the Western world and that many ideas will be debated, but in Detroit, the Minister of Finance will not be making any proposals concerning Canadian taxpayers. All that must be done in the usual way, as we did a few weeks ago when the budget was tabled.

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, it is very disappointing to hear that so many ministers went off to discuss and chat without having anything new to propose.

I ask the Prime Minister what justifies their presence at the G-7 summit if it is not to come up with new ideas.

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, our ministers will talk about what we are trying to do here in Canada at this time, and I imagine that the other ministers will explain what they are trying to do in their own countries. Unacceptable unemployment levels are now a problem throughout the Western world. That is why President Clinton convened this summit, so that the ministers responsible in this area can meet and exchange ideas. And if this summit produces new ideas that can apply to the Canadian situation, I am sure that our ministers will be happy to take note and report to Parliament.

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, we hope that the representatives at this summit will do more than compare their respective countries' unemployment rates. All this is not very encouraging.

Can the Prime Minister tell us today if, after the G-7 summit, his government will introduce a real policy, a real job creation strategy to give a little hope finally to the 1.5 million unemployed Canadians and especially to young people, nearly 20 per cent of whom are without jobs?

[*English*]

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, that was debated in the budget debates over the last few weeks. We explained our plans, including the infrastructure program and the youth program. We want to make sure by changing the nature of our social programs there is more money available for creating jobs.

When meeting with others they discuss our approach and we discuss their approach. That is the reason we meet with them. We try to have good exchanges with the people involved and thus have as much stability as possible in the western world. Everyone agrees it is better when people talk than when they do not.

It was a good initiative by the President of the United States to invite all the ministers involved with labour and employment to get together.

[*Translation*]

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, my question is for the Prime Minister.

The government keeps saying that its real priority is job creation. Today, a large delegation of Canadian ministers is attending a G-7 conference which we thought would deal with ways to stimulate employment.

In the meantime, the government maintains the unemployment insurance premium increase which it put in effect last January 1, and which is truly a tax on employment. In fact, last week in this House, the Minister of Finance himself said it was absurd.

(1420)

Does the Prime Minister agree that, if the government wants to be logical when it talks about job creation, it must immediately eliminate this premium increase?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, this is precisely what the government has done. The previous Conservative administration had decided that UI premiums would go up to \$3.30. We passed legislation to lower these premiums to \$3.07 for the current year, and to \$3 at the beginning of next year. So, we have done precisely that.

Again, the premiums were set at \$3.30 by an act of Parliament, but we have lowered them to \$3.07 for the current year, and to \$3 as of January 1, 1995.

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, I remind the Prime Minister that he implemented a decision made by the Conservatives to lower UI premiums to \$3.07 as of January 1994. He maintained the decision to set premiums at \$3.07 until next January, in order to get \$800 million from Canadians.

Does the Prime Minister recognize that cancelling this premium increase would have an immediate effect on employment, and does he agree that if this increase is absurd, as the Minister of Finance admitted, maintaining it is a lot more absurd?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, we would have preferred to lower premiums to \$3 right away, but we have serious budget constraints. Nevertheless, we did reduce premiums from \$3.30 down to \$3.07 for this year, and to \$3 for 1995.

*Oral Questions*

Obviously, we would have preferred to set premiums at \$3, but it is not just a matter of pleasing people, we have to do what we can with what we have, and the decision made by the Minister of Finance to lower premiums to \$3.07 for the first year and to \$3 for the second year was the best one that could be made under the circumstances.

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[English]

**EMPLOYMENT**

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, my question is also for the Prime Minister.

As has been already mentioned, the government is represented at the G-7 meeting in Detroit to discuss worldwide unemployment and underemployment. I would like to ask the Prime Minister whether his ministers are taking any specific proposals for job creation at all to that meeting and particularly whether the private sector's views on job creation have been included and are going to be presented.

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, that is certainly what the Minister of Finance and the other ministers will do.

We said that 85 per cent of the jobs in Canada will be created by small and medium size businesses in the future. That is why we have passed some legislation and made some adjustments that will induce the private sector to create these jobs.

They will explain the technique Canada has decided to use. I hope that others will benefit from our views.

If in the course of the discussions someone were to come up with the miracle solution, of course we would take it, but it is a complicated situation all over the world.

We know Canada has a problem. Some will say perhaps we should reduce or abandon the minimum wage. Canada is not that kind of a country. Canada does not want to have sweatshops in order for people to have jobs. We are a civilized nation that wants to do it the proper way. We have a good regime, but if somebody has a better idea then we are open to it.

I am a Liberal. I am not a doctrinaire person. I borrow from the left and I borrow from the right, as long as the solution is right.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, we appreciate the Prime Minister's answer and we certainly recognize that the Prime Minister borrows.

The Prime Minister made reference and the Minister of Finance is now admitting that a \$1 billion spending cut in UI creates more jobs than a \$1 billion spending increase on infrastructure. To be consistent therefore will Canada be recommending tax cuts as a job creation strategy at the G-7 meeting?

(1425)

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, the infrastructure program is a very good program and will

create jobs immediately. It has been subscribed to enthusiastically by all provincial governments and all the municipalities, including the beautiful city of Calgary. That good program is one part of our strategy.

We have reduced some laws passed by the Conservative government by decreasing the level of unemployment insurance premiums made by the private sector over the period of two years from \$3.30 to \$3. That will put something like \$300 million in the hands of small businesses.

However as explained earlier we have to have a balanced approach and job creation to improve the infrastructure of the nation. It is a good program, especially at a time when there is a very high level of unemployment in one country.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, the Minister of Finance and some members of the government are beginning to admit that reducing tax loads is the most direct way to create jobs. However the Minister of Human Resources Development and to some extent the Prime Minister continue to stress increased government spending on things like infrastructure as the most direct way to create jobs.

At this meeting are the government ministers singing from the same song sheet? Which approach is Canada advocating at the G-7 meetings: government led job creation through increased spending, or private sector led job creation through tax cuts?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, both techniques were used in the last budget.

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[Translation]

**COLLÈGE MILITAIRE DE SAINT-JEAN**

**Mr. Claude Bachand (Saint-Jean):** Mr. Speaker, a crowd of 3,000 demonstrated yesterday in Saint-Jean against the federal government's decision to close the only French-language military college in Canada. In a complete about-turn on this issue, the Quebec Premier now says that the Collège militaire de Saint-Jean must continue to exist and its military purpose be maintained.

My question is for the Prime Minister. Will he confirm that his government is presently negotiating with the Quebec government to ensure that certain military training activities are maintained at the Collège militaire de Saint-Jean?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, we are discussing at this time with the government of Quebec and, if this college can be used as an institution of higher learning in the province of Quebec, we will be more than happy to work together with the government of Quebec. No decisions have been made. As far as we are concerned, with closures across the country, we want to try and find ways of helping the cities and municipalities affected in order to minimize the impact.

*Oral Questions*

**Mr. Claude Bachand (Saint-Jean):** Mr. Speaker, are we to understand that the Prime Minister rejects the plea of the Quebec Premier who views keeping Saint-Jean in operation as a golden opportunity to give real substance to the Canadian linguistic duality.

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, as I watched images of the demonstration yesterday, it occurred to me that many of the people protesting were the same people who, in 1970 or 1971 if I am not mistaken, were demonstrating against the Collège militaire de Saint-Jean obtaining university status or offering university certification. There were lengthy negotiations. The University of Montreal refused under pressure, and so did the University of Quebec. Finally and fortunately, the University of Sherbrooke accepted. The nationalists demonstrating yesterday were the same ones who 20 years ago did not want the Saint-Jean military college to exist for francophones in Quebec.

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[English]

**SCIENCE AND TECHNOLOGY**

**Mr. Jim Hart (Okanagan—Similkameen—Merritt):** Mr. Speaker, my question is for the Prime Minister.

It is recognized that science has an enormous contribution to make to the creation of new jobs for the new economy. Yet there has been very little reference to the role of science from the government.

Does the government have a science policy? If so, could the Prime Minister tell us in a nutshell what this policy is?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, the hon. member does not need a nutshell; he can read the budget. In fact we decided to increase the contribution to science in Canada in the last budget. The hon. member should read the red book where it says that investment in research and development is needed to have Canada in a good position to compete internationally in the 21st century.

(1430)

**Mr. Jim Hart (Okanagan—Similkameen—Merritt):** I have a supplementary question, Mr. Speaker.

The previous government tried to set targets for total research and development spending in Canada in the vicinity of 2 per cent to 3 per cent of GDP. Could the Prime Minister tell the House the targets for R and D spending in Canada and specifically for departments and agencies of his government?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, if the hon. member reads the budget he will find that.

I am happy when I see a member of the Reform Party standing up after four months to ask the government to spend more money. It is very refreshing to hear that. We hear that every day. Now the reality is hitting them. So much the better.

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[Translation]

**YOUTH EMPLOYMENT**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie):** Mr. Speaker, my question is for the Prime Minister. Nearly 20 per cent of young Quebecers and Canadians are unemployed today—an unacceptable record of 428,000 people under 25. In the speech from the throne, the government announced that it wants to better prepare young people to enter the labour market.

Does the Prime Minister admit that his youth apprenticeship program in no way meets the needs of Quebec since Quebec got only \$2 million out of a total budget of \$225 million in 1993 under this program, or less than 1 per cent of the money spent?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, if the situation was that bad under the former government, we intend to rectify it. It is this government's policy to ensure that Quebec is not treated worse than the other provinces.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie):** Mr. Speaker, my supplementary question is again for the Prime Minister. The reason that Quebec gets less is that vocational training and the education system do not include apprenticeship courses or programs as they exist in the rest of Canada. Quebec has a different system.

Given the failures of this program, can the Prime Minister promise to give Quebec its fair share of the funds allocated under this program so that Quebec can use them more effectively, according to its own priorities?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, that is exactly what we are trying to do now. That is why the Minister of Human Resources Development is having discussions with his provincial counterpart to find an arrangement whereby Quebec can receive its fair share and use it effectively so that young Quebecers, like other young Canadians, are as well prepared as possible to enter the labour market, because it will be very difficult for them as well as for others.

We must work co-operatively to ensure that all young Canadians are sufficiently well prepared that we can occupy our rightful place in the very competitive world which we will have to face in the coming years.

## Oral Questions

[English]

## ABORIGINAL SELF-GOVERNMENT

**Mr. David Chatters (Athabasca):** Mr. Speaker, my question is for the Prime Minister.

The government has committed itself to establishing aboriginal self-government in the province of Manitoba. Last week neither the Minister of Indian Affairs and Northern Development nor the Minister of Intergovernmental Affairs was able to provide the House with a clear straightforward definition of aboriginal self-government.

Will the Prime Minister, as head of the government and as a former minister of Indian affairs, please give the House his definition of aboriginal self-government, particularly as it relates to Manitoba?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I will take the question but I know that my minister for federal-provincial relations gave the answer last week.

When we negotiate with a group of people about what should be the status of running their own affairs, we cannot give the final decision before it has been negotiated.

What are the goals of the government? They are not very complicated. I was Minister of Indian Affairs and Northern Affairs Development for more than six years. I know that we need a different regime where we can delegate to them the authority to make their own decisions. I have said time and again that we made a lot of mistakes. Perhaps the time has come to let them make some mistakes themselves by giving them the authority to decide locally regarding education, welfare, housing, economic development and not have them wait for instructions from bureaucrats in Ottawa.

(1435)

**Mr. David Chatters (Athabasca):** Mr. Speaker, as a supplementary question, will the federal government after having arrived at this definition in some way then allow the aboriginal peoples and all the peoples in Manitoba to voice their approval or disapproval of the example through a system of referendum?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, every member of the House has been elected to make decisions. There will be a vote in the House of Commons. I do not believe that every time we have a difficult problem in Canada we wash our hands of it by having a referendum. That is not my way.

Tough decisions have to be made by government. If we do not make the right decisions it is up to the electors to tell us in the next election. It is democracy that is best. It is complicated enough in that area. If we let a huge majority decide in a complicated situation like this where there are some tensions between different races, it is not a good way to solve it. The best way is for every one of us to take our own responsibility, vote in the House of Commons and live with the judgment we have expressed on behalf of our electors in the House.

[Translation]

## PUBLISHING INDUSTRY

**Mr. Paul Mercier (Blainville—Deux-Montagnes):** Mr. Speaker, my question is for the Prime Minister. The takeover of Ginn Publishing by the American company Paramount continues to stir up controversy. In the meantime, the government persists in concealing the identity of the person who made the verbal commitment allowing this transaction to take place.

Under his great transparency policy, does the Prime Minister not find it disturbing and even unhealthy that Parliament cannot know the identity of the person behind the verbal commitment that derailed the established policy on ownership of Canadian cultural industries? Who is the government protecting in this affair?

[English]

**Hon. Douglas Peters (Secretary of State (International Financial Institutions)):** Mr. Speaker, there was a very complete statement given on the Gin question by the Parliamentary Secretary to the Minister of Finance. The member will find it on page 1838 of *Hansard*. To summarize, we had a legal responsibility to enter into this contract and it was done. It was left to us by the previous government.

What our government did was get a better deal. It improved the deal by putting in Canadian content requirements, author requirements and distribution requirements. It was a great deal for Canada.

[Translation]

**Mr. Paul Mercier (Blainville—Deux-Montagnes):** Mr. Speaker, I would have thought that a transparent policy means not having anything to hide and answering the questions that are asked. We asked for a name. We did not get it.

The Minister of Canadian Heritage is trying to hide his abdication of responsibility in this affair behind the changes to the Baie-Comeau policy made by the Tories in 1992. To avoid repeating that mess, can the Prime Minister make a commitment today to fully restore the provisions of the Baie-Comeau policy protecting Canadian ownership of cultural industries?

[English]

**Hon. Douglas Peters (Secretary of State (International Financial Institutions)):** Mr. Speaker, the question that has been raised is interesting. The decision was made in 1989 when the leader of the Bloc Québécois was in the cabinet. Maybe he has some special information on the deal that he would like to share with the House. That was when the situation arose and that was the responsibility of the previous government. If the member is looking for responsibility, look right in the front row of your own party.

*Oral Questions*

(1440)

**RAIL LINE ABANDONMENT**

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe):** Mr. Speaker, I wish to direct my question to the Minister of Transport.

There are currently a number of rail lines or subdivisions in the province of Ontario undergoing an abandonment procedure through the National Transportation Agency. In my riding, Wellington—Grey—Dufferin—Simcoe, the NTA is to rule on the abandonment of the Meaford subdivision which runs from Barry to Collingwood. There are prospective buyers interested in purchasing the line but they are hesitant as a result of the Ontario labour legislation known as Bill 40.

What proactive steps has the Minister of Transport taken with the Ontario government to ensure that rail lines are not torn out of the ground before this critical issue is resolved in order to ensure a solid and diversified transportation infrastructure?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, I want to be very clear in my answer to my colleague with respect to any proactive steps we might take with the Government of Ontario. We obviously have to respect the jurisdiction of the Government of Ontario in this matter. However I would like to tell my friend that there were a number of companies indicating interest for short line operations in the province of Ontario as well as other parts of the country based on a couple of reasonably good experiences that we have had in Canada with that type of operation.

I think it would be fair to say that since that legislation was brought forward and passed at Queen's Park that interest has diminished very significantly. It is unfortunate because there will be undoubtedly many opportunities for short line operators to take over rail lines in various parts of Canada. It is sad that they are not going to have an opportunity, I do not believe, to do it with the same kind of facility in Ontario as would have been the case had this legislation not been passed.

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**VANCOUVER PORT AUTHORITY**

**Mr. Mike Scott (Skeena):** Mr. Speaker, my question is for the Minister of Transport.

The Vancouver Port Authority recently approved a Las Vegas style casino project even though such for profit casinos are not legal in British Columbia. Could the minister explain why a federal authority is approving tenders for activities that are currently illegal in British Columbia?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, obviously the proposal that has been taken under consideration by the Vancouver Port Authority is not one that would allow through any measures that authority could undertake for illegal activity.

I do want to answer my friend by saying that one of the policies that we are following in this government, not only with respect to ports but also obviously as we move toward devolution of control for airports, will be to allow for local autonomy. One cannot have it both ways. I am sure that the people on the ground in the greater Vancouver area who have the direct responsibility for management of that area, both the real estate as well as the port, will take into account the best interest not only of that region but of the province of British Columbia and certainly would not be prepared to act in any way that would be contrary to the law.

**Mr. Mike Scott (Skeena):** Mr. Speaker, I thank the minister for his answer. I have a supplementary question.

This project has caused much concern among the people of British Columbia. The federal government clearly has no mandate to develop casino gambling across Canada.

Could the minister explain to the concerned citizens of British Columbia and indeed all Canadians, given the complete absence of public consultation, how and why the federal government decided to approve this casino project?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, first let me clear up a statement that was made by the member that I am sure he did not intend to mislead the House with and that is that the Government of Canada does not approve that particular situation. There is a local board that is autonomous and is appointed. It is made up of a number of representatives chosen in a very broad selection process.

The question of what will happen with that land, in my view, is far from determined finally because the Government of British Columbia will have a great deal to say about that. As he says, the law does not permit casino activities at this point. I think it is an opportunity for residents of the area to review the matter and make their views known to the Government of Canada, to the Government of British Columbia and obviously to the port authority.

However, there is certainly no final decision on this. I understand the preoccupation of the member as well as many of the people in British Columbia with respect to this particular proposal.

*Oral Questions*

[Translation]

**CABLE BROADCASTING INDUSTRY**

**Mr. Benoît Sauvageau (Terrebonne):** Mr. Speaker, before I put my question, I would like to say that there should be and there can be transparency when people are aware of current political affairs. This is not always obvious to the other side.

(1445)

My question is for the Prime Minister. Rogers Communications is poised to take over the Maclean Hunter Group. This blockbuster transaction will create a virtual monopoly in the cable broadcasting industry, a situation which raises some important questions as to the level of competition within this industry.

My question is this: Does the Prime Minister recognize that this takeover will create a monopoly in the field of cable broadcasting and that this situation will adversely affect rates and the variety of information available to consumers?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I believe that before any approval is given, a submission must be made to CRTC commissioners. I am not in a position to comment on a ruling by this commission before public hearings are held.

**Mr. Benoît Sauvageau (Terrebonne):** Mr. Speaker, I believe we are here to get some answers.

Does the Prime Minister not recognize that this monopoly in the cable broadcasting industry and Rogers' 32-per-cent ownership of Unitel shares give this company an unfair advantage over its cable and telephone industry competitors in terms of the development of the information highway?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, this matter does not come under ministerial jurisdiction at this time. The Parliament of Canada established a wholly independent commission to rule on acquisitions of this nature in such areas. The only power we have, and it is quite limited considering Parliament's wish that decisions be made by people outside the executive, is to wait and see what the Commission's ruling on this matter will be. It is not that we do not want to answer the question, it is that we are not in a position to provide an answer.

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[English]

**CROSS-BORDER SHOPPING**

**Mr. Jake E. Hooppner (Lisgar—Marquette):** Mr. Speaker,

my question is for the Minister of National Revenue.

The government has extended the hours of several Canada customs ports of entry in Manitoba. Smugglers know to stay away from these ports, but more Manitobans are being encouraged to go south of the border to take advantage of cheap food, liquor and gasoline.

Is the minister aware that the only impact of his actions are Canadian dollars going south and this is hurting Manitoba business people, not smugglers?

**Hon. David Anderson (Minister of National Revenue):** Mr. Speaker, the extra customs activities at the border are having an effect on smugglers and are beneficial from that point of view.

I do not agree with the hon. member's contention that it is the job of national revenue to make it difficult for Canadians to cross the border, whether they live in Manitoba or in any other place. If Canadians are finding extended hours useful for them in their activities I think that it is something Canada customs would regard as a side benefit from the attempts they are making to curb smuggling.

**Mr. Jake E. Hooppner (Lisgar—Marquette):** Mr. Speaker, I appreciate that answer.

I would like to point out to the hon. minister that on February 25 Manitoba RCMP arrested two men for smuggling \$28,000 worth of liquor and tobacco. The truck had been driven across the border at a point not controlled by Canada customs and was stopped at Elie, approximately 100 miles from the border.

Would the minister consider making one of those tough decisions, close these border points at night and transfer the funds to extra RCMP supervision of these border crossings?

**Hon. David Anderson (Minister of National Revenue):** Mr. Speaker, among the many measures that were announced with respect to smuggling was the beefing up of patrols by the RCMP. There will be more RCMP officers involved in this than there will be customs officers. This was announced by the Prime Minister, the Solicitor General and myself some weeks ago.

Certainly we do not expect to pick up all smuggled shipments at the border. We do expect to pick them up either in Canada or sometimes in the United States prior to reaching the border, as happened with a large number of semi-automatic weapons quite recently.

I congratulate the member for pointing out the efficiency of the RCMP and the customs service in picking up smuggled goods, but I would point out to him that we do not rely only on the physical proximity to the border to make such seizures.

*Oral Questions*

(1450)

**CANADIAN WHEAT BOARD**

**Mrs. Marlene Cowling (Dauphin—Swan River):** Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food.

Our red book platform promise was to maintain the Canadian Wheat Board. There are some groups on the prairies, particularly one identifying itself as the alliance which is promoting the idea of a farmer plebiscite on the removal of barley from the sole jurisdiction of the Canadian Wheat Board.

I would ask the minister of agriculture if he has considered the possibility of consulting the farm community about strengthening the power of the board by bringing oats back on to the board and by expanding its jurisdiction to the international market.

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food):** Mr. Speaker, I want to thank the hon. member for her question and for her interest in the Canadian Wheat Board.

This question and others that have been asked reflect the diversity of opinion in western Canada with respect to the operations and the jurisdiction of the wheat board. I continue to have a great many consultations and discussions with the board and with others, particularly with farmers, about the board's operations and its future direction.

With respect to the matter of a plebiscite, there are many differing views on the question. Indeed some who had argued against a plebiscite a year ago are now arguing in favour of one and vice versa.

In considering the government's position we will keep the hon. member's representations in mind. My objective, and it is the objective of the government, is to obtain the very best possible marketing results for farmers both now and in the long term. Every action of the government will be very much aimed in that direction.

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*[Translation]***OFFICIAL RESIDENCES**

**Mr. Laurent Lavigne (Beauharnois—Salaberry):** Mr. Speaker, my question is for the Minister of Public Works. Last February 16, the Minister of Public Works was not able to tell the opposition what amounts will be spent for the renovation of the official residences of the Prime Minister, the Leader of the Opposition, the Speaker of the House, as well as the summer cottage of the Prime Minister at Harrington Lake.

Since the question was asked a month ago already, is the Minister of Public Works in a position now to tell us about the scope of these renovations, or is he still too uncomfortable to

justify such spending in times of budget austerity and salary freeze?

*[English]*

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency):** Mr. Speaker, the hon. member knows quite well that the minister responsible for Canadian heritage whose jurisdiction this matter falls within is away on government business.

I will endeavour to ascertain the information requested. I am certain I can report back to the House and to the hon. member with the specific information requested.

*[Translation]*

**Mr. Laurent Lavigne (Beauharnois—Salaberry):** Mr. Speaker, I will ask my supplementary to the Prime Minister, because there does not seem to be a great deal of communication between him and his minister. Why does the Prime Minister not intervene regarding the money spent on these residences, particularly Stornoway, the residence of the Leader of the Opposition, which is not even being lived in?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I cannot speak on behalf of the commission responsible for these official residences. However, I can tell you that, as regards the residence of the Prime Minister as well as his summer cottage, no renovation of any kind will be made, as everyone knows. I did not buy furniture; instead, I used what was available, in order to limit spending as much as possible. As far as I know, no major renovations are to take place.

It may be that a plumber will have to do some work, but I am not going to throw him out! However, nothing major is scheduled for 24 Sussex, nor for the residence at Harrington Lake. There could always be some technical problem. Unfortunately, I had to answer so many questions today that I did not have time to study my book on how to solve these technical problems.

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*[English]***HUMAN RIGHTS**

**Mr. Garry Breitkreuz (Yorkton—Melville):** Mr. Speaker, my question is for the Minister of Justice.

On January 27 the minister announced in the House the government's intention to introduce amendments to the Human Rights Act which "will include sexual orientation as a ground upon which discrimination is prohibited".

Could the minister tell the House what is the government's definition of sexual orientation?

*Oral Questions*

(1455)

*[English]*

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, that provision is now in the human rights codes or statutes of seven of the ten provinces. It has also been broadly dealt with in the jurisprudence as cases have come before the courts and tribunals with respect to the rights of individuals.

I think that in Canadian law there is no question about the meaning of that term in statutes such as the Canadian Human Rights Act. I commend the decisions of the courts to my friend, the hon. member, if there is any doubt in his mind.

**Mr. Garry Breitkreuz (Yorkton—Melville):** Mr. Speaker, my supplementary question is for the Minister of Justice.

Will the minister include a definition of sexual orientation in the legislation he proposes, and will this definition be clear enough to prevent pedophiles from launching successful court challenges of discrimination for acts that are clearly prohibited in the Criminal Code?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, in matters involving the law, as in so much else in life, we are governed by that which is reasonable. If I may say so, I do not believe it is reasonable for anybody to interpret the term sexual orientation as it appears in human rights legislation as including pedophiles or others who engage in criminal conduct.

As I mentioned in my response to the hon. member's first question, it is my belief that judgments of courts and tribunals across the country interpreting legislation that is already on the books in many provinces makes the meaning of that term abundantly clear. We have no intention to make that additional provision in the proposed amendments.

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*[Translation]***ALLAN MEMORIAL INSTITUTE**

**Mr. François Langlois (Bellechasse):** Mr. Speaker, my question is directed to the Minister of Justice.

During the last election campaign, the Liberal Party of Canada promised to compensate the families of victims of the brainwashing experiments using electroshock therapy and drugs, conducted at the Allen Memorial Institute in Montreal in the fifties and sixties, but the Minister of Justice has just refused to compensate these families.

Could the Minister tell us whether he intends to follow up on his party's promise of financial assistance or are we to understand that the government has reversed its position?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the role of the Department of Justice in the program that was instituted to compensate those who were victimized by the program in question is to assess each application in terms of the provisions of the order in council which created the fund and to determine whether the applicants meet the criteria established by that legislation.

That is precisely what we have done. In each case, many of which have come to my notice by way of applications for review, we have carefully matched the circumstances of the applicant with the parameters of the order in council. I am satisfied that in each such case we have followed the law to its letter.

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**THE BUDGET**

**Mr. Cliff Breitkreuz (Yellowhead):** Mr. Speaker, my question is for the Prime Minister and was inspired by Annie du la Chevrotiere of Brackendale, British Columbia.

Recently the Minister of Finance stated that his ultimate goal is to eliminate the deficit and balance the national budget. If the Prime Minister agrees with his Minister of Finance, will he commit to making a balanced federal budget a requirement of law?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, as the sound of the name is French perhaps I should reply in French because it is not the hon. member's question but was apparently asked by somebody else.

Every government wants to balance its books. No government wants a deficit. We have a target that is very well established in the red book to reduce the deficit in relation to GNP to 3 per cent and we intend to do that. Of course when we get to 3 per cent we will try to go lower and the day we have a balanced budget I will be extremely happy. But I cannot guarantee that to anybody.

Even if we were to pass that law, sometimes things happen which are completely outside the control of government and we have to meet those needs. It is a kind of dream to think that passing a law will balance the books. They have done it in the United States for how many years? They still have a problem there too. It is a problem around the world.

In Canada we have the problem but it is no worse than the one in Europe. Our deficit in relation to GNP is 6.2 per cent and the average in Europe is 6.5 per cent. I am not happy with that. I want to reduce it to 3 per cent in the next three years. After that we will go lower with everybody's help.

*Routine Proceedings*

(1500)

**SOCIAL PROGRAMS**

**Mr. Andy Mitchell (Parry Sound—Muskoka):** Mr. Speaker, a recent poll shows that Canadians support the government's initiative to reform social programs. Yet some individuals have expressed concern that the government's objective may be solely to cut services and programs.

What assurances can the parliamentary secretary to the human resources minister give the House that indeed the government's prime objective is to provide Canadians with better, more efficient services?

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development):** Mr. Speaker, I can assure the hon. member and Canadians that we have no intention of cutting services for the Canadian people. We are working with the provincial governments to bring about more efficient delivery of services.

The single window initiative will improve service to clients, will eliminate duplication and waste and will increase administrative efficiencies. As a matter of fact last week we opened a new employment resource centre in Ottawa that will merge the two services.

We plan to give Canadians only the very best.

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

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 16 petitions.

**COMMONWEALTH DAY**

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, today is Commonwealth Day, celebrated annually on the second Monday in March to mark the establishment of the modern Commonwealth.

Each year a special theme is attached to this day. The focus this year is on sports and the Commonwealth. This theme has special significance for Canada because we will be hosting the 15th Commonwealth Games this summer in Victoria, British Columbia. For an unprecedented fourth time in the history of the Commonwealth Games, Canada will have the honour of hosting the Commonwealth's festival of sports and culture.

The Commonwealth exemplifies unity and diversity and the strength of multilateralism and co-operation. Almost one-quarter of the world's population now forms the Commonwealth.

Through the Commonwealth, Canada is linked with 49 other countries of various races, faiths, languages, cultures and traditions. The Commonwealth provides an opportunity for Canada to enhance its relationships with the member countries and to advance Canadian foreign policy interests.

Canadians can take pride in the accomplishments of the Commonwealth to which Canada has contributed greatly over its long and vital history. Arnold Smith, a remarkable Canadian diplomat and the first Secretary General of the Commonwealth who unfortunately died last month, is just one example of the dedicated Canadians who have helped to build the Commonwealth and its institutions. Canada will continue to contribute to the Commonwealth through the 1990s and beyond.

In just over one month Canadian observers will be present alongside other Commonwealth and international observers for the first ever democratic elections in South Africa. These elections are an important step in that country's history.

After having assumed a leadership role within the Commonwealth and the fight against apartheid and for universal suffrage these elections also hold a very special significance for Canada and Canadians. Our efforts in the aftermath of these elections will not diminish.

(1505)

I assure hon. members and Canadians that we will continue to be a prominent member of the Commonwealth to mobilize efforts to promote fundamental human values. These basic values lie at the heart of the Commonwealth and were reaffirmed in the landmark 1991 Harare declaration.

The people to people linkages holding the Commonwealth family together are numerous and are found in every sector and we will continue to promote them. It is in this spirit that we intend to host the Commonwealth Games this year.

I ask all members to join with me today in recognizing the importance of Canada's membership in the modern Commonwealth.

*[Translation]*

**Mr. Gilles Duceppe (Laurier—Sainte-Marie):** Mr. Speaker, it is a pleasure for the Bloc Québécois to join the government

today in recognizing the importance of Canada's membership in the Commonwealth. As you know, the Bloc Quebecois remains vigilant to ensure that resources allocated by the federal government to the francophonie reflect its importance in Canada and correspond to the priorities established by Quebec and the francophonie as a whole.

That being said, we have no intention of neglecting Canada's relations with the Commonwealth. As the Leader of the Opposition has said before, the Commonwealth is a very important forum for Canada to maintain close ties with nearly 50 countries throughout the world and to encourage the exercise of the rights and values cherished by Canada and Quebec.

On Commonwealth Day, I think it is important to recall that a sovereign Quebec would wish to maintain those ties. Without taking on additional financial burdens, Quebec would be able to maintain and intensify its relations with countries in the Caribbean, Asia and Africa. A sovereign Quebec will want to be more open to the world, and I think this should give you a clear indication of what its position will be.

The Bloc Quebecois is pleased to celebrate this commemorative occasion under the special theme: "Sports and the Commonwealth". And we are certain that Canada will be the perfect host this summer at the Fifteenth Commonwealth Games in Victoria.

[English]

**Mr. Bob Mills (Red Deer):** Mr. Speaker, on this Commonwealth Day we should take a moment to think of the advantages to Canada of being a member of the modern Commonwealth.

As the minister said, it certainly gives us an opportunity to enhance our position in the world as a potential leader of one-quarter of the world's population. It gives us a chance to demonstrate our expertise, technology and service to a major world trading bloc. It also gives us the opportunity to do something independent of the United States. That has its benefits for our national unity as well.

It is particularly meaningful this year that the Commonwealth Games will be held in Victoria. By allowing us to host this unique event, through the competitiveness of athletics we can understand our strengths and weaknesses. We can take this opportunity to understand the customs, traditions and the ways of thinking of other people in the Commonwealth.

The Olympics has given us a great world hope for the future and has created an environment for potential greater unity. I am sure the Commonwealth Games will be an extension of this goodwill. Our Victoria friends will do the very best job of hosting them. I think back to when Edmonton hosted this event and the great associations and friendships made during that occasion.

I was also interested in the minister's comments on our commitment to South Africa. I am concerned about South Africa as well and the democracy taking place there. Before we commit ourselves to what I understand could be in the neighbourhood of 50 people, we must ask what the cost will be, what will actually

### *Routine Proceedings*

be done and what actual value there is to Canadians. I was personally asked to get involved in this process. I must admit I have great difficulty doing so unless I can have those three questions answered during these difficult economic times.

(1510)

We in the Reform Party recognize the importance of Canada's membership in the modern Commonwealth and we continue to support that membership.

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### OMBUDSMAN ACT

**Mrs. Beryl Gaffney (Nepean)** moved for leave to introduce Bill C-221, an act establishing the office of ombudsman and amending acts in consequence thereof.

She said: Mr. Speaker, the purpose of this act is to establish the institution of a federal ombudsman. This would be an independent and non-partisan officer of this Parliament who would supervise the administration, deal with specific complaints from the public against the administrative injustice and the maladministration and who would have the power to investigate, criticize and publicize but not to reverse administrative action.

A federal ombudsman with his or her wide powers of investigation, which is something we as MPs do not have, would be able to handle the flow of complaints for which parliamentary procedure is less suitable and to strengthen the present system at its weak point.

Furthermore, a federal ombudsman would be the servant of Parliament and answerable to it alone.

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

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### EXCISE TAX ACT

**Mrs. Beryl Gaffney (Nepean)** moved for leave to introduce Bill C-222, an act to amend the Excise Tax Act (extremity pumps).

She said: Mr. Speaker, some people for health reasons require a piece of medical equipment called an extremity pump. It is the supply of an extremity pump that releases swelling caused by lymphedema of the legs in particular.

I am simply asking that the Excise Tax Act be amended to allow for this extremity pump.

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

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### INCOME TAX ACT

**Mrs. Beryl Gaffney (Nepean)** moved for leave to introduce Bill C-223, an act to amend the Income Tax Act (air conditioners).

*Routine Proceedings*

She said: Mr. Speaker, the purpose of Bill C-223, which is an act to amend the Income Tax Act, concerns the cost of an air conditioner required for health reasons. To be more specific, people who suffer from multiple sclerosis find it very difficult to breathe during the hot humid summer months and would like an air conditioner. As it would be used for health purposes, its cost would be included as a medical expense under the medical expense tax credit under the Income Tax Act.

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

\* \* \*

(1515)

**PETITIONS****KILLER CARDS**

**Mr. John Richardson (Perth—Wellington—Waterloo):** Mr. Speaker, it is a pleasure to present a petition on behalf of residents of my riding of Perth—Wellington—Waterloo.

The nature of the petition is to enact legislation to ban the selling of serial killer cards in Canada and I support this petition.

[Translation]

**SOCIAL HOUSING**

**Mr. Gilbert Fillion (Chicoutimi):** Mr. Speaker, pursuant to Standing Order 36 and speaking on behalf of my constituents, I wish to present a petition asking the government to fully reinstate the budget for social housing. This petition, with 293 signatures, is being presented to ask the government to act on its responsibility to the most vulnerable members of our society by guaranteeing them the right to housing.

[English]

**ABORTION**

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs):** Mr. Speaker, it is my duty, pursuant to Standing Order 36, to present a petition signed by residents of the greater Toronto region.

The petition states the response to petition 343-2034 avoided the thrust of the petition, namely the rights of individuals under the Charter of Rights and Freedoms and the individual and dealing with abortion and Bill C-43. The Canadian Charter of Rights and Freedoms applies to the Parliament and Government of Canada and article 15(1) states: "Every individual is equal before and under the law and has the right to equal protection and equal benefit of the law".

The petitioners pray and call upon Parliament to urge the government to prepare a response to this petition which

addresses why "individuals within the bodies of their mothers" are not individuals with rights under the charter for Parliament to honour.

The petitioners urge the government to honour Parliament's obligation under the Canadian Charter of Rights and Freedoms and provide equality before and under the law and equal protection and equal benefit of law for individuals within the bodies of their mothers from fertilization to the end of the birthing process. In duty bound, the petitioners will ever pray.

**CANADA POST**

**Mr. John O'Reilly (Victoria—Haliburton):** Mr. Speaker, pursuant to Standing Order 36, I am pleased and honoured to present a petition signed by a number of constituents from Victoria—Haliburton, duly certified by the Clerk of Petitions.

The petition signed by many seniors who live in and around the Diplomat apartment building in Lindsay, Ontario, request that a mailbox be located near the residence to provide them with better access to Canada Post services.

The petition was circulated by Mrs. Jean Birchard, a resident of the apartment building, and calls on Parliament to consider locating a mailbox in the vicinity of 53 Adelaide Street North for the convenience of the residents of this building and the surrounding residential district.

**KILLER CARDS**

**Mr. Paul DeVillers (Simcoe North):** Mr. Speaker, I have two more petitions to present pursuant to Standing Order 36 requesting amendment to the laws regarding killer cards.

I am aware of the difficulties and the possible restriction on the freedom of expression with these petitions, but I believe that because the victims of these crimes are often women and children and these killer cards are in effect glorifying violence against women and children I must support these petitions.

\* \* \*

**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, Question No. Q-2 will be answered today.

[Text]

Question No. 2—**Mr. Taylor:**

Who was asked to conduct a review of Canada Post's rural conversion plans, what resources were provided for the review process and what criteria and direction was given to those asked to conduct the review?

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency):** For many years, the government has

*Supply*

heard from concerned Canadians across the country in regard to the closure of rural post offices and, as a result, made the commitment to review the conversion program put forward by Canada Post Corporation.

On November 12, 1993, the government declared a moratorium on the closure of corporate operated rural post offices.

The moratorium, initially set for a period of one month, was extended indefinitely to allow for a comprehensive assessment. During that period, consultations were held with Canada Post, labour leaders and various community groups.

As a result, on February 17, the government placed an indefinite moratorium on future closures of all rural and small town post offices in Canada.

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

**Mr. Milliken:** Mr. Speaker, I would ask that all remaining questions be allowed to stand.

**The Deputy Speaker:** Shall the remaining questions stand?

**Some hon. members:** Agreed.

(1520)

**The Deputy Speaker:** I wish to inform the House that, pursuant to Standing Order 33(2)(b), because of the ministerial statement and replies, Government Orders will be extended by eight minutes.

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## GOVERNMENT ORDERS

[*English*]

### SUPPLY

#### ALLOTTED DAY—THE BUDGET

The House resumed consideration of the motion.

**Mr. Morrison:** Mr. Speaker, I rise on a point of order. Immediately prior to members' statements we had a speech from the hon. Minister of Public Works and Government Services. It was very eloquent although somewhat inflammatory.

I believe that there is still time remaining on the clock and I am wondering if comments on that matter are possible.

**The Deputy Speaker:** That is an excellent question from the hon. member. The procedural expert advises me that if the minister who made the statement is not here, a member who wishes to reply may not do so.

Another time perhaps the hon. member would persuade the minister to come back. However, that was a very good procedural effort.

**Mrs. Diane Ablonczy (Calgary North):** Mr. Speaker, I believe there are two related fundamental questions which must be considered when considering the motion before the House today. First, can Canadians continue to live on borrowed money? Second, should Canadians continue to live on borrowed money?

We ought to acknowledge that it is very pleasant to live on borrowed money. Certainly Canada has enjoyed that position for over 20 years now and it is even desirable if only immediate benefits are the consideration.

However, I believe that living on borrowed money for our country amounts to short term gain and a lot of long term paying. Addressing the question of whether Canada can continue to live on borrowed money, the answer obviously has to be no, not in the long term.

We are already starting to drain away money that would otherwise have been available to fund our health care education and pension programs by the interest obligation that we have built up on the half trillion dollars plus that we have managed to borrow in the last 20 years.

Our interest obligation is this year \$41 billion. We are borrowing only \$39.7 billion. Therefore we are not even borrowing enough this year to cover our interest payment. We are going to have to take away tax dollars that could have gone to fund social programs if we had not built up in the last 20 years this interest obligation.

This means also that for 21 years plus our creditors have funded an artificially high standard of living for our country. I would submit that anyone who lives on an artificially high standard of living for very long is going to have to face reality one day. That includes our country.

Unfortunately the government says that it intends to put us even further in the hole over the next three years by borrowing another \$100 billion more than we earn. Even if interest rates were so fortunate as to stay at around 5 per cent, on the \$100 billion the government is going to borrow we will have to pay each and every year forever \$5 billion.

That is a lot of money. The interest today that we are paying amounts to \$1,200 per second and that is money that could be helping a lot of Canadians if it were not going down the drain in interest on high living for the last 20 years.

Anyone who has ever run a business or managed a household budget or even the allowance in their piggy bank knows that if one keeps spending more money than is coming in soon one will find oneself in trouble. That is a simple fact of life.

(1525)

Unfortunately our leaders seem to be the only ones who act as though real life truths need not apply to their decisions. As more and more of our income is spent each year on interest, we are going to have less to spend on health care, education and pensions, let alone on the new programs that governments keep introducing, 18 in this particular budget.

*Supply*

Every dollar that has to go to government in taxes to pay this interest and to pay for government programs is one less dollar that can be invested to build and create business and job producing activity.

This is not a healthy state of affairs. Sir Roger Douglas, a former finance minister of New Zealand, stated: "The only justification for the government taxing people and then spending the money for them is if the government can demonstrate some special skill or knowledge that the average person does not have in how to spend the money". He then said: "I simply do not believe that".

I think a lot of Canadians would agree that governments in the past and present have not demonstrated any special skill in spending our money for us as Canadians.

Saddest and most disturbing, however, are the consequences of governments setting this great country on a course of living on borrowed money. It makes future taxpayers the ones who get stuck with the bill. Sometimes driving down the road one will see a bumper sticker, quite often on a nice motor home, saying: "We are spending our children's inheritance". This is true: in Canada today we are spending our children's inheritance. We are spending their future earnings.

This reprehensible behaviour amounts to taxation without representation. Instead of paying our own way, enfranchised Canadians today through their elected leaders are literally spending money that will have to be paid back with interest obligation by our children and our grandchildren. We have heavily mortgaged their future so that today we can have expensive and comfortable programs.

We are not justified in spending the birthright of future generations of Canadians. I would further submit that we have a duty to protect the interests of those who have no say in the burdens that are being placed upon them. They are the ones who are going to have to live with our mistakes. In 20 short years we are already worse off than if we had not borrowed a nickel.

The money that we bring in today is now not entirely going to fund the help that we want to give disadvantaged people of our society. Some of it is already starting to go to pay interest. As that increases more and more of our income and our tax dollars are going to have to go to interest. We will have fewer and fewer dollars to fund important programs like health care and education and pensions. Pretty soon those programs are going to be squeezed out of existence. They are already being eroded right across the country.

We in the House ought to join together and make the sometimes tough choices needed to secure our children's future. The motion before us today makes four modest proposals to take us in that direction. First, the motion urges us to say no new programs and, second, to put spending caps on the discretion of

government. The Reform Party has proposed a very modest spending cap of only 6 per cent. There is barely a household or business in the entire country that has not cut its spending by at least 6 per cent and, I would venture to say, a good deal more than that in the majority of cases. Yet members of the House in both the Official Opposition and the government parties would not even support such a minuscule spending cap by the House. I say that is to our shame.

(1530)

The third proposal we have put forward is to require progress reports on deficit reduction by those responsible for handling our finances and our fiscal affairs. That is an accountability measure which is only prudent in any company or enterprise.

Last, as leaders, as people who have been entrusted not only with today's affairs but with the well-being of future Canadians, we have to put together a plan for corrective action where we should not be moving further in the direction of living on borrowed money.

For the sake of young and unborn Canadians, I appeal to members of the House today to show the courage and the leadership to support the motion before us.

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs):** Mr. Speaker, I thank the hon. member for her arguments which were presented very clearly. I am a little shocked that she and her party would want to cut and not invest in the youth service corps, something which they threw into their motion.

My question for the hon. member is: Which is going to cost the taxpayers of Canada more? Is it the young people between 18 and 25 who are not in school or not working? Their self-esteem goes down. They will probably get hooked on drugs and steal to pay for the drug habit. The girls will probably hit the streets as prostitutes.

Does the hon. member feel that she will save the taxpayers more money by driving our young Canadians in that direction, or will we save Canadians more money by putting these 18 to 25 year old Canadian students who are probably dropouts, not in school, cannot get jobs, by involving them nine months in a youth corps program where they will work on community projects, where they will learn skills which will build up their self-confidence, their self-esteem and hopefully at the end of the youth corps program be able to find a job?

Which will cost the taxpayers more, her idiotic program of cutting the youth corps or what we are presenting in the youth corps?

**Mrs. Ablonczy:** Mr. Speaker, the doom and gloom parade by the member opposite in his comment would do the Reform Party proud, I would think.

*Supply*

I must say I do not think words like idiotic really add a great deal to the debate. As leaders of this country we have an obligation to discover and consider serious issues in a serious and thoughtful way. I would appeal to the member opposite, through you Mr. Speaker, to do that for the sake of Canadians who are looking to us for leadership.

In the past 20 years, with a great deal of borrowed money from our youth, we have put into place, and the government opposite was responsible for much of this especially in the early days, program after program after program that was supposed to help Canadians, young Canadians, increase employment and do all of the things the government says it is going to do. All it has done is add to the burden placed on our young folks.

I would challenge not only the hon. member who just spoke but all members of the government to think about what is going to happen in 20 years. Are the young people of the country who are going to be our taxpayers, business people and the people responsible for our affairs going to stand and say: Good for you guys, spending this money on a youth corps in 1994? Are they going to say boy, did you ever turn our country around, or are they going to say look where you guys put us, look at the hole we are in, look at the tax burden that is on us, look at the irresponsible way you handled our future? I ask the member to ask himself that question.

(1535)

**Mr. Sarkis Assadourian (Don Valley North):** Mr. Speaker, when reading the opposition motion I came across two sections which say "with all parties". This party has a plan and we want to get it through with the co-operation of the other parties. I hope hon. members on the other side will support our plan.

I also mention that statements made today in the House sound very similar to the statement of the former Prime Minister who said that there would be jobs for Canadians by the year 2000. The government does not have the time to wait for the year 2000 to put Canadians back to work. We have to put Canadians back to work now.

This morning in my constituency office I met two young people who used to be in a position of giving jobs to others. Now they are looking for a job. These people cannot wait until the year 2000 to get a job. We all know what happened to the previous Prime Minister.

**Mrs. Ablonczy:** Mr. Speaker, with respect to the first comment of the hon. member about developing a contingency plan in consultation with all parties, I would emphasize that this is a contingency plan for corrective action, if we read the words in the motion. We do not consider the present plan put forward by the government to be the proper plan for Canada for reasons that I have just expounded on at some length. However the plan we need to put together is a corrective plan.

I would say again that yes, we can spend whatever money is necessary to put a few people back to work. Yes, we can do that

and it would be nice for them. What I would appeal to the House to do is look at the long term and look at what is best over all.

**Mr. David Chatters (Athabasca):** Mr. Speaker, I rise in the House today to speak in support of this motion. I and my party believe that if we do not drastically alter our economic policies Canadians will be facing an economic crisis in this country equal to or worse than what was experienced in the 1930s. Many senior Canadians today still remember the famine, financial hardship and personal despair of those years.

Today, because of government overspending, ballooning deficits and accumulated debts of the last 25 years, we could soon be facing a similar disaster. Clearly, when one cuts through the rhetoric, misguided optimism and smoke and mirrors of this recent budget, it does nothing to set a new direction or chart a new course for economic healing that we must see if we are to avoid this looming crisis.

Therefore we in the Reform Party are presenting some constructive actions and offering co-operation to the government in seizing the window of opportunity before it is lost for another four or five years.

In the business and non-political community there is general acceptance that we cannot continue to spend huge sums of money over and above our income. Why is it then that the government accepts with many accolades that we should spend in the next fiscal year \$3 billion more than last year, accept another deficit of \$40 billion and accept \$100 billion more debt in the next three years on top of the outrageous \$500 billion we now carry?

In modern history where are the examples of countries where governments with debt loads of 100 per cent of GDP were able to stimulate economic growth without becoming involved in another world war? I submit there are many examples of the consequences of government overspending and mismanagement which have brought once prosperous countries to their economic knees. Sweden and New Zealand are but two of the most recent examples.

Speakers and writers from these countries do not like to talk much about the real devastation and hardship that the economic restructuring of these economies caused. However, if one probes behind the stories of rebirth and of economic health there are also stories of despair, bankruptcy and real hardship when there is a major withdrawal of the social safety net, a devaluation of the currency and a downsizing of the bureaucracy.

(1540)

In spite of these examples, as I have listened to the debate since budget day, I have heard one government member after another praise the Minister of Finance for presenting a budget that will solve the economic ills we face today. They accuse us of being uncaring, racist and without compassion because they say our proposals are Draconian and meanspirited.

The best example of this rhetoric was this morning when we were accused of abandoning the interests of Canadian youth.

*Supply*

The best example of the abandonment of the interests of our Canadian youth has to be the mortgage that we have placed upon the youth of today, offering as an alternative nine months of community service cutting grass and cleaning up the highways for students who worked hard and struggled long hours to achieve university degrees and high school diplomas. It is a disgrace.

I suggest members opposite pull their heads out from the sand and stop misleading and deceiving Canadians by telling them that we can solve our current problems with no hardship or sacrifice. This might have been true at least to some degree when Mr. Trudeau defeated Mr. Joe Clark, or even when Mr. Mulroney defeated Mr. John Turner. However, today with the debt growing faster and faster and with debt servicing combined with social spending consuming 90 per cent of government spending, there is simply no miracle cure and no easy way out.

Therefore let us be honest and, in the best interest of all Canadians, let us work together to inform Canadians about the seriousness of this problem and then present to them a credible, rational, well thought out plan to deal with the crisis.

It is also clear from the debate on the budget that the members of Her Majesty's Loyal Opposition have no grasp of the problem or any rational solution when they suggest that social spending is untouchable and if we cut the fat from government operations we can return to economic health. Surely they must realize that the entire cost of government operations amounts to only half of the current year's deficit.

I believe that an examination of political history here and elsewhere would show that it would be in the best interest of this government to demonstrate some honesty and leadership in dealing with the deficit. Clearly if a government is dedicated to improving Canada's economic health and moving it out of these tough economic times it will have to make those moves in the first year of its mandate, if it is to reap the benefits of those measures at the polls in the next election.

If those members opposite continue to mislead Canadians with statements like "we don't really have a spending problem, we have an income problem", they surely will only incur the wrath of the electorate when they realize the utter incompetence of such statements.

I know without a doubt what the consequences would be if I or any of the members opposite were to go out and purchase with borrowed money an expensive car, a luxurious home or an opulent boat and then when the banker presses for payment tell him: "I don't have a spending problem; I have an income problem". The consequences of such an action would be the

same as the consequences for Canada: bankruptcy and financial collapse.

In conclusion, I urge these members opposite to remove their partisan blinkers and for the preservation of our wonderful country please examine carefully and honestly where we are heading in this country. With the same care and honesty, I urge members to examine this motion and our offer of co-operation before they cast their votes in the traditional partisan political fashion.

**Mr. Peter Adams (Peterborough):** Mr. Speaker, I have been listening with interest to speeches from the other side of the House today, attacking our efforts to assist the young people of Canada, giving derogatory descriptions of the youth corps before it has been possible to put the youth corps in place and see what can actually be done. From what I hear people think it is a make work project, moving sand and gravel from one place to another; whereas in fact it is a program designed to help communities and young people to gain experience which will bridge the difficult transition between school of various sorts and the workplace.

(1545)

The member just said that the youth corps program was our only alternative for these young people. I wonder where the member has been in the last 10 years, the years in which the deficit has grown to these astronomical levels.

We think in the United States of Mr. Reagan, in Britain of Mrs. Thatcher and in Canada of Mr. Mulroney with their slash and burn policies which not only created these huge debts and deficits but created in each of the jurisdictions serious unemployment problems, particularly among the youth who are being attacked by this motion of the Reform Party today.

What suggestions does the member have other than slash and burn for helping young people today, next week and the week after?

**Mr. Chatters:** Because we on this side of the House have yet to receive any details about the youth corps program we can only judge the merits of the program from similar programs presented by previous governments. In my opinion those programs were dismal in providing meaningful employment to students of our universities and high schools. Certainly that has been the experience.

Further to the hon. member's comments, the best thing we could do for our young people is to cut the tax burden and allow private enterprise to create jobs and get the economic engine of this country rolling. Stop trying to do what governments have been trying to do since time immemorial, that is create employment through government spending and borrowing money.

*Supply*

**Mr. Paul Szabo (Mississauga South):** Mr. Speaker, the previous speaker gave some numbers in the House about the Liberal Party adding another \$100 million to the debt over the next three years. Other speakers from the Reform have indicated the same thing as if their financial plan during the campaign would not have added to the debt. I wonder why there is this double standard.

In his closing statement the hon. member said we have to stop spending on these kinds of programs for the benefit of all Canadians. I wonder if the member might want to consider whether he is talking on behalf of Canadians who have rather than on behalf of Canadians who have not.

**Mr. Chatters:** Mr. Speaker, I am a Canadian who considers himself to be a have not. I am very much a grass roots Canadian. I speak for those of my social and economic level.

It would appear to me from what I have heard from the members opposite that perhaps the government wants us all to be have not people in our society. We are not saying that many of the programs proposed in the budget are not good programs, are not worthwhile programs, our problem comes when we borrow money and we increase debt to support those programs.

If we can afford these programs we should provide them for Canadians. At a time when we can no longer afford them we have to cut back on programs provided for Canadians.

**Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, may I indicate to the Chair and to the House that government members speaking on this motion will be dividing their time for the remainder of the debate.

I am pleased to have this opportunity to rise in the House and address this motion. On February 22 the Minister of Finance tabled the government's first budget. It was a budget based on, as the minister said at that time, an unprecedented process of consultation with Canadians.

What we as a government have put before the House and before the Canadian people in our first budget is only a first step. It will not solve everything overnight but it will provide a basis that we can build on. This is not a simplistic unidimensional step. It is the first step to economic recovery, to the well-being of individual Canadians and to the elimination of the deficit.

(1550)

We have listened to Canadians. We are pursuing our game plan and it includes jobs and growth. During the election campaign we made very clear the solutions we were proposing and we are following through on these commitments.

Members opposite would have you believe that they somehow hold some kind of secret solution. Yet their only solution is to cut. This is a scorched earth policy and we feel, frankly, that

what Canadians said on October 25, 1993 was that they were burned enough by that approach.

One of the best examples of what can be expected from the government is a positive, constructive program, the infrastructure program. Infrastructure Works is a shared cost initiative which brings all levels of government together working on opportunities for Canadians, working on job creation, working on investing in the very foundation of our economic prosperity for the future.

Each level of government, federal, provincial and territorial, and municipal will contribute \$2 billion for a total of \$6 billion over the next two years. This is what Canadians want to see, governments co-operating to solve our problems, not governments at each other's throats, competing with each other. The program is also open to private sector investment in these public purpose initiatives, if such investment is useful and can assist local governments.

A federal share has been allocated to each province and territory based on a formula melding population and unemployment shares, a formula I might add that was agreed to by all first ministers in December. Each province and territory will match the federal allocation as will local governments.

Infrastructure Works is intended to speed the economic recovery while meeting the well documented needs of renewing and upgrading Canada's infrastructure. The program should help municipalities and communities use new, efficient and environmentally sound technologies as well as improve our competitiveness and productivity.

There has been a dramatic decline in what we have invested in infrastructure over the last few decades. In the 1960s the three levels of government invested 4.3 per cent of gross domestic product in infrastructure. This declined in the 1980s to 2.5 per cent.

Many members in the House and I have substantial municipal experience. We know from experience that a road not repaired and maintained today means one spends 10 times as much when that road falls apart. We know that allowing bridges to rust and collapse means a much bigger burden for the next generation than the cost of repairing that infrastructure today. We know that unhealthy water systems in our communities are neither in the best interests of this generation or the next, nor is it responsible of us to leave that burden to the next generation.

We have just started to renew the Great Lakes clean-up agreement with the province of Ontario. The province has stressed to us and the International Joint Commission has stressed the important contribution that this program can make to cleaning up our lakes and rivers by having sound water and sewage systems. These are not inconsequential projects now or for the future. These are a protection of our future.

*Supply*

There are communities right in this region that cannot develop their industrial parks because they still have old wooden sewers from the last century. Those are the kinds of investments that are going to be made under the infrastructure program. They will allow the communities of Canada to prosper and grow and provide employment to this generation and provide a sure economic future for the next generation.

(1555)

This program is going to create jobs immediately. Directly up to 65,000 jobs will be created in the municipal infrastructure program and with indirect jobs many more than that. That is what the desperate people out there wanting employment, wanting a better future for themselves and their children, wanting to see the government doing, and that is what we are doing.

This is a program municipalities have wanted for 10 years. I was sitting on the national board of the Federation of Canadian Municipalities in 1983. We were gathering information to demonstrate the deteriorating nature of the infrastructure of Canada and the negative impact it was having on our potential for economic growth and jobs and a better future for our citizens. Ten years ago the municipalities and the provinces agreed that this program was what was needed across our country. The government is implementing it and will make it a success for every community across the country. Yet that is the program endorsed by every municipality the members on the opposite side by this motion want to cancel.

They also want to pretend that this is new money we are spending. Liberals are responsible in government. We know that if we want to implement a new program, and Infrastructure Works is a new program, then we have to reorder our priorities and that is what we have done.

We have not increased spending, no matter what the members on the other side want to pretend, to create this program. We have changed other priorities. We have cut other spending programs because we know that this program is important.

There could be no more ideal time for this kind of investment. National unemployment is at an unacceptable level. This is a terrible waste of human talent, a constant stress on hundreds of thousands of households across Canada. Infrastructure Works will have a significant impact on unemployment.

The government believes it should keep its promises. We should put Canadians back to work. We should allow our communities to use the new and innovative technologies in the upgrading of water and sewage treatments that are going to provide new opportunities for Canada in the future.

This program is an investment in the future; in the future of individual Canadians, in the future of our communities and in the future of our nation.

**Mr. David Chatters (Athabasca):** Mr. Speaker, I would just ask the hon. member a question. Our concern is not whether it is new money or old money but whether it is borrowed money. Does she not agree that we are dumping the burden on the next generation?

Also does the member not realize that amortizing \$6 billion over the next 10 or 20 or 30 years that we would also pay many times the original cost of these projects?

**Mrs. Catterall:** Mr. Speaker, the House and Canadians have had 10 years of promises that would have slashed, burned, cut and destroyed programs that would bring the debt and the deficit down. Has that happened? No, it has not.

We have presented a three-year program toward the first real reduction in the deficit that this nation has seen in many years. We are going to do it by cutting spending and we have done that dramatically in this budget. But we are also going to do it by increasing the prosperity of the country. That is what Canadians want us to do.

(1600)

If the hon. member's roof was leaking, would he leave it until it collapsed and he had to replace the whole roof? If his foundation was leaking, would he allow it to fall to pieces before he replaced it? If there was poison in his water supply, would he allow his children to drink it? Of course not.

If necessary, would he borrow the money to fix those problems? Of course he would because he knows it costs far more to replace a broken roof, to replace a basement, or to heal a sick child than it does to fix the cracks.

*[Translation]*

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, I was surprised to hear the last speaker talk about the quasi rebirth of Canada under the infrastructure program. Of course new infrastructures will create some temporary jobs, but the public, the people of Canada were expecting much more than that in terms of governmental economic policy. In that respect, the red book gave the impression something concrete could be achieved.

When the hon. member talks about spending, why does she claim to support this budget if it failed completely, except for promising committees would be set up, to address the tax havens enjoyed by certain multinational corporations, in particular, and certain billionaires?

Over \$16 billion are reported to be stashed away in tax havens every year, which could otherwise bring in hundreds of millions in tax revenue for the government. Why has it not been suggested that the infrastructure program, this program she speaks so highly of, be paid for with the money saved by passing a bill on tax havens and another on family trusts, instead of making mere gestures, such as the Liberals are making, while they ranted and raved against family trusts when they were the opposition?

*Supply*

Why not also collect these hundreds of millions? Why not accept to review each departmental budget item? We could easily save, not just hundreds of millions, but a few billion dollars which could pay for the infrastructure program without increasing the deficit?

I am surprised that the hon. member only mentions the costs and benefits of the infrastructure program. She is not looking for ways, however easy, to get money from those who have it, namely the rich, the multinational corporations in particular, who benefit from an overly permissive policy.

One last point. Canada's foreign policy should be reviewed. Take the Canadian embassy in Tokyo for example. We all know that the market value of the lot across from it, which is vacant, is \$2 billion and that there are potential buyers prepared to pay \$2 billion for a piece of land next to our embassy. Why not?

**Mrs. Catterall:** Mr. Speaker, I find it the hon. member's comments rather mean. He knows full well that these things are not included in the government's budget. It is very nasty of him to say things like that to Canadians, when he knows the truth. For example, the infrastructure program is but one phase of our economic strategy, which also includes investments in science and technology, as well as measures to help small businesses create employment.

(1605)

The hon. member also knows that we have launched a project to review, as he mentioned, each government budget item, in order to identify what needs to be done to implement effective programs.

He knows as well that our budget includes many measures to eliminate the tax shelters he complained about. I do not object to hearing dissenting opinions in this House but, for the sake of our fellow Canadians, we must be honest.

[*English*]

**Hon. Roger Simmons (Burin—St. George's):** Mr. Speaker, I too would like to say a few words on what is at the very least a fairly interesting motion. The motion says in part that the budget plan of the government is not the solution to Canada's debt and deficit problem.

I will come back to that in a few moments but I would like to go to some other parts of the motion. I would have thought the gentleman from Lethbridge with his long experience would have known better than to incorporate things in a motion which are already in effect or have been done.

The member for North Vancouver can laugh. Let me refer him to section (c) of the resolution and let us see if he will laugh. I

mention him for the very particular reason that his constituents will know he is identifying with the blatant falsehood contained in section (c).

The falsehood is it calls on the House and the government to produce quarterly reports on the progress being made on deficit reduction. I ask the laughing, much amused member for North Vancouver: As a member of this House and as a Canadian who, if we listen to his rhetoric, is very concerned about the deficit, does he not know there is a document produced regularly? It is "The Fiscal Monitor" put out by the Department of Finance. It reports not just quarterly as called for by the motion, but monthly.

**Mr. White (North Vancouver):** The finance minister said the people of Canada cannot understand it.

**Mr. Simmons:** Mr. Speaker, I am sure in time you will have the charity to allow my friend from North Vancouver to say his few words. When he does rise I hope he will realize that something which is blatantly false cannot be embodied in a resolution. It is blatantly false.

He changes his tune now. He says, yes it is there but they cannot understand it. Well, that is a different issue. Had his friend from Lethbridge said to produce something that is understandable, but that is not what he said. By implication he gave the impression to the people of Canada and particularly to this House that the progress report is not happening. I say to him it is happening on a regular basis in a document called "The Fiscal Monitor".

I am glad for this resolution and glad for this opportunity. It puts into focus two fundamentally differing views on the role of government.

On the one hand there is this punitive philosophy underlying the opposition motion. It says that government has little to offer the economy, that government by its very nature cannot help the jobless. That is not a perspective I subscribe to. It is a perspective I can understand. I do not endorse it but I can respect it. I can respect the gentleman from Lethbridge for having that point of view. That perspective mixes the worst aspects of do nothing corporatism with the slash and trash public posturing of which my friend from Ottawa West talked about a few moments ago.

More to the point, the philosophy which underlies this resolution is the very philosophy the people of Canada rejected outright last fall. It is the philosophy the Tories paraded in this Chamber for a decade and you know what happened to them. If you are not sure, have you heard about the Dodo bird? They both went the same way and for the same reason: They were out of tune with the times. This slash and burn philosophy has been rejected outright by Canadians.

*Supply*

(1610)

The member for North Vancouver is seized with the importance of having a fiscal monitor that is understood by people who do not have doctorate degrees in economics. I must say, somewhat sheepishly, that several of my constituents do not have doctorate degrees in economics but they know what it is to buy groceries. Let me put it very explicitly for the member for North Vancouver in terms of buying the groceries.

This is what the resolution of the gentleman from Lethbridge says in effect in its simplest terms. I will use a little parable.

A family of four has to buy some groceries. I did some checking and found that a family of four on an income of about \$30,000 a year spends about \$7,000 a year on groceries. If they are a fairly typical Canadian family they spend maybe \$600 to \$700 on a mortgage and about \$200 to \$300 on a car.

One day the breadwinner in that family has a bright idea. The light goes on and he calls the family together. He or she, whoever the breadwinner is, calls in the spouse and the two children and says: "I have a bright idea. Do you know what is killing us and why we can never get ahead? We are paying \$600 a month on our mortgage and another couple of hundred dollars on the car loan. But do you know what is really killing us? We are spending \$7,000 a year on groceries. I have a bright idea. We will pay twice as much on the mortgage and not buy any groceries for a whole year. No groceries for a whole year".

We all agree that would bring down the mortgage a lot faster. It certainly would. Just buy no groceries for a whole year and there is an extra \$7,000 to put toward the mortgage or to pay the car loan off.

I see some of the brighter members of the Chamber have twigged to the problem. They are actually asking: "What are those people going to eat for a year?" There is the rub. That is what my friend from North Vancouver had not thought about, what they are going to eat for a year.

As Marie Antoinette said, let them eat cake, but even cake costs money these days. What are they going to eat for that whole year while they are rushing madly to pay down their deficit, their accumulated debt, their mortgage? I think I have made my point that whether it is a family or a nation these things have to be done in balance. Those people who say that all we have to be preoccupied with is deficit elimination to the exclusion of everything else are not just preaching a very naive doctrine, they are misleading a lot of people.

Let us go back to section (a) of the resolution of the gentleman from Lethbridge. Here is his solution. It is the grocery analogy I mentioned a moment ago. It is the same idea under different terms: cut out the groceries, do not buy any groceries for a year.

The hon. member says to place a moratorium on all new spending programs, such as youth service corps which represents 17,500 new jobs. The infrastructure program represents 65,000 new jobs. Residential rehabilitation assistance program represents several thousands of more new jobs.

Let the word go out. At least one member of the Reform Party, the gentleman from Lethbridge says in writing so we have to take the man at his word, would immediately move to aggravate the job situation in this country by another 100,000 jobs.

This budget is about several things.

(1615)

Yes, it is about deficit reduction but it can never be about that alone. Yes, it is about job creation. The gentleman in his motion has identified three or four particular programs but he identifies them for the purpose of asking us as a House to wipe them out, to wipe out those 100 jobs, and to drive up the unemployment rate another point or two.

As I said before, I respect the other point of view. I have difficulty understanding why it is being advanced. It makes no sense. It is a one-track mind approach. We all know about the mother whose son enlisted in the military. Being a proud mother, she went down to the parade square to watch him on parade the first day. Being an insightful mother, she noticed something in particular. She noticed that when the drums started and the drummer beat out the left, right, left, right, left, right and the several hundreds of men and women went down the parade square, Johnny was the only one in step. Johnny was the only one in step.

We see in editorials across this country such as in Calgary "Martin is headed in the right direction" and in Edmonton "It is solemn and thoughtful and full of well worked out details. There are real spending cuts in this budget". This is what the editorialist says in the *Edmonton Journal*.

From the Canadian Chamber of Commerce we have this: "I think it is a doable budget". I could go to other parts but I have run out of time. I appeal to my friend from Lethbridge not to be Johnny on this one. Get in step with what the people said last fall. Get in step with what the editorialists are saying. Get in step with what the people are saying.

The people are saying that we should bring down the deficit but we should give them some jobs.

**Mr. Ted White (North Vancouver):** Mr. Speaker, I did enjoy the hon. member's speech, as I always do.

He mentioned the fiscal monitor but the Minister of Finance said in this House that the people of Canada cannot understand the fiscal monitor. We would like to see it put in a form once a quarter so that the people of Canada can actually understand whether the deficit is being addressed or not.

*Supply*

The problem is that people cannot buy the groceries that the hon. member was talking about. To buy \$7,000 worth of groceries, they need to have \$14,000 earned because of the level of taxation from each level of government.

Taxes are the problem. Will the member admit that it is government overspending and government overborrowing that is the problem? That is what creates the high taxes. Will he admit that the budget is a fraud, should be scrapped and replaced with a real plan to get control of spending, to reduce taxes and to create jobs?

**Mr. Simmons:** Mr. Speaker, on the member's suggestion about the fiscal monitor, if he wants to bring in a motion that will call for a simplified fiscal monitor, I will second the resolution for him. I am with him on that issue.

However, listening to the last bit of juicy stuff toward the end, he lunched too long today. The subsidized food is getting to him. He talks about a fraud and this kind of thing. Does he not understand or have enough charity to accept that even if people on this side of the House did not do exactly what he would want us to do at least we have the goodwill to do our best?

To suggest it is fraudulent is an insult to well intended members of this House. I do not think he meant that for a second. It was one of those throw away phrases in the heat of debate which he regrets already. I can tell by the remorse on his face.

[*Translation*]

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, I was not surprised that the Liberal member who just spoke ignored the concerns of the opposition parties regarding the deficit, because to the Liberals, deficits are part of their culture. In fact, they invented them. Our big deficits started with Mr. Turner in 1972, 1974 and 1975, and in 1981, when the Liberals forecast a \$16 billion deficit, they waited for 16 months before bringing down a budget and then produced a deficit of \$38 billion by the end of 1983. So it is perfectly normal for the Liberal member who is part of this Liberal culture and who has been sitting as a Liberal for a long time to be unconcerned about deficits. To them, deficits were never something to worry about. It was just too much trouble.

(1620)

I also wish to tell him that in my riding, after the budget was brought down, a budget that attacked the unemployed instead of employment, the unemployed in my riding were asking: What is the difference between a Liberal member and the unemployed? And the answer was: the unemployed used to work.

And we could also say, when we hear the Minister of Finance bring down a budget like this, that in my riding—and you come from a nice part of Eastern Canada where there are wonderful oysters, well, we found a new way to open them, and I was

talking to people from Eastern Canada who came down to demonstrate in front of Saint-Jean—just a minute Mr. Speaker, I am finishing my sentence—against the closing of the military college, and they said this—Mr. Speaker, I would like to finish so that my colleague will have a chance to respond.

**The Deputy Speaker:** Order. I believe he has clearly understood the question. The hon. member for Burin—St. George's.

[*English*]

**Mr. Simmons:** Mr. Speaker, as always I thank my friend from Richelieu for his spirited participation in the debate. I am in English for two reasons. My French is lousy and I want to reach for a metaphor that I cannot translate yet.

We in Newfoundland talk about the pot calling the kettle black. I seem to remember that there used to be a person with the same surname representing the same riding of Richelieu who sat in this House for the Tory Party between 1984 and 1990. As a matter of fact he had somewhat the same features as the gentleman who just spoke. If I may just—

**The Deputy Speaker:** The time has expired. Sauce for the goose is sauce for the gander.

[*Translation*]

**Mr. Jean Leroux (Shefford):** Mr. Speaker, we have almost reached the end of the period provided under the Standing Orders for debate on the opposition motion presented by the hon. member for the Reform Party, concerning the Budget Plan for 1994.

I think the motion presented by the Reform Party is only a partial response to the expectations and policies I am about to explain, regarding the budget, job creation and cuts in public spending.

As you know, Canada's economy is the worst among G-7 countries. Recession, deficit and unemployment have become household words, unfortunately! Canada's monetary policy, although aimed at controlling inflation, merely exacerbates endemic unemployment in this country. Lacklustre job creation and the deterioration of Canada's public finances are largely responsible for the lack of vigour of our economy. It is not a pretty picture.

This lack of economic growth which has affected Canada for many years has led to some very serious consequences for Canada and Quebec. This lack of economic growth was followed by budgetary irresponsibility in federal public finances. At first, the Canadian government borrowed to finance existing and new programs. Subsequently, it had to borrow to pay the interest on previous loans, and now we are caught up in this debt cycle. Interest payments on the national debt have absorbed an increasingly larger proportion of government revenues. That is where we are now.

*Supply*

The debt's spiral has slowed somewhat, but this government's fiscal policy defies all logic.

(1625)

The government is doing more to increase its tax revenue than to control its spending.

In pre-budget consultations, the Minister of Finance implied that he clearly understood the financial reality facing the federal government. It was an especially rude awakening when he announced a projected deficit of \$39.7 billion. The saddest part is that the public servants whose salaries are frozen, the military people who are losing their jobs, like the other victims of the Minister of Finance, the elderly and the unemployed, are being sacrificed for almost nothing.

We are no further ahead in reducing the deficit. We might as well say that the effort to reduce the deficit is practically non-existent. In its 1994 budget, the government wants to finance its projected budget deficit for 1994-95 by a very clear increase in direct individual and corporate income taxes. I refer here to the revenue projections in the finance minister's budget plan, where direct taxes are the only revenue in the budget which could enable the government to achieve this deficit objective of \$39.7 billion.

Does the government really think that it can tax the people of Quebec and Canada more? It is disturbing to see that one of the solutions adopted by the government is to increase the tax burden of middle-income seniors and of middle-class taxpayers in general.

Consumers have lost confidence in the economy. The financial markets are skeptical about promises to balance future budgets. In fact, the government has not made the cuts needed to reduce tax rates in the medium term and to revive the confidence of Quebecers and Canadians.

It is glaringly obvious: unemployment has not come down from its high rate. In February, Statistics Canada reported a rate of 11.1 per cent for all of Canada, while Quebec recorded an average rate of 12.5 per cent. Young people employed full time and men employed part time accounted for most of the lost jobs. Statistics Canada estimates that the labour force declined by 15,000, a sign that many Canadians have given up looking for work.

The Minister of Finance is continuing the Conservative policy of lower benefits for most of the people. The measure concerning low-income people with dependent children only hides its desire to save. It is a Tory policy with a compassionate face.

Young people will once again be the victims of reform. These measures will limit access and push some of these people towards social assistance. Eastern Canada, including Quebec,

will be hit especially hard by the elimination of regional unemployment scales above 13 per cent and by the reduced number of weeks of benefits.

The unemployment problem in Canada and Quebec is that there are not enough jobs for everyone and that people must go from one short-term job to the next. It is not with 45,000 temporary jobs that we will give renewed hope to the 1,590,000 unemployed in Canada, of whom 500,000 are in Quebec.

(1630)

Has the time not come to reconsider work sharing for those who want it, to put all those people back to work and return to a full-employment policy? Furthermore, it is urgent that the government turn the situation around to favour the development of small and medium-sized businesses throughout Quebec and Canada. Small and medium-sized businesses create jobs and generate wealth. The government missed this goal it should have emphasized more.

Today, too many urban centres look like disaster areas. Social inequalities are getting worse at school and in the labour market, and we are shocked by the brutal return of physical and moral poverty. Everyone can see the homeless on the streets but few of us know that food banks are stretched to the limit. There is no more space. It is always the weakest who must pay when economic growth slows to a standstill, as you and I know.

According to the 1991 census data, the Montreal metropolitan area holds the Canadian record for the highest poverty level: 22 per cent of the population. Behind this figure is a social reality that Canadian federalism cannot be proud of. It is still possible to give Canadians the social programs they need if we see them as a right and a necessity rather than a luxury.

Instead of proposing measures for a healthy distribution of wealth throughout the country, the government is going after the middle class and attacking the universality of social programs, even though this policy promotes social cohesion. In this regard, the Bloc Québécois supports investments to consolidate the existing infrastructure, create jobs and lower the unemployment rate, provided that Quebec be the main authority responsible.

[*English*]

Point (a) of the pending opposition motion presented by the Reform Party goes against these objectives of economic development for the regions. The moratorium on all new spending programs announced in the budget is not compatible with our objective of regional development.

[*Translation*]

Mr. Speaker, I will now turn my attention more specifically to the public spending cuts announced in the latest budget.

*Supply*

The Minister of Finance recently announced that program spending would be reduced by restructuring the social security system, reforming the unemployment insurance system and reducing transfers to individuals, for example, family allowance payments. However, the minister also announced that total budgetary spending would increase by \$2.8 billion until 1996. This increase includes debt servicing charges. In fact, despite the cuts announced by the government, overall program spending will continue to increase. In essence, all the government is doing is reallocating expenditures without actually reducing government program spending. It is not tackling head-on cases of waste and mismanagement within the system. Instead, it is targeting social programs.

The government has not addressed the root of the problem. Instead, like its Conservative predecessors, it hopes that the anemic economic recovery—a recovery that it has failed to stimulate—will get state revenues back on track. The government's economic growth and inflation hypotheses are realistic. What is not realistic, however, given the growth of the underground economy, is the government's belief, as reflected in the budget, that government revenues will increase at a faster rate than the Gross Domestic Product. In short, the government is counting on the weak recovery to bring down the current deficit.

(1635)

How, under the circumstances, can the government justify increasing its level of spending, all the more so when we know that it is currently seeking the authority to borrow \$34.3 billion for 1994-95 in order to meet its financial commitments?

Mr. Speaker, I find it unconscionable that the budget provides for an increase in public spending up until 1996. It is absolutely essential for the government to eliminate waste before it can put public finances in order. The government must give the example; it must restore public confidence as well as its own respectability. There are a lot more savings to be made by eliminating waste than by making cuts to social programs. Freezing public servants' salaries, restructuring public services and increasing the middle class tax burden are last resort solutions. There are other options still.

For the last three years, the Auditor General has identified waste or unnecessary expenditures totalling no less than \$5 billion annually. This year, the Auditor General has discovered \$700 million more in squandering than in the previous fiscal year.

Merely implementing the Auditor's recommendations would bring enormous relief, without any tax increase or social programs cuts. The equation is a simple one.

Taxpayers are fed up because they feel that the government is wasting public money and is after the middle class, which is overburdened with taxes. Five years ago, governments were making the same frivolous expenditures and wasting just as

much, but nobody said anything. Today, because of the pressures resulting from the appalling state of public finances, such mismanagement is strongly denounced.

Fiscal consolidation is a must be carried out at the federal level to restore confidence among Quebecers and Canadians.

The chronic weakness of our economy is not due to a bad performance of our foreign trade but, rather, to the stagnation of domestic demand. The deficit must also be reduced because interest on Canada's foreign debt is the highest among G-7 countries.

Deficit reduction is conditional upon reducing public spending and waste, as well as eliminating tax unfairness. This streamlining exercise could result in savings of \$10 billion. Of that amount, five billion dollars could be invested to stimulate employment, including by building a high-speed train line, whereas the other five billion could be used to reduce the deficit. Such an initiative would do a lot to restore taxpayers' confidence.

The government must give the example and restore public confidence. A true social contract must be based on a sound and balanced tax system. Unfortunately, it is a fact that over the last two decades governments have only contributed to create an imbalance between taxes paid and services provided by the state to taxpayers.

In order to eliminate waste, unnecessary spending and mismanagement within the government administration, the Bloc Québécois proposed that the government set up a parliamentary committee to review each budget spending item, and it is asking that such a committee be created.

(1640)

Setting up such a committee is justified because the latest Auditor General's report showed that Quebecers and Canadians who believed that some public funds were wasted were right.

*[English]*

That is the reason we want to create an analytical and revision committee of the governmental spending programs formed by elected representatives and not by civil servants. We believe elected representatives are entitled to supervise and ensure that the objectives of the different spending programs comply and that the allocated public funds are spent with efficiency, effectiveness and equity.

We believe that Parliament does not receive the appropriate information pertaining to the results of the different ministries and crown corporations wasting thousands of millions of dollars of taxpayers' money.

Guided by the report of the Auditor General of Canada we believe that the wasted public funds and the different cases of mismanagement are drops in the ocean.

*Supply*

[Translation]

A parliamentary committee responsible for reviewing government expenditures, item by item, could ensure that Parliament and thus the public be better informed of the government's financial situation. So, we encourage the Reform Party to support the establishment of the parliamentary committee on the item-by-item review of government expenditures to enable us to keep a closer eye on how public funds are managed, which will greatly help bring the deficit down.

I do support point (C) of the motion, regarding the production of quarterly reports on the progress made on deficit reduction. With regular status reports, I think we will be able to set realistic deadlines to achieve our goals.

**Mr. Peter Adams (Peterborough):** Mr. Speaker, I thank the hon. member for his remarks.

[English]

I would like to ask his opinion about a particular part of the motion to which he was speaking. This, as he knows, is a Reform Party motion and it is an attack on various things, one of which is the government's attempts to help young people.

As has been suggested earlier, other parties in other countries which have had the Reform Party approach of cutting and burning have increased their deficits and debts. They have also produced very high levels of unemployment. That has happened in Canada.

One thing that has not happened yet in Canada is although we have high unemployment, particularly among young people, we do not yet have the chronic unemployment which exists in these other countries, for example Britain and the United States.

As bad and sad and tragic as high unemployment is, chronic unemployment for young people is worse. Chronic unemployment means that we have a generation which because during its formative years it has not worked is never really able to work. I believe that is a real tragedy.

In this motion the Reform Party is attacking our attempts to help young people now. I believe that it is already late to help our young people. They want to leave this to the forces of the economy. I believe that to avoid chronic unemployment among young people we must act now.

I would like to ask the member what he thinks of the Reform Party's attempts to cut down the efforts we are making to help the young people of Canada now.

(1645)

[Translation]

**Mr. Leroux:** Mr. Speaker, as you know, I worked in education for many years and I would like to congratulate my colleague opposite on what he said about Canada's youth.

I fully agree with the hon. member that our young people in

Canada have unfortunately been sacrificed and that at this stage there does not seem to be a policy in the budget to put our young people to work—I will not say back to work. I think it is catastrophic for Canada to have young people who want to earn their living one day preparing and studying very hard without even a chance of starting to work or else having to accept work that is far less than what they could do. I agree with the hon. member.

What we said and what we are saying is that the budget will not spur economic recovery. The budget that we debated only plugs the holes and I think that it is a very conservative budget, and possibly a Conservative budget as well.

Now I think, as the Bloc proposed—it is an attractive idea—we should form a committee of the House, not a joint committee of the House and the Senate, but a committee of the people's elected representatives to look at the government's spending item by item, so that we, the people's elected representatives—because when we go back to our ridings and when people talk about politicians in Canada, they are talking about us here in this House, and I think that we have a responsibility—should be able to review the budgets item by item and be able to make cuts where required to get the money and help create jobs.

**Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, it is with great eagerness that I take part in this debate today and welcome the opportunity to present the true picture of the government's plans to help Canadian young people help themselves to a more promising and prosperous future.

Let me begin by setting the record straight. Contrary to the assumption put forward by the hon. member from Lethbridge, the budget for the youth service corps does not represent new spending. The youth service corps will, in fact, be implemented using departmental resources and money from cost saving initiatives announced in the February 22, 1994 federal budget, pursuant to commitments made in the red book. The youth service corps will not put any additional pressures on our national debt. I can assure the House we will still see a drop in the deficit, down to 3 per cent of GNP, over the next few years, in line with our budget projections.

I believe, however, that my colleague from Lethbridge and other members of his party are being very short-sighted if they are prepared to short-change our young people.

Investing in young people is more than just a matter of dollars and cents.

(1650)

Common sense and fairness dictate that the government must act to respond to the very difficult reality facing young Canadians. Perhaps the hon. member does not appreciate just how grave the current situation is.

*Supply*

Let me remind the House that, for adolescents and young adults, the recession started sooner and is lasting much longer.

The most recent labour force survey shows that, while the number of unemployed in Canada is down, the youth unemployment rate is rising. It reached 18.1 per cent last month, its highest level since last June. These are the official figures on young unemployed and do not take into account many more young people who do not show up on UI lists.

Let me put that into context. The hon. member represents Lethbridge which, according to the latest census, has a population of roughly 54,000. Compare that to the number of young people currently outside the job market—at last count 428,000. That is almost eight times the population of the city of Lethbridge. Young people are searching for relevant work experience that will give them saleable skills to get their foot in the job market door. Are these the people the hon. member from Lethbridge would penalize? Is he prepared to tell them we do not think they are worth the money?

At this time, I want to digress to pay tribute to a colleague of mine, Senator Jacques Hébert, for his achievements and his tremendous dedication to young Canadians. Through Katimavik, our young learned to help each other. They learned how to become more confident, more enlightened and more tolerant. They learned to make sacrifices throughout the world to help enhance the standard of living of many of our friends in Southern countries, for whom life is sometimes a matter of survival.

It is obvious that it is in our collective best interests to nurture and support the very people who will be tomorrow's workers and taxpayers. On economic grounds alone, the arguments are clear. Canada simply cannot afford a lost generation. Demographic trends clearly demonstrate that Canada will soon suffer a worker shortage. As baby boomers leave the workforce in large numbers, as they tend to do more and more, we will increasingly count on our youth.

We will count on our young people to take over from us. They are our hope and tomorrow's leaders.

[*English*]

To compete globally in the next century we will need a highly educated, highly skilled workforce. One needs not be a futurist to know that our continued growth and prosperity depend on the workers of tomorrow, the unemployed youth of today.

There is evidence to suggest that young people who do not form an economic attachment to the labour force today will have

much more difficulty in finding and keeping employment in the future.

To suggest that we should not place a spending priority on our most precious resource, our young people, leaves me questioning the commitment of the Reform Party to Canadian youth.

Even more convincing than the economic case is the moral imperative to provide our children with a sense of security, fairness and hope for their future well-being which is also our collective future.

(1655)

It is heartbreaking to see young people brimming with ideas and ambition, very often far better educated than their elders, unable to apply their skills, their talents and their knowledge.

How can any of us in the elder generation be indifferent to their frustration, to their hopelessness, to their despair of today? It is completely unacceptable that so many young Canadians today have no place to put their energy to constructive use. I believe that every member of the House has a duty to ensure that Canadian youth do not feel rejected or ignored.

We must assure them that we appreciate not only their years of hard work acquiring an education but also their proven willingness to work and contribute to the commonweal. We must clearly demonstrate that we are committed to helping them achieve their enormous potential and that we will work with them to accomplish their goals.

The government intends to do exactly that. We will bring the Liberal vision for youth to life. We are determined to implement the strategies laid out in the red book which describe our action plan for young Canadians.

The Youth Service Corps is a key part of the Liberal promise to create jobs, to restore hope and build a stronger Canada. The youth service corps will provide productive ways to help young people through the transition from school to the workplace.

[*Translation*]

The youth service corps has four main objectives: community service, understanding Canada, environmental awareness and personal development.

I hope no one will question how valuable the young are in our society. It is important to give our young people the tools they need to prepare a better future for themselves by contributing to the building of our nation. Significant measures will have to be taken, and I think the youth service corps is one of them. So, I would ask the hon. member from Lethbridge: Who would see anything wrong with the youth service corps?

*Supply**[English]*

**Mr. Philip Mayfield (Cariboo—Chilcotin):** Mr. Speaker, I would like to thank the hon. member for his comments. Many of them I can agree with. Some of them are points that I have difficulty accepting.

I am in full agreement with the statement that it is completely unacceptable that young people have no place to put their energies. However there is a moral imperative for the youth to have a meaningful place in our society. I agree with those statements wholeheartedly. I do have difficulty accepting a statement regarding short term views concerning the rights of youth and ascribing that to the Reform Party and to the position that we take.

We are watching from a view of history which we have watched through the 1970s when the Liberal Party was governing, through the 1980s when the Conservatives took charge. We are at a place now where we are economically unable to continue with those types of policies. To suggest that the Reform Party at this point comes with this resolution with no view of history does not make sense to me.

With the statements that the hon. member has made, how does he square those statements and his condemnation of the Reform Party with the history of the performance of the Liberals and the Conservative governments in the past? We are looking for a means to hold the economy together so there will be hope, there will be promise, there will be a meaningful future for our children.

(1700)

As I see it, where the government intrudes, where the government takes control, where the government creates pigeon holes and expects people to fit into those pigeon holes, it has never worked. Therefore we are suggesting that it is time to put the initiative in the hands of grassroots men and women, to leave them with the financial resources to do the job that government has never been able to do and to have the government step back and leave private industry, individuals, the entrepreneurial spirit to do the work that has not been done before, to build the nation.

**Mr. Lincoln:** Mr. Speaker, this is the fundamental difference that separates us from the Reform Party and the member laid it out very clearly.

There was an election in October, as I remember, and our party ran on a platform that said certain budgets were going to be transferred to key job creation programs. One of the key job creation programs which was much more than a job creation program, it was also a social program of great importance, was to say that if we look at the situation of our youth today the great

majority of whom are leaving school do not know where to go for work. There is a shortage of hope. There is complete despair.

I do not know if the member feels the same as I do. When in my riding I meet all kinds of young people. I could send him a pile of CVs from young people, highly qualified, with masters and doctorates who cannot find work today.

The government has started to say: "We have to transfer money, especially from the defence fund at a time when the cold war is over, into a youth services corps for young Canadians". The great majority of Canadians obviously back this theory because they elected us in large numbers as a majority party. They did not elect the Reform Party with their view that the marketplace, the economy, dollars and cents will cure every problem. If it had been so in the past we would not have had trade unions. We would not have had reforms of the social safety net. We would not have medicare. We would have left it to the marketplace to sort it out.

In all places where the marketplace is paramount and exclusive the social fabric of the country is in disarray. We do not say that government intervention is the only way to move, but surely there is a mix there in establishing constructive, social policies that can have government take a sense of direction, and give leadership. It seems to us that if we want to give leadership the first place to put the accent is on our youth. I am very proud that we have this program in place.

*[Translation]*

**Mr. Yves Rocheleau (Trois-Rivières):** Mr. Speaker, I have a question for my hon. colleague concerning the general position of the Liberal government and how it compares to the position taken during the election campaign. As the months go by, I find that this government is getting better and better at half-measures. This is clear from the red book, long on theory, by the way, where it is stated that last fall, there were 1.6 million unemployed in Canada. And what is the government doing to solve the unemployment problem? Well, it has set up an infrastructure program that will create 45,000 short-term jobs—15,000 in Quebec—in response to a situation where 1.6 million Canadians and 428,000 Quebecers are unemployed.

With respect more specifically to youth unemployment, the government has come up with another half-measure, namely a youth service corps. This program will not solve anything or create jobs. However, on the eve of a referendum, one component of the program will, judging from what the government member said earlier, enable young Canadians to travel and to learn more about Canada. We all know what the implications of this can be, what a man such as Jacques Hébert can accomplish. We all know what the implications can be. I would like my hon. colleague to explain to us how this youth services corps is not

fundamentally a very political move by this government on the eve of the referendum?

(1705)

**Mr. Lincoln:** Mr. Speaker, last October, we presented to the Canadian public a very comprehensive program. It did not focus solely on young people. I used them as an example. Our program covered the entire social structure in Canada. It outlined our agenda in such areas as research and development where we pledged our support to the tune of 25 per cent for environmental research and development; it announced a comprehensive apprenticeship program for the next four years, a youth service corps and an infrastructure program. I would remind my colleague who speaks of 45,000 jobs that Statistics Canada reports that last month, 66,000 new jobs were created. Therefore, his figures are not correct. They should be 50 per cent higher.

**Mr. Plamondon:** Not with that budget.

**Mr. Lincoln:** What I mean is that—

**The Deputy Speaker:** Order! The parliamentary secretary's time has expired. Resuming debate, the Chair recognizes the hon. secretary to the Minister of Finance.

**Mr. David Walker (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, it is a pleasure to have an opportunity to speak with you today about the new Canadian Engineers and Scientists Program announced in the budget.

This government is committed to sharpening Canada's competitive edge and developing the kinds of technological capabilities that translate into new business and jobs. With as much as 85 per cent of new jobs being created by small and medium-sized businesses, we have placed a very high priority on support for these enterprises.

One of these measures is the creation of the Engineers and Scientists Program. As announced in the budget, \$10 million a year have been earmarked to implement the program. To help Canadian businesses build up technological capabilities, when it begins early next year, the program will provide salary support to assist small and medium-sized manufacturing firms in meeting their needs for technical personnel.

[English]

One of these measures is the creation of the engineers and scientific program. When it begins the program will provide support all across the country. It is intended to help firms develop long term technological capabilities, not just short term project base needs.

It is designed to fill a gap in technological expertise that often hinders small enterprises from achieving their true potential whether in product development, productivity or both. Clearly a company that has no one with current technological skills or

### Supply

training has a difficult time introducing the level of innovation that can help the company to grow and create more jobs.

The federal government can facilitate growth through this type of national program. We can help set the stage for these firms to adjust to the significant development in manufacturing taking place around the world.

The program can provide an important focus for firms that have a potential to export. I think this is so important. We have to change the fact that over 90 per cent of Canadian firms do not export. Innovation and technological transfers are the keys to success to the kind of economy we need to have for the future. We have to look for new ways to solve old problems. We have to make sure Canadian manufacturers develop a high degree of technology based expertise. It is absolutely vital to any long term competitiveness and profitability in Canadian manufacturing.

While technology transfers are often difficult to define and measure we know that Canada has been weaker than most of its competitors. We need to work together to turn this around. We need to develop a program that is easy to use and is responsive to real need.

Statistics Canada just released a study entitled "Strategies for Success, a Profile of Growing Small and Medium Sized Enterprise in Canada". In this study it is confirmed that innovation is a key factor that separates successful small and medium sized businesses from the unsuccessful ones. To succeed firms need to be able to innovate.

(1710)

However this is one of the problems we face in Canada. A recent survey of over 9,000 small and medium sized manufacturing firms in Quebec shows that slightly more than 10 per cent of the firms employ one or more engineers, with only 2,400 engineers in total being employed. This shows the need for investment in this area. We must invest so that our small and medium sized firms can prosper.

[Translation]

We all want to see Canadian companies establish a strong global competitive position. We want manufacturing jobs to stay in Canada. The federal government is committed to working with the provinces, business, labour and Canadian workers to help the process along.

The Canadian Engineers and Scientists Program will no doubt be a vital part of that success.

[English]

**Mr. Ted White (North Vancouver):** Mr. Speaker, I am pleased to be speaking today to the motion which addresses some of the problems of the recently announced budget.

*Supply*

Last Monday when I spoke to Bill C-14, the authority to borrow up to \$37 billion more on the backs of the young people of Canada, I said I wished that government members would vote against the bill in order to avoid mortgaging the futures of their children and grandchildren.

Unfortunately my pleas were not heard or they were not understood or they were not convincing enough. For whatever reason absolutely not one government member voted against adding another \$1,450 in mortgaged future to every man, woman and child in the country. Government members refused to acknowledge or are incapable of understanding the seriousness of the problem and they voted for Bill C-14.

As one person put it, because of the budget the light at the end of the tunnel has been turned out until further notice. No light at the end of the tunnel usually means there is a wall at the end of the tunnel. We do not have to keep speeding into a dark tunnel on this train of out of control debt. There is a chance for government members to help stop the train.

What is needed, among other things, is for them to support the motion before us today, a motion that would foster co-operation, to place caps on spending and to develop a spending contingency plan that will stop piling debt on to our children and grandchildren.

Of course government members are always worried that our real plan is to overthrow the government so that we can have another election. I would just like to say to them that this is simply not true. We believe in stability in government and we will support any government at this critical time that is prepared to address seriously the issues of deficit and debt.

Government members should be placing partisan politics in second place and start admitting that Reform MPs are telling the truth about the seriousness of the problem. If they do not believe there is a problem they should think about what has happened in Ontario. They should ask themselves: If government spending was the answer to the problems, how come the premier of the province of Ontario has had to abandon his program of \$13 billion deficits? If it did not work for Ontario, how can it work for Canada?

The fact is that government deficits kill the economy. Government deficits lead to high taxation and excessive regulation. Government deficits suck the wealth out of the private sector and destroy hopes for the future. Government deficits turn out the light at the end of the tunnel.

I find it hard to believe that at least some of the government members have not realized that the government, like ones before it, has a spending problem, not a revenue problem. I find it hard to believe that at least some of them have not realized that we have reached tax saturation point, that it is time to abandon these possibilities of widening the tax base. It is time to realize that increasing taxes will only lead to a bigger underground econo-

my. Prior to the 1993 election Reform was the underdog. If this government does not wake up, it will find that after the 1993 election Reform is the watchdog and after the next election we will be the top dog.

(1715)

The best way for government members to retain their seats in the next election and to prevent Reform from winning is to support the motion before us today. That is another bit of the free advice I give occasionally to government members to help them with their re-election.

I know that government members like to say the policies of Reform are slash and burn. This is ridiculous rhetoric. It really does not contribute anything to solving the problems. The people who watch the proceedings of the House of Commons on television are intelligent, thoughtful people who can see through that rhetoric. They understand it for what it is.

We on this side of the House try to offer constructive alternatives. We offer alternatives that are workable and reasonable. It would not hurt for a government member to occasionally vote with us on something that we propose.

The evidence that we speak the truth is all around us. The National Citizens Coalition, which the government would dearly like to silence, has widely distributed a taxpayers' score card. If any government member filled it in honestly, they would have to admit that the government had failed in its budget plans.

More evidence came right from the horse's mouth, so to speak, when the deputy finance minister admitted to the public accounts committee on March 9 that the tax burden on individual Canadians and corporations is higher than in any other major industrial power except France and has climbed to almost 40 per cent of the gross domestic product.

Peter Cook in the *Globe and Mail* on the same date wrote:

Mr. Martin may have convinced himself that economic growth and the spending cuts he announced will head off a debt crunch, and he has convinced his boss—

Do we know who that is, Mr. Speaker?

—who is rather easily convinced on this subject. But at the great bar of public opinion he is not doing so well. Not only has he failed to convince most Canadian economists and the Canadian media, but he is facing an international audience that is getting rather peppery and impertinent.

Reports in the financial circles of Germany and the U.K. criticized the failure to act on the spending and predicted that the Canadian dollar would continue to slide. The proof is out there for us all to see; another third of a cent drop in the dollar last Friday, almost four cents since the election. Is the government proud of this wonderful achievement?

Can government members not see that this will lead to higher interest rates, higher inflation and no possibility of getting control of this deficit? Anyone with a calculator can see that we are already off the targets that were set in that budget. Even the government's infrastructure program, which was supposed to

*Supply*

kickstart the economy, has become a scandalous wish list of pork barrel politics and make work projects.

In a news release on February 18 by British Columbia–Canada infrastructure works it was revealed that short and long term job creation are no longer essential criteria. They have been reduced to only important criteria. The item at the top of the list is now incrementality and/or acceleration of investment, whatever that means. Let's face it, it is a mess and it is not going to get better as a result of the budget.

Our Reform motion today tries to address some of the problems and it promises co-operation. If I were a betting man I would bet that the government members will do the usual thing and vote against it without having any good reason to do so.

The *Globe and Mail* editorial on the morning after the budget said:

The budget makes a mockery of Jean Chrétien's promise to return to the good old days. In the good old days the future was not mortgaged to the selfishness and cowardice of the current generation.

I am not a coward. I am prepared to tell it as it is, and I am not afraid to support decisive action.

I am also not selfish about it. I have taken a voluntary pay cut and refused to sign the form making me eligible for the gold-plated MPs' pension plan. I have proven that I am prepared to make sacrifices to avoid dumping more debt on to the next generation. I can sleep at night because I can say to the next generation that I tried to stop the debt train in that long dark tunnel while the government opened the throttle, hoping the light at the end of the tunnel would reappear only to discover there was a wall in front of it.

(1720)

**Hon. Audrey McLaughlin (Yukon):** Mr. Speaker, I listened with interest to the member's statement and comments. I would like to ask the member a specific question about this motion, in particular that a moratorium be put on the court challenges program.

The motion states a new program. This court challenges program is not new. It was cancelled by the previous government but the current government, as I understand it, has agreed to reinstate it. It is a program that is absolutely essential to provide a way for disadvantaged groups and equality-seeking and language rights groups to pursue the rights guaranteed to them under the charter and the Constitution.

I know the member will agree with me that the rights of Canadians are sacred to this nation, but rights without the ability to implement them and to seek equality in those rights are in fact meaningless.

I would say to the member that I know his party's position, very often stated, is: Why can't all Canadians just be treated the same. I would agree, why can't all Canadians just be treated the same. However, in reality and in the real world women, disadvantaged groups, persons with disabilities and visible minorities are not treated all the same.

The intent of the Charter of Rights and Freedoms is to enshrine in our country the importance that we treat each citizen with equality.

I would ask the member how he can justify this program, a relatively small expenditure, being wiped off the map by the Reform Party? Do they not support the equality of all citizens in this country?

**Mr. White (North Vancouver):** Mr. Speaker, I thank the hon. member for her question.

We in the Reform Party made it very clear that we support equality of all people regardless of their race, religion and province of origin. In fact I gave a speech to that effect this morning.

Specifically the member asked about the court challenges program and, as she quite correctly stated, it has been reintroduced. It was a very expensive program and had been used widely by special interest groups to press their own agenda on the backs of the taxpayers who frankly are fed up with this type of government redistribution of wealth.

We would favour getting rid of that program again and taking some load off the backs of the taxpayers.

**Mr. John O'Reilly (Victoria—Haliburton):** Mr. Speaker, the motion deals with the infrastructure program. The member for North Vancouver has indicated nothing in constructive alternatives to that program.

I wonder what he wants me to tell the people in the town of Lindsay and the Lindsay police force which is planning to build a new building under this plan and the people in the town of Haliburton who I have met with who have plans to spend money under the infrastructure program. We have 30 per cent unemployment in the town of Haliburton. What does the member want me to tell those people who will not get a job because of that?

**Mr. White (North Vancouver):** Mr. Speaker, I thank the hon. member for the question.

Anywhere in this country the portion of funding that comes from the federal government will be borrowed because the federal government runs a deficit. The portion of the money used at the provincial level will be borrowed because all of the provinces are running a deficit. At the municipal level it will mean a taxation increase for homeowners to fund their portion.

*Supply*

Reform's answer to all of this is not to keep piling debt on to people and increasing taxation, but to get control of government debt so that we can reduce taxation which makes the economy prosper and everybody is better off.

The infrastructure program is not creating jobs. For the most part all it is doing is expanding a little bit the current functions of the municipalities without them employing a single additional person to their present staff.

(1725)

**Mr. Philip Mayfield (Cariboo—Chilcotin):** Mr. Speaker, if an analogy can be used to describe this year's federal budget, I would suggest the analogy of a rusted out pickup truck patched with Bondo and painted the same colour as the red ink book.

The budget is a patch-up job that seems to do very little to control the source of Canada's deficit problem. New programs have been introduced that require even more borrowed money. Each program represents an attempt to avoid the real problem, which is the government's lack of will to deal with a nation crippling deficit.

The infrastructure program is a large part of this problem avoidance. Jobs, jobs, jobs, we heard hon. members opposite cry on the campaign trail last fall. The promise of permanent jobs in this program is an illusion. The jobs created will last just as long as government money flows into this infrastructure program but not much longer.

By the same token, these jobs will not only cause the federal debt to rise, they will force the other two levels of government to increase their debts as well. The finance minister takes credit for not raising the tax rate. The visible tax rate may not have been raised but the various arms of government through which taxes are collected have been extended. The same taxpayer must now pay for more federally directed programs through the broader reach of government.

The additional debt to be incurred by all levels of government involved in the infrastructure program will result in about a \$500 million annual increase in the deficits. This federal program is demanding that the provincial and municipal levels of government adopt its policy of increasing deficit spending.

Some provincial governments like Newfoundland may not fully participate in this program because they are already too heavily in debt. Other provinces have reluctantly conceded to the program only because of the pressure they receive from the municipalities.

Even the municipalities are reluctant to participate because of the enormous additional expense. These extra costs go far beyond what they can reasonably add to their budgeted expenses. However, because of the extra federal cash available

politically both the provinces and their municipalities must enter this federally contrived competition for more transfer dollars.

The problem of paying for this program remains whether the money is accepted or not. Whether we take the cash or not we have to pay the taxman because the money will be spent. The money will be borrowed to spend and the burden of paying interest on that will be borne by the taxpayer.

Some of the largest cities may view this program from a completely different perspective. For them this may be a wind-fall. The federal government has taken on the role of Santa Claus, granting to them any project within reason that they can dream up. Some projects likely to receive funding can hardly be considered infrastructure types.

One project likely to gain approval is the Quebec City convention centre. Many would question this as infrastructure. While some communities are in desperate need of infrastructure upgrading, others will be using these tax dollars for projects that are ridiculous for financially broke governments to even consider.

Can we expect more projects as we saw from the previous government like the Museum of Humour in Montreal which is a joke of a project, approved and funded by all three levels of government?

Even if we could afford to undertake the Liberal infrastructure program, it is still flawed. Municipalities have been provided only two years to approve and implement projects which must be completed within just three years.

Any projects currently in place are not eligible and I fear the least infrastructure-like projects will get priority in the rush for approval. As well, the haste to completion will result in a lower quality end product with likely cost overruns to be fully borne by the municipalities.

(1730)

I am concerned that this infrastructure program will end up yielding the same results as the Ataratiri Housing Project in central Toronto which was reported in the press. The description of this municipal housing project has similarities to the infrastructure program. On this Toronto housing project \$265 million was spent and not a single residence was ever built.

I would like some assurance from the former Mayor of Toronto, now the hon. minister responsible for the infrastructure program, that the mistakes made in this Toronto project will not be repeated again on a \$6 billion scale.

This infrastructure program serves as a reward to many municipalities that have neglected adequate maintenance. Rewarding negligence is found in another program adopted by the budget, the residential rehabilitation assistance program, or the

RRAP. This program is designed to assist individuals who own residences that do not meet adequate living standards.

The RRAP provides forgivable grants and loans. Forgivable grants are loans converted into grants after five years ownership has passed since the work was completed. The forgivable grant portion of the program cost the Canadian taxpayer \$53.7 million in 1993. Additional fully repayable loans worth \$10 million were also granted. However, in 1993 almost \$1.5 million worth of previous loans were in default.

The residential rehabilitation assistance program as I understand it is intended to raise the standard of housing for those people with low incomes. This in itself is a worthy cause. As worthy as this may be the main problem with this program is the same problem we have with the infrastructure program. The RRAP will take another \$100 million of borrowed money to finance it and this borrowed money will be added to the national debt and then we and our children can pay interest on that also.

However, there are some other reasons why I resist the RRAP. They are based upon some knowledge of some of the abuses that have taken place in the past. Homes have been renovated and upgraded with the result being an increased sale value which made selling the house an attractive option that was taken advantage of.

Another aspect I resist is the arrangement to provide loans which are simply not being repaid as agreed.

In the budget other costly programs were introduced. The cost of scientists and engineers program will be \$10 million annually. It is designed to help businesses hire new technical staff with government subsidies. A similar program is the youth services corps which also acts as subsidies to businesses hiring youths.

As admirable as these programs seem they put businesses which are able to participate in the program at a competitive advantage over those that do not qualify. Lowering the cost of research and production for a business which normally is not competitive or viable could force other self-sustaining and competitive business out of the market. Both these programs have admirable motives but have potentially dangerous consequences that could place Canada at a disadvantage in world markets.

It is always a disappointment for a person who has worked hard to see his or her business grow and then see a competitor come in and receive government money that instantaneously makes them 10 times larger than their years of work have accomplished and the business becomes unviable because of the artificial competition.

These programs will have little overall effect on employment but will force us to maintain current or higher levels of deficit spending and will not permit any overall lowering of business taxes which is the greatest stimulus to increased employment. These programs have the potential of working against the goal they were designed to achieve.

### *Supply*

The court challenges program was reintroduced in last month's budget. Canadian Heritage estimates show a steady increase in the money to be provided to the court challenges program. The amount allocated for the next fiscal year, 1994-95, will be almost double what was provided in the last full fiscal year before its cancellation in 1992.

(1735)

We must also take into consideration that the \$35,000 available per case represents only a small portion of the entire cost that each case represents in the entire judicial system. As well, there are a growing number of people who resent taxpayers' money being spent to argue for the rights that satisfy agendas more personal than national.

The goal of the court challenges program was introduced to help minority groups challenge the sections of the Canadian Charter of Rights and Freedoms. It would be reasonable to expect that after 14 years of the existence of this charter the number of cases should be tapering off, not increasing.

**Mr. Julian Reed (Halton—Peel):** Mr. Speaker, I would like to ask the hon. member how he would respond to the people in the municipalities of my riding who have said to me very enthusiastically that because of the infrastructure program the municipalities were able to update projects that had to be delayed in the past because of the recession and that the benefits will accrue over the next 10 to 15 years, well beyond the time that the mechanics of the infrastructure program are under way.

I wonder how he would respond to that in making the statement that this is strictly a temporary thing with an end and once it is over it is over and gone.

He alluded to that early in his speech.

**Mr. Mayfield:** Mr. Speaker, the problem of money needed to rebuild and renovate infrastructure within the municipalities is not a new one. Municipalities have been short of money for this type of work for a long time.

However, the difficulty at this time with borrowing money for these projects is that this is money that will be added to the deficit and the debt and will increase the burden upon this generation and future generations to deal with the real problem of our economy, the number one economic problem of our nation, overtaxation. Every level of government suffers from that disease.

**Mr. Peter Adams (Peterborough):** Mr. Speaker, the member spoke about the infrastructure program.

As the frost comes out of the ground across Canada, hundreds and thousands of infrastructure projects are going to start creating jobs, improving our infrastructure and stimulating local economies. He spoke about the residential rehab program. Thousands of Canadians are going to improve their basic investments in their homes.

*Supply*

He spoke about the science and engineering program. Does he know that whereas in Japan virtually every manufacturing company with 100 employees has an engineer, virtually none of our equivalent corporations does.

My question to the member is can he assure us that no municipality in his riding is going to take advantage of the infrastructure program?

**The Deputy Speaker:** Order. I ask all hon. members that when they are asked to be brief they do not go on indefinitely.

**Mr. Mayfield:** Mr. Speaker, in a brief answer to the member's question concerning whether I will ask the municipalities to assure that they will not accept the money, of course I will not do that.

The reason for that is we are going to be taking part in paying for this project whether we use the money or not. Regardless of whether we are philosophically ready to approve this type of thing, which we are not, we must take advantage of it because we are going to be paying for it anyway. We are going to be there with our tax money like everybody else.

**The Deputy Speaker:** The time has expired. I would remind the hon. member for Cariboo—Chilcotin that he is not supposed to answer a question or put a question unless he is sitting in his seat.

I remind all hon. members of that.

(1740)

**Mr. Mayfield:** I am aware of that, Mr. Speaker. I will try to contain myself in future.

**Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage):** Mr. Speaker, it is with pleasure that I rise today to applaud the government's decision to reinstate the court challenges program.

The original court challenges program began in 1978 when the Secretary of State and the Minister of Justice announced the establishment of a fund to provide financial assistance for legal expenses of litigants seeking clarification of the scope of protection afforded to official language minorities under either section 93 or 133 of the Constitution Act of 1867.

Following the proclamation of the Charter of Rights and Freedoms in 1982 the Secretary of State and the Minister of Justice reaffirmed and updated the court challenges program. The program was expanded to include sections 16 to 23 of the Charter of Rights and Freedoms. In 1985 section 15 of the charter came into effect and the court challenges program was expanded to include equality rights protected under that provision. At the same time, administration of the program was

assigned to an arm's length organization, the Canadian Council on Social Development, which administered the program until 1990 when the responsibility was transferred to the Human Rights Research and Education Centre of the University of Ottawa.

The termination by the previous government of the court challenges program was severely criticized. It was seen by many as an attack on human rights. Former Supreme Court Justice Bertha Wilson wrote to the Minister of Justice at the time, expressing here dismay and distress over the cancellation of the program. She wrote, in part: "I have on numerous occasions publicly expressed the view that it is totally illusory to confer rights on people who do not have the means to enforce them".

The program has been commended for making the critical difference between access to charter rights and no access, and this government is committed to ensuring access for Canadians to a judicial system that would otherwise be beyond reach.

We agree with Madam Wilson that rights for people who do not have the means to enforce them are totally illusory.

[*Translation*]

The program funds precedent-making cases that are national in scope. While it subsidizes individuals and groups, it is concerned with issues that affect many Canadians. It is not a general legal aid program. To guarantee impartiality of decisions on cases with financial implications, the government has transferred responsibility for the program to independent organizations.

Since its founding, the program has been unique in Canada and has attracted praise from outside the country as well. It bears witness to the fact that enshrining rights in legislation has no impact if the people they are supposed to protect lack the means to enforce those rights.

In fact, people have been very critical of the Charter because it is not accessible to the average Canadian. In the past, the Court Challenges Program has ensured access to the courts for all individuals who want to defend their language or equality rights.

The program has made it possible for all Canadians to be full participants in the Constitution of our country. It has been instrumental in making charter rights accessible to francophone parents, aboriginal women and the disabled, to name only a few.

[*English*]

In addition to language and equality rights, the new court challenges program will fund test cases of national significance involving challenges to fundamental freedoms as outlined under section 2 of the charter.

*Supply**[Translation]*

These basic freedoms are as follows: freedom of conscience and religion, freedom of thought, belief, opinion and expression, including freedom of the press and other communications media, freedom of peaceful assembly and freedom of association.

(1745)

I am also pleased to say that the program, as reinstated, will continue to provide financial support for legal tests that are national in scope and concern federal and provincial statutes covered by sections 93 and 133 of the Constitution Act, 1867, section 23 of the Manitoba Act, 1870, and sections 16 to 23 of the Canadian Charter of Rights and Freedoms.

The program will also continue to provide financial support for court challenges of federal statutes, practices and policies, under sections 15—equality—and 28—gender equality—of the Charter, or when an argument relating to section 27 of the Charter—multiculturalism—supports arguments based on section 15.

The new program will be administered independently by a non-profit agency, whose board of directors will include representatives of the Canadian Bar Association, non-governmental organizations and universities.

*[English]*

Proposals and discussion papers on the new program have been received from a number of groups. Officials are reviewing these carefully as they continue to work on the modalities of the program. A number of parties have expressed an interest in working with the department to ensure the expedient reinstatement of the program.

This government recognizes and values the experience of individuals and groups involved with the former court challenges program. It is committed to seeking their views prior to making a decision on the legal structure and operating principles of the new program.

As a result of the broad range of interest, experience and expertise which will be taken into account by the government, I am confident the program will be implemented as quickly as possible in a manner accountable to the government and the people of Canada.

**Mr. Andrew Telegdi (Waterloo):** Mr. Speaker, I am pleased to rise once again on an opposition day.

The last time I stood on an opposition day was February 21. We were speaking on petitions. The Reform Party was advancing the notion it wanted this House to listen better. It wanted to show that we listen better to Canadians and to each other.

Interestingly enough when my time expired one of my colleagues on that side of the House moved a motion that the time

be extended so I could answer some questions. Members of the Reform Party were the ones who voted against it. That is important for us to note.

In terms of dealing with this budget, one has to wonder whether the opposition perhaps is being a little sanctimonious. I say that because there was an election. We can talk all we want about petitions or referendums, but there was an election on October 25.

We went to the public with a plan. It was outlined in the red book. We said that we were going to follow that plan if we formed a government. Now that we are in government that is exactly what we are doing. We are following that plan. For members of a party that says it believes in petitions and referendums to turn around and tell us we should ignore our campaign promises to Canadians certainly is the height of cynicism and sanctimony.

Let us look at what was contained in the budget. We talked about what we would do in the fiscal framework of present day realities.

(1750)

It is in the budget that there are \$5 of spending cuts for every \$1 of revenue increase. Over 80 per cent of the net fiscal improvements achieved by the government through 1996-97 comes through spending cuts. The net savings of \$17 billion achieved in spending cuts come after paying for our new initiatives.

Some \$6.7 billion in current federal program spending is being reallocated to encourage growth, create jobs and find new priorities. Those same programs are criticized in this motion.

We are talking about the infrastructure program that was the subject of such debate in the last election. In my riding of Waterloo the Reform candidate ran in the previous municipal election. When I won the seat to represent the Waterloo federal riding in this House, my seat on council became vacant. During the course of the campaign the Reform candidate was saying that the infrastructure program was pork barrelling. It was a make work project and had no redeeming value.

The Reform candidate now occupies my seat on Waterloo municipal council. And guess what? Last week they laid out the infrastructure program for the city of Waterloo. Waterloo is spending all its allocation. What happened with the Reform candidate who spoke so strongly against it? The Reform candidate voted in favour of the infrastructure program. It was unanimous.

I raise that because just like every other new Liberal member and I am sure most other members of this House I honestly and truly wanted to believe this Parliament was going to be different. We wanted to believe we would not be playing sanctimonious games, that we would be working together to improve the operation of this House.

*Supply*

That is not the reality. And it saddens me because every new member on my side of the House is a reformer and they are acting a lot different from the Reformers. We have to keep that in mind.

Staying with the infrastructure program, they say it is a make work project. One of the infrastructure programs deals with the inventory and repair of failing sewer lines throughout the city. Sewer lines are pretty important to any municipality. As a matter of fact, sewer lines make us a civilized country, along with water and other infrastructure. It is the elimination of inflow infiltration to the sewer lines.

Another program is to extend the Northland 4 industrial subdivision pumping station. There are sewers, water mains and road construction projects. They are doing that so they can have new industry locate. New industry will generate jobs and pay taxes.

Tell me the last time private enterprise built a sewage treatment plant. Clearly that is something government has to do. It is a responsibility belonging to government.

Infrastructure: Look around the world at countries that do not have infrastructure and you are looking at countries in the Third World. Look at the G-7 countries and the money they spend on infrastructure. They are spending it because they are investing in the future of their countries. We are investing in the future of our country. We as Liberals believe in that.

Prior to the tabling of the budget many Reform members and I had occasion to attend a workshop by the Fraser Institute. Do you know what was said? It was said that our proposal to get our goal of 3 per cent of the GDP in terms of reducing the debt within three years was a responsible approach. It was a rational approach.

(1755)

We all knew that the deficit was going to be \$32 billion this year. The previous regime told us that. The reality is we are looking at a much higher deficit this year.

The Reform Party in the last campaign said it was going to eliminate the deficit in three years. What Reform members say and how they act impacts on all of us and on the legitimacy of this Chamber. For the sake of their own credibility and that of this House I would love to see them stand in this House and present to us how they would eliminate the deficit. I put to this House that they could not do it. I challenge them to stand up—which they will not—and say they were wrong and they cannot do it.

One of this country's tragedies is what is happening to our youth. In 1992, 100,000 young people who graduated from high school were qualified to attend college or university but there was no place for them in our educational institutions. Reform

Party members would chop out the youth services corps which is meant to address the drastically and shamefully high unemployment rate among our youth. To see their opposition to this corps has to sadden every member who cares about those neglected youth who are part of our constituencies.

My friend made a very able presentation on the court challenges program. Since I have been in this House I have listened to Reform members tell us they are in touch with the needs of minority groups. I can only say after listening to them for four months that I find them compassionately challenged when it comes to those issues.

What does the residential rehabilitation assistance program mean? It means those seniors who are unable to make repairs to their houses and move on to costlier institutions would be assisted so they could stay in their homes and thus maintain their dignity. How anyone could oppose that is incredible.

There is the engineering program. The University of Waterloo in my riding is the biggest supplier of workers to Microsoft in the United States. This has to be a brain drain. We want to keep our brightest graduates in whom we have invested so much in Canada. This will afford us an opportunity to do that.

In wrapping this up, I was looking forward to this motion today but I find it is very much challenged in terms of reality. I can only say I am very proud of the budget and the responsible plan we came down with in presenting that budget.

[*Translation*]

**The Deputy Speaker:** The hon. member for Richelieu has the floor, very briefly please.

**Mr. Louis Plamondon (Richelieu):** Very briefly as usual, Mr. Speaker. I always follow your precious advice.

I was very surprised to hear the previous speaker, a member of the Liberal Party, express astonishment that a member of the Reform Party may have changed his mind or acted differently after an election. It is a distinctive feature of the Liberal Party to say one thing during the election campaign and something different after the campaign. The most conclusive evidence is the budget tabled by the Minister of Finance, which is exactly the kind of budget tabled by former Tory ministers.

I was surprised to hear the hon. member talk about contradictions as, when the Liberals were in opposition and the Conservatives dealt with unemployment through Bill C-113, I was also in opposition as a member of the Bloc Québécois and I heard Liberal members cry out against that change. The last budget is doing worse things to the unemployed but they have not said a word. In closing, I am very surprised to see that when they were in opposition, they attacked the changes to old age pensions proposed by the Tory government, but now that they are in office, they do not hesitate to assail old age pensions.

*Supply*

(1800)

I was very surprised when I heard the hon. member say that sewers are the solution in Canada and the distinctive characteristic of civilized countries. I thought it was culture, respect for young people, the right to work, and a finance minister who made the right decisions.

*[English]*

**Mr. Telegdi:** Mr. Speaker, may I say that on Friday with a number of my colleagues I had the opportunity to look at the social programs in my riding. Everyone who participated came up with very good suggestions about our social programs and how we have to reform them as we head into the next decade.

Everyone who came from the baby-boom generation would have some concern about old age pensions. We are going to have the biggest revolution when the baby boomers become senior citizens. Demographically it is going to be like everything else. When the boomers got to university, the university education system exploded. Therefore, we have to plan for that.

I really regret that the Bloc Quebecois would not want to look at this to make sure that in the future we will have a pension system that is supportable, viable and will be there for people in need. There has been absolutely no talk about cutting pensions.

In terms of sewers and infrastructure, even this Chamber has to have sewage service, probably more than most other places. Any building, whether it is a university building or an industrial building has to have a sewage system and a water system. Those systems are very important in protecting our environment as well.

**The Deputy Speaker:** The debate is over at 6.23. I wonder if the two members from the Reform Party want to cut into the time of their own members, two of whom are the next speakers. Assuming not, the next speaker is the hon. member for Simcoe Centre.

**Mr. Ed Harper (Simcoe Centre):** Mr. Speaker, I rise today to speak against the budget and in support of our motion to do something about the current deficit and debt that we face as a country.

I do not know if members have ever heard a million dollar speech, but I am about to give one. Members may not agree it is worth that much, but the fact remains that by the time I conclude, with our current debt accumulating at \$78,000 per minute, we will have slipped another million dollars into debt. This is the ticking time bomb we are sitting on.

**Mr. O'Reilly:** That is enough to make you lose your hair.

**Mr. Harper (Simcoe Centre):** I cannot afford to do that. I

appreciate that this is a two part budget and nothing in the first part will correct the problem. Given the track record on promises for the future on the second stage I have no optimism.

We have been living beyond our means for over 20 years and over that same period each budget would acknowledge how serious the problem was, yet we still overspent and the debt continued to grow.

In spite of this history of year after year of failed budgets we continue to go down the same road. Apparently no one is asking the question: "What are we doing wrong? Why have our plans not worked"? The problem to me is the fact that we place all of our emphasis on those things that we have little control over; interest payments and growth in the economy.

The one area where we do have complete control is spending and yet we ignore it in the hope that we can grow our way out with optimistic growth projections and pray that interest rates will remain low. The government has a spending problem. There is no other variable available that we can control.

If we are serious about eliminating our deficit and then reducing our debt we must attack spending. Make no mistake about it, this is a war of Canada's survival. I am not talking about nibbling around the edges like this budget. I am talking about serious spending cuts, not next year or the year after but now.

(1805)

From my background in small business I know how important the bottom line is. If you want to stay in business and employ people you must make a profit or at least break even. As a manager of that business if you fail to make a profit you fail the employees who lose their jobs. The bottom line is profit for people. Government is a business, not a business for profit but a break even business and the government is failing our people.

You cannot lose money year after year. You can borrow to a point. However, governments have gone far beyond the point of good business sense. Our lenders do us no favours by allowing us to go deeper and deeper into an abyss of debt. The pain and suffering that will come will not be any easier as we delay the inevitable as the budget does.

During the first few days of the 35th Parliament I heard the phrase "lean but not mean" many times. In some ways those are meaningless words of comfort. You cannot be lean but not mean. You are speaking with a forked tongue. To those who are going to be affected by your decisions to cut or reduce you are mean. To the 16,000 military personnel in the defence cuts plus the thousands of jobs lost in the cancellation of the EH-101 contract without debating the merits of those decisions, you were mean.

*Supply*

Unfortunately due to excessive spending by former governments there is no painless way out of the current mess. The budget has only delayed the day and continues to play a cruel hoax on Canadians by pretending there is an easy way out. There is not. We have 20 years of history to prove it.

It is ironic that on the first day of this Parliament the federal budget reached half a trillion dollars, a national disgrace for a country of 27 million people, a personal debt of \$74,000 for each family of four living in the country, \$18,000 of debt for every man, woman and child.

As shocking as these numbers are, the government is prepared to add almost \$40 billion this year toward an additional \$100 billion over the next three years to a total of \$600 billion or \$22,000 per person by 1996. It is madness. We cannot afford the programs we have and yet we are prepared to add more.

The 35th Parliament set three targets. The first is the largest deficit in our history, the largest number of new members, and the largest debt ever. What a great opportunity with so many new faces with fresh ideas to turn this place around and leave it in four years a better place than we found it, fiscally responsible and economically sound.

In 22 years of Liberal governments the debt soared from about \$25 billion to \$180 billion with an absolute freefall starting in 1975–1976. After losing to the Conservatives in 1984 the debt plunged to a record \$500 billion in 1993, almost triple in nine short years. This in spite of the fact that each and every budget announced the intention of attacking the deficit and the debt.

Where is the credibility? We have had 20 years of failed budgets, 20 years of broken promises, 20 years of tax increases, and 20 years of declining services. Is there any wonder that Canadians have lost faith in their politicians?

There is a frightening similarity between overfishing and overspending. For years we were warned that our fish stocks were in danger and that continued fishing at current rates would deplete them, costing thousands of jobs. We ignored that advice at our peril. We have the same scenario today in out of control government spending. We have been warned it cannot continue yet we ignore the warnings.

(1810)

With our situation deteriorating by the minute as it has done for the past 20 years no one is asking why. What are we doing wrong? How do we stop this addiction to spending? Like drugs or alcohol in many ways it is an addiction. Like an addiction the first step toward a cure is acknowledgement that we have a problem.

This budget fails that test. Much worse, it says very clearly that our finance minister does not understand.

Unless we face and solve these problems now nothing else matters, not health care, not education and not our ability to compete.

The headline on the cover of this week's *Maclean's* magazine asks the question: "Are we cheating our kids?" While the story deals with education, the same question applies to this generation's overspending and the terrible debt load we are leaving on their young shoulders.

The reason I am here today is my deep concern for my children and my grandchildren. I am ashamed of my part in this spending binge that has mortgaged their future. Sitting back was not good enough. I had to get involved and do what I could to save their future, and in saving their future we would be saving Canada from the terrible prospects of bankruptcy.

Some politicians will say that deficit and debt are a problem but not to worry. Those politicians are burying their heads in the sand. We have been told for 20 years that things are going to get better, yet our situation has never been worse.

In the next three years we will add \$100 billion more debt and we will still be overspending by \$25 billion.

For 20 years I ran a small business in Barrie providing employment for some 20 people. Each month and each year I worried that we would maintain a profit or at least break even so I could protect their jobs and mine. It is no different from any other business, large or small. It is no different than the taxpayers across this great country making ends meet, living within their means.

Why is it that governments think they can do otherwise? A big part of the answer is the fact that governments have been able to come back to us for more taxes, never cutting spending, just increasing taxes. The day of tax increases being productive is over.

My constituents told me very clearly they have no more to give. Any further attempts at a tax grab would ignite a tax revolt. Many of our citizens have expressed their disgust in past increases and broken promises by joining the underground economy which is costing honest taxpayers billions of dollars.

As part of our zero in three plan we outlined a savings of \$500 million in subsidies to special interest groups that have been living off all taxpayers when they should have been getting funding from those they supposedly represent. We are doing a further study on this issue.

Governments do not create jobs. The private sector does. The \$6 billion infrastructure program outlined in the budget to kick start our economy was described by Sir Roger Douglas, former finance minister of New Zealand, as taking a feather duster to the Eiffel Tower. Those few jobs will disappear after the funding runs out and we will be a further \$6 billion in debt.

*Supply*

The private sector will create the long term jobs our children and grandchildren need. The private sector is not looking for government handouts. It is looking for governments to get off of its back and out of its pockets and out of the pockets of its customers.

The reduction in UI premiums is a step in the right direction and I applaud the government for that.

In closing, let me say that all of the problems we face are pale by comparison. If we fail to attack this overspending, this mortgaging our children's future, we will fail Canada. We are facing a battle that is greater than any our country has faced before. Working together we can make the tough decisions to bring back fiscal responsibility.

This budget is not the answer. We cannot delay. We can pay now or we can pay much more dearly later.

**Mr. Sarkis Assadourian (Don Valley North):** Mr. speaker, the speech was not worth a million dollars to me. He asked for \$1 million.

On this motion paragraph (a) asks for a cut in the budget for the youth service corps, the court challenges program, the residential rehabilitation assistance plan, the engineers program and infrastructure program. That is one paragraph.

(1815)

Paragraph (c) says that we should spend money to produce quarterly reports. We are going to spend money to produce reports but we will not spend money to create jobs. How does one explain this in the motion?

**Mr. Harper (Simcoe Centre):** Mr. Speaker, item (c) where we are asking that money be spent on quarterly reports on our progress ties in very nicely with a recommendation that was made in the Auditor General's report.

One problem we have faced over the years is that the Canadian public is not being kept aware of the magnitude of this program and our progress or lack of progress in solving it. Our reference to that is for information, to keep this Parliament and all Canadians aware of the progress that we are making toward attacking the deficit and the debt.

I do not think that is wasted money. It is money well spent. We will be keeping in touch with our progress in addressing this most serious concern that we face and indeed that all Canadians are going to be affected by.

**Mr. Elwin Hermanson (Kindersley—Lloydminster):** Mr. Speaker, I realize the time is short and I will not be able to give the entire load that I intended to deliver to the House on this occasion in speaking in support of our motion put forward by my colleague, the hon. member for Lethbridge.

I had intended to relate to this House the effect that I felt the federal government's budget would have on the agricultural industry. Perhaps when another day provides the opportunity I will be able to give this presentation in a little bit more detail.

I would like to make a few points in the short time that I have available, especially in light of the fact that the Minister of Agriculture is in the House. It would have been a great pleasure and a privilege to discuss agriculture at quite some length because agriculture has been an issue that has strangely been on the back burner. It has received very little attention in the House from the government side.

I know that my constituents in Kindersley—Lloydminster and Canadians in rural areas are quite concerned that the government does not have a handle on federal spending. Federal agriculture programs are not only in jeopardy but our very standard of living is in jeopardy and will affect all communities in this country as well as agriculture.

By not taking the necessary steps to deal with the deficit now the government is sacrificing the future of government services to all Canadians, including people in the agricultural field. Rather than taking these essential steps the government has decided to create more spending programs.

We would encourage the government to place a moratorium on new spending, including the new spending requirements announced in the budget namely, and we have talked about them today, the youth service corps, the court challenges program and the engineer's program but particularly the infrastructure program.

I was quite saddened to hear comments made by the Minister of Public Works mocking Reform's position that Canadians are not as excited about the infrastructure program as the government would have us believe.

The minister challenged members on this side of the House to have their constituencies refuse infrastructure funding. It seemed like a very unfair request to make in that constituents who are represented by Reform MPs are being raped and pillaged by high taxes and then are expected to give up the morsels that the government would offer by way of inadequate infrastructure programs.

More seriously, what is really the heart of the matter is that instead of having a few new programs, what is really going to happen is that we are not going to have security for the programs that Canadians rely upon including federal support for health care for those seniors that the government side seems to be so concerned about, if they have a few programs that have nice frills around the edges. However we lose the core of our health care program. What good are these programs?

If we have a youth corps program but we do not have quality education for our young people in this country, of what value is a youth corps program? Finally, if our seniors lose their old age security pensions and low income assistance, of what value are some of these frills that the government would put forward in the way of new programs?

*Supply*

Reformers have been talking about priorities. We have been talking about what is really important to keep this great country of ours together with a high standard of living that we can all be proud of. Whether we are people in the private sector who are small business people, farmers, whether we are seniors who have committed a great deal of effort and energy into making this a great country, or whether we are the youth of this country who would like to think they have a bright future where they can contribute to a great land and to a society that they can make better, I and many Canadians are concerned that this will not be the case in light of the fact that the government has not been able to control its spending. In fact, this debt may be a ticking time bomb that will explode on future generations and deny them the standard of living and the lifestyle that we have enjoyed as Canadians who have lived beyond our means. They will not have that same opportunity.

Mr. Speaker, I thank you for the short time you have allowed me to speak. As I mentioned, perhaps I will be able to unload the entire load at some future occasion.

[*Translation*]

**The Deputy Speaker:** It being 6.23 p.m., in accordance with the provisions of Standing Order 81(16), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

Is the House ready for the question?

**Some hon. members:** Question!

**The Deputy Speaker:** Is it the pleasure of the House to adopt the said motion?

**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:** Call in the members.

*And the division bells having rung:*

**The Deputy Speaker:** Pursuant to Standing Order 45(5)(a), I have been asked by the government whip to defer the division until a later time.

[*English*]

Accordingly, pursuant to Standing Order 45(5)(a), the division on the question now before the House stands deferred until tomorrow at 6.30 p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes.

Colleagues, it being 6.25 p.m. the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.25 p.m.)

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