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(HANSARD)

**Wednesday, March 23, 1994**

**Speaker: The Honourable Gilbert Parent**

# HOUSE OF COMMONS

Wednesday, March 23, 1994

The House met at 2 p.m.

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*Prayers*

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## STATEMENTS BY MEMBERS

[*English*]

### BIODIVERSITY

**Hon. Charles Caccia (Davenport):** Mr. Speaker, biodiversity means a richness of life as it surrounds us in nature. We must preserve biodiversity because it is nature's protection against catastrophes. The loss of biodiversity has serious implications for life on earth.

We have been told that since the beginning of the century 75 per cent of crop diversity has been lost. This leaves us vulnerable. For example uniformity in corn crops could have resulted in disaster when a severe blight threatened corn crops in the 1970s. By maintaining biodiversity we also help sustain ourselves.

As a responsible society we in Canada must preserve our still rich biodiversity. From our forests and fields to our wetlands, lakeshores, parks and lawns our biodiversity is our most precious asset.

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[*Translation*]

### AVERAGE INCOME OF FRANCOPHONES

**Mr. Réjean Lefebvre (Champlain):** Mr. Speaker, this morning's *Globe and Mail* reported on a Statistics Canada study which found that the median income of francophone Canadians was more than 10 per cent lower in 1992 than that of anglophones. The gap has more than doubled since 1977 and it is growing wider every year.

Considering that the aim of the Official Languages Act passed by the Liberal Party was to give francophones their rightful place in the Canadian economy, the only conclusion that can be drawn is that the legislation has been a failure.

The study also found that Quebec francophones had made up some ground during the same period. The income gap between

anglophone and francophone families in Quebec has narrowed from 8.2 per cent to 1.9 per cent.

The income gap can be closed, Mr. Speaker, but one has to conclude that federal policies are not a contributing factor.

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[*English*]

### CREDIT RATING

**Mr. Jim Gouk (Kootenay West—Revelstoke):** Mr. Speaker, yesterday after the announcement of the downgrading of Canada's rating for foreign currency debt, the Minister of Finance stated it only affected a small portion of our total debt so it was no big deal.

Now the Bank of Canada has increased its key lending rate which undoubtedly will result in increased borrowing costs for Canadian consumers and businesses. It is also having an impact on the cost of government borrowing.

The budget did not address the deficit or debt. Now all Canadians are starting to pay for this short-sightedness.

When will the government realize it is on a course to financial disaster and revise the budget to deal with the problems it has created? Could it be that the government believes that all problems faced by Canadians are no big deal?

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### THE ECONOMY

**Ms. Bonnie Brown (Oakville—Milton):** Mr. Speaker, last week I listened to an hon. member of the opposition speak with sadness about the unfavourable conditions in his riding. There was a lack of hope in his voice. Let me assure the House that all the news is not bad and the economic recovery is beginning.

In Oakville—Milton more than 1,500 jobs have arrived since election day. Ford has increased its workforce by 1,100 and Lear Seating has hired 455 persons. Polywheels has expanded into a larger facility, thus expressing confidence in its future. Derlan Aerospace has secured the contract to retrofit the Lynx helicopters made in Britain, thus ensuring the employment of 300 workers in Milton.

This good news is being highlighted by the media and is reinforcing the climate of confidence which underpins new investment and economic growth.

*S. O. 31*

My hope is that we will all begin to feel this confidence, rekindle our optimism and together rebuild the national economy.

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#### REVEREND BRIAN WEATHERDON

**Mr. Mac Harb (Ottawa Centre):** Mr. Speaker, Reverend Brian Weatherdon, the respected, hard working and loyal associate minister of St. Andrew's Church, has recently been called to a new ministry in Hamilton.

During the five years Brian has ministered in Ottawa he has played a key leadership role in advancing important issues such as the fight against child poverty and the organization of nutrition programs for families in need. He was also very instrumental in helping me to establish National Child Day.

His enthusiasm and his dedication to his congregation and the Ottawa community have been exceptional.

Brian will leave behind countless accomplishments, memories and friends. I along with many others am sad to see Brian leave. He can be very proud of the meaningful contributions he has made to this community.

On Easter Sunday, Brian will take up his new duties as the minister at MacNab Street Presbyterian Church in downtown Hamilton.

I would like to inform the members from the Hamilton area that a very remarkable and generous man will soon be in their neighbourhood.

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#### SPRING

**Ms. Hedy Fry (Vancouver Centre):** Mr. Speaker, Sunday was the first day of spring in Canada, or at least it was in my city of Vancouver.

Today I have attempted to bring the sweet air of our west coast spring to Ottawa. In the lobbies outside this House are 295 daffodils for 295 members of Parliament. It is my wish that these daffodils like spring itself awaken the creative passions of members of the House of Commons.

(1405)

The challenge before us of making Canada work better requires the swiftness of a sudden spring shower, the resolution of a blossom, and the certitude of a thaw.

May these daffodils, generously donated by a Vancouver radio station as well as by a fine corporate community partner, serve as a pleasant reminder that with spring comes hope, renewal and growth.

[Translation]

#### THE INFORMATION HIGHWAY

**Mr. Réal Ménard (Hochelaga—Maisonnette):** Mr. Speaker, the information highway is unquestionably the technological issue of the day. Once completed, the information highway will bring together telephone, cable and computer technology with a view to providing a wide range of interactive services to consumers.

The information highway will alter consumer, work and education habits and impact on the private lives of Canadians and Quebecers.

Therefore, the Minister of Industry must commit publicly to holding public, open, transparent and accessible hearings on this subject, not consultations behind closed doors, as the committee is expected to hold.

As Ottawa prepares to put in place the administrative machinery to manage the information highway, protecting the privacy of Canadians and Quebecers must be one of the federal government's main concerns.

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[English]

#### FORUM FOR YOUNG CANADIANS

**Mr. Dick Harris (Prince George—Bulkley Valley):** Mr. Speaker, I rise in the House today to give tribute to the Forum for Young Canadians.

As hon. members know, participants in the Forum for Young Canadians are in Ottawa this week to learn more about the process of government at the federal level. I know all members will join me in praising the organizers, the sponsors and the many volunteers who have made this forum a reality.

I wish to give special tribute to each of the participants, our future leaders, and in particular to a young constituent of mine, Jennifer Robinson of Prince George, B.C.

Welcome to Ottawa and best wishes for a most successful session.

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#### MANUFACTURING INDUSTRY

**Mr. Gar Knutson (Elgin—Norfolk):** Mr. Speaker, I rise to speak briefly on a question of urgency in my riding of Elgin—Norfolk: the need for Canada to have an updated industrial strategy.

To many in my riding words like "change" and "competition" are synonymous with plant closings and higher unemployment. Almost one job in four in my riding is in the highly vulnerable manufacturing sector. Over one-third of the industrial park in the city of St. Thomas is empty. It should be clear to

this House that manufacturing jobs in Elgin—Norfolk are in deep decline.

Elgin—Norfolk relies heavily for employment on the auto parts industry in which technology is key. Canadian workers need only the new tool of technology to add to their high productivity and education, two areas in which we hold an excellent advantage.

I urge the government to look at technology as a way of ensuring the people of Elgin—Norfolk and all of Canada a better tomorrow.

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**ORDER OF ELKS CURLING PLAYDOWNS**

**Mr. Bernie Collins (Souris—Moose Mountain):** Mr. Speaker, I would like to acknowledge the Benevolent and Protective Order of Elks in Estevan, Saskatchewan. It is holding the Canadian Elks 1994 national curling playdowns in Estevan from March 22 to March 27, 1994.

The Benevolent and Protective Order of Elks is widely known and appreciated across Canada.

On behalf of the Government of Canada I would like to offer my best wishes to all the participants and volunteers involved in this prestigious event.

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**FARM BUSINESS MANAGEMENT COMMITTEE**

**Mr. Harold Culbert (Carleton—Charlotte):** Mr. Speaker, quality food production is of great importance to every area and to every citizen of Canada. Canadians are fortunate that the farm and agricultural community ensures a continual supply of quality foods.

Over the past few days the Canadian Farm Business Management Committee has been meeting in Ottawa. I believe some committee members are visiting the House today.

During the sessions I had the opportunity to sample food products. They were from displays consisting of food products of the particular native province. I must admit they were most impressive and very tasty.

(1410)

Let us reaffirm in this House today our support for the Canadian farmer and for the Canadian food producer, their importance to our economy and their importance to every citizen in Canada.

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[Translation]

**CANADIAN BROADCASTING CORPORATION**

**Mrs. Maud Debien (Laval East):** Mr. Speaker, I want to express my concern about the future of the CBC's news services.

The Chairman of the Canadian Radio—Television and Telecommunications Commission, Mr. Keith Spicer, asked the Canadian Broadcasting Corporation to broadcast news bulletins on both networks using simultaneous translation. Such a service will cost more than \$15 million a year.

This new demand is being made in a context of cutbacks. Obviously, Mr. Spicer and the CRTC want to sacrifice the quality of the CBC's news on the altar of national unity.

Need I remind the commissioners of the CRTC and the Liberal government that there is still no all-news service in French? Need I recall that the CBC's French service can no longer afford to pay its correspondents abroad?

Mr. Speaker, we members of the Bloc Quebecois are opposed to any political interference in the internal affairs of the Canadian Broadcasting Corporation.

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[English]

**THE ECONOMY**

**Mr. Elwin Hermanson (Kindersley—Lloydminster):** Mr. Speaker, a recent edition of *Taxpayer* magazine reported on the Canadian Manufacturers Association study of Canada's debt.

The president of the CMA, Mr. Stephen Van Houten, said that given the track record of previous governments the debt could soar to \$965 billion by the year 2001. He observed that governments have a bad habit of seriously overestimating economic growth and tax revenues. The government has a narrow window of opportunity to deal with this impending debt crisis.

Mr. Van Houten also noted the dramatic growth in the underground economy shows that Canadians are fighting back against tax increases. The only viable option for the government is to cut spending.

The CMA notes that the money markets are reacting negatively to yet another high deficit. Many Canadians are concerned about our financial future.

It is time to take a serious look at our financial problems. It is time for this government to stop leading Canada further into the red. It is time to cut spending.

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**THE LATE ROBERT EMERSON EVERETT**

**Mr. Andy Mitchell (Parry Sound—Muskoka):** Mr. Speaker, I rise today to pay tribute to Robert Emerson Everett of Bracebridge who passed away recently. Bob Everett was one of the greatest ambassadors to come out of my riding of Parry Sound—Muskoka.

Mr. Everett began painting at nine years of age. Even though he never had formal art training he became one of Muskoka's finest artists in oil and pastel. A past president of the Ontario Institute of Painters, Mr. Everett was a full member of the Pastel

*Oral Questions*

Society of Canada and an elected associate member of the Pastel Society of America.

Not only did Mr. Everett serve the Muskoka area as a successful pharmacist, he served this country in World War II as a Royal Canadian Air Force flight navigator. He was shot down in a Hampton bomber.

Bob Everett was a true gentleman in every sense of the word. He was respected and loved by his friends and family.

I extend condolences to his wife Nora and four children, Eugene, David, Jason and Peter. Muskoka and the rest of Canada share their loss.

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**MEXICO**

**Mr. Bill Blaikie (Winnipeg Transcona):** Mr. Speaker, as the House will know the Prime Minister is in Mexico City today. I recently returned from Mexico City having accompanied a CAW delegation there.

One of the recommendations we made to the ambassador on our departure was that when the Prime Minister was in Mexico he should meet with human rights activists. He should not just satisfy himself with attending the trade fair and meeting with business people, as important as that may be.

I hope when the Prime Minister returns he will be able to report to this House that he has met with human rights activists. The situation in Chiapas is still very delicate. The demands of the Zapatistas have not yet been met, demands which are shared by a great many of the Mexican people.

I hope the Prime Minister will show enough interest in the welfare of the Mexican people and not just Canadian trade opportunities and meet with human rights activists while he is in Mexico City.

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**PRESENCE IN GALLERY**

**The Speaker:** My colleagues, before we go to oral questions I want to point out one of our parliamentary colleagues in the gallery, Mr. Michael C. Liapis, member of Parliament from Greece.

**Some hon. members:** Hear, hear.

**ORAL QUESTION PERIOD**

(1415)

[*Translation*]

**GOVERNMENT'S CREDIT RATING**

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

election campaign, the Liberal Party shouted from the rooftops that its economic program was based on creating jobs, on reducing the deficit by cutting government spending, and on a monetary policy balancing job creation with the fight against inflation.

The government failed at every level. Its first budget got a negative reception from the financial community as illustrated by the lowering of its credit rating announced the day before yesterday.

Does the Minister of Finance admit that this lower credit rating is due to a negative response from a financial community disappointed by the timid and inadequate budget measures to reduce departmental operating expenditures?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I cannot believe that the Leader of the Opposition who criticizes us at every turn because we have cut military bases, reformed unemployment insurance, and trimmed government machinery, who spent three months criticizing our cuts, suddenly rises to tell us we did not cut enough.

So I ask you this: Where do you want us to cut? Tell us exactly in what areas!

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, there are many areas and the minister knows it. Let us think about the family trusts he is protecting in a rather special fashion.

I am convinced that the reason the financial community lowered Canada's credit rating is not because we cut too much, but because we did not cut deep enough, contrary to the commitments that were made.

I would ask the minister to comment on the government's timid spending reduction efforts combined with its obsession with fighting inflation, which is almost non-existent, causing a rise in interest rates, and I ask him specifically whether it is right that the upward pressure on interest rates should compromise the already slim chances of economic recovery and job creation, with the well-known negative effects on businesses and the unemployed.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Yes, I am looking at you, Mr. Speaker. It is much better than looking elsewhere.

First of all, interest rates even today are much lower than they were three months, six months or a year ago. Second, as you know full well, the increase in interest rates is due to international reasons that have nothing to do with the situation here in Canada.

As far as budget cuts are concerned, we gave the Leader of the Opposition and his colleagues the opportunity to make suggestions in a pre-budget debate; they did not take that opportunity, so what are they telling us now?

*Oral Questions*

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, the financial community does not go in for the florid speeches and noises we sometimes hear in this House, which take the place of monetary and fiscal policies. They spoke very toughly and very eloquently this week by lowering Canada's credit rating. There are also the unemployed and others.

I ask the Minister of Finance whether he is willing to review his inefficient and unfair approach which consists in attacking the unemployed by cutting their benefits to force them to look for non-existent jobs instead of going after the actual causes of unemployment.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, regarding our fight against unemployment, our job-creation plan was endorsed by the G-7 countries, by France, Germany and the United States.

When we look at the results for the month of February, 66,000 new jobs were created, including 15,000 in Quebec. And when we look at what we did by lowering unemployment insurance premiums, everything we did for small and medium-sized businesses, the high-tech networks, when we look at the action plan to create jobs, it must be said that this government is doing the right thing.

\* \* \*

(1420)

**JOB CREATION**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, page 16 of the red book reads, and I quote:

The Conservatives' single-minded fight against inflation resulted in a deep recession, three years without growth, declining incomes, skyrocketing unemployment—

**Some hon. members:** Hear, hear.

**Mr. Loubier:** And it goes on. But the Minister of Finance told us yesterday that he is doing the exact same thing as the Conservatives. He strongly reaffirmed the Bank of Canada's goal to fight inflation. What an about-face in four short months! One can wonder what to expect for the next four years, Mr. Speaker.

My question is for the Minister of Finance—and you will not get off lightly! After—

**The Speaker:** Order! I did not hear the question. Could the hon. member please repeat it?

**Mr. Loubier:** I will start over, Mr. Speaker. I thought you were rising to indicate that my preamble was too long. That is why I sat down.

Let me put my question again to the minister. After tabling a Conservative-style budget, does the Minister of Finance not realize that he is renegeing on his election commitment by

pursuing the same obsessive fight against inflation and refusing to make lowering unemployment the priority of the Bank of Canada?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** First of all, Mr. Speaker, I must say we were better off before the hon. member put his question. I want to congratulate him on the way he read the quote.

As far as the question is concerned, is the hon. member going back on what his own leader said? Is he telling us that maybe we should not preserve what has been achieved in the fight against inflation, at the price of so much effort, as we know? Is the hon. member actually saying that we should not have low interest rates in this country? Should we not take advantage of these lower rates to stimulate employment in Canada? Is he denying all he has learned as an economics student? Not likely. Maybe. He says he denies it. What is he denying, the denial or having studied economics?

**The Speaker:** Let us not forget that we have several questions to hear today, from both sides. So, let us hear from this side now. I recognize the hon. member for Saint-Hyacinthe—Bagot.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, I have a supplementary question. It is strange all the same to see the Minister of Finance throw his short-term job creation creed out the window, just days after the G-7 Summit. So, I will ask him again.

Does the minister not agree that, by pursuing this obsessive inflation reduction policy, which his own party fingered as the main cause of the latest recession, he is knowingly stifling any hope of economic recovery and employment development in Quebec as well as in Canada?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, there is no doubt in our minds that job creation is our number one priority. That is why we were so happy to see that 66,000 new jobs had been created in Canada in February, as I just mentioned, 15,000 of which are in Quebec.

Let us assess the situation: consumer confidence has grown 13 per cent during the fourth quarter; retail sales increased by 1.2 per cent in January, following a 1.1 per cent increase in December; and car sales have increased significantly. Our economy is growing, and that is because of the confidence Canadians have in us.

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[English]

**INTEREST RATES**

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

*Oral Questions*

The minister's budget projects a bank rate of 4.5 per cent, a long term bond rate of 6.4 per cent and interest costs of \$41 billion this year. It also predicts a 1 per cent rise in interest rates will add about \$1.7 billion to the deficit.

Today the Bank of Canada rate is already half a per cent higher than projected and rising interest rates are mainly due to higher interest rates in the United States over which the government has no control.

Will the minister today acknowledge that his estimates for next year's budget deficit are simply too low? Just acknowledge it so that the House can get on with addressing the real problem that represents.

(1425)

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the member's statement in terms of the short term interest rates is a little out of date as of the present time, although the numbers he cited were good as of about ten o'clock this morning.

The member is nonetheless right in one area and that is on the long term rates. The long term rates are higher than those which we projected.

When one looks at the degree of conservatism which we built into all of the forecasts, that is to say in terms of growth, inflation and interest rates, we are very confident that the projections we have made in our budget will be attained.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, it is the degree of conservatism that we are particularly worried about.

Just last week the minister's parliamentary secretary answered a question on rising interest rates by saying: "The outlines in the budget were done very conservatively. These types of considerations, that is higher interest rates, were taken into account".

Does the finance department actually have in place a contingency plan for dealing with the impact of higher interest rates on the budget as the minister's parliamentary secretary has implied?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, we remain very confident in the objectives and our ability to attain the objectives that have been set out in the budget.

As I mentioned, the deficit projections that we made, the question of revenues and expenditures, are based on a series of projections. While the member is obviously right in terms of long term interest rates, the fact is that we are nonetheless easily within the safe side on the vast majority of our projections.

I would like to say one other thing. The member made reference to my use of the word conservatism and the use of the same word by my parliamentary secretary. I share that difficulty. I wish I could find another word, Mr. Speaker.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, I have a further supplementary question.

There must have been somebody in the finance department who had anticipated interest rates higher than those projected in the budget and what to do about it. I ask the minister if the government will be forthright and publish its real interest rate projections and its real interest cost projections as distinct from those contained in the red ink book.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the interest rate projections are simply part of a series of projections within the budget. We remain confident that we are going to attain the objectives of the budget.

We are going to have the opportunity to sit down some time after Easter with members of the Reform Party, as has been described in discussions with Mr. Speaker and myself. We are quite prepared to go through all of the various scenarios and discuss a multitude of contingencies.

Let me say one thing to the member. We are confident that we are not going to need a contingency plan because we are going to hit our targets.

\* \* \*

[Translation]

**HYUNDAI PLANT IN BROMONT**

**Mr. Gaston Péloquin (Brome—Missisquoi):** Mr. Speaker, my question is for the Minister responsible for the Federal Office of Regional Development in Quebec.

Yesterday, the big three American automakers clearly indicated that they had no intention of taking over the Hyundai plant in Bromont. In answer to a question from the media, the Minister of Finance said that if the big three persist in ignoring the Bromont facility, the government might decide to look up companies from other sectors.

Is the minister confirming that the big three American automakers do not intend to participate in the recovery of the Bromont plant, and can he specify which type of businesses he was referring to yesterday?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, it is certainly a relief to see that they have stopped directing questions to the Minister of Finance.

*Oral Questions*

(1430)

As you know, the Quebec minister of Industry himself, Mr. Tremblay, said yesterday that he was still hoping to negotiate with the automakers and that he intended to contact them. In fact, I think he had already done so. Therefore, we should wait for the outcome of the discussions between Mr. Tremblay and those companies.

**Mr. Gaston Péloquin (Brome—Missisquoi):** Mr. Speaker, does the minister agree that the closure of the car assembly plant in Bromont will put Quebec at an even greater disadvantage, compared to Ontario, regarding subcontracting in the auto industry, and that a real strategy must be implemented to correct this situation?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I already said that I was very disappointed by Hyundai's decision. I am very familiar with the situation—in fact, I live in the hon. member's constituency—and I know the region very well. I fully agree to co-operate with the Quebec government and the municipality of Bromont to truly find a solution to this situation.

The red book, to which the hon. member just referred, includes a plan to fight unemployment, which certainly applies to the Eastern Townships. I hope to report soon on the discussions with the Quebec government on job creation.

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*[English]***THE BUDGET**

**Mr. John Williams (St. Albert):** Mr. Speaker, my question is also for the Minister of Finance.

The minister has stated repeatedly that his budget is a two-part strategy and that severe cuts are coming next year. At the same time the Prime Minister maintains that all proposed cuts are already on the table.

There are no spending cuts in the budget for next year which could be described as severe, and on this basis can the Minister of Finance tell Canadians if severe cuts are coming, and if so why is the Prime Minister not aware of them?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, what the Prime Minister said is exactly what I said in the House when the budget was presented, that the cuts and the actions taken in the February 22 budget in and of themselves will lead to a reduction of the deficit, bringing it to the point of 3 per cent of GDP in three years.

At the same time in the budget, and the Prime Minister repeated it, there were a series of measures regarding the

re-examination of the way that government operates. Some are led by the Minister responsible for Public Service Renewal, a number of others are led by the Minister of Human Resources Development, and a series of other ministers, including the Minister of Transport, is going to continue to lead our efforts to clean up the nation's finances.

That is what the Prime Minister said, that is what I said, and that is our position.

**Mr. John Williams (St. Albert):** Mr. Speaker, the financial markets recognize that there must be severe cuts in spending if Canada is to avoid a severe financial crisis. Rising interest rates indicate that they expect the government to renege on their second round of cuts.

The credibility of the Minister of Finance is at stake, and his audience extends well beyond the House. Will the minister assure us that the deep spending cuts are coming and will be imposed?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, we said very clearly that the February 22 budget was the first stage of a two-stage process.

We had been in power for slightly over 100 days when we brought in our first budget and what we were doing was reviewing all government operations. That review is under way and its results will be manifest not only in the next budget but in announcements that will be made by ministers over the course of the next year and in periods following.

(1435)

We were elected on two bases, one to create jobs and one to clean up the nation's finances. There is no doubt in my mind that at the end of our mandate, the Canadian people will find that we have been faithful to our word.

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*[Translation]***SOCIAL PROGRAMS**

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, my question is for the Minister of Human Resources Development.

After the parliamentary committee responsible for consulting Canadians on social programs had to hand in its report on Monday so that it could be tabled in this House on Friday, and after the parallel consultations held yesterday, Tuesday, in Montreal were denounced by most of the invited groups, today the Minister of Human Resources Development announced, with the Premier of New Brunswick, an income security program for people between 50 and 65 who live in that province.

Does the minister not agree that the first phase of consultations on social programs was a sham?

*Oral Questions**[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, contrary to being a sham, the program we announced was multi-faceted in its approach. It attempted to reach out to Canadians in a wide variety of fora. We certainly look forward to the report of the committee.

As the hon. member has said many times, we also have to try other ways and means of tapping into the opinions of Canadians. As a result, my department and various provinces across the country sponsored fora at which a large number of Canadians could come and express their views, be heard, have a dialogue and get into a serious debate.

I find it incredible that a democratically elected member of the House would object to Canadians having an honest debate about their future.

*[Translation]*

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, for Canadians to have an honest debate on what is coming, the minister should put it on the table.

Does he not admit that he intends to use this new so-called regular income program as a first step to introduce a guaranteed minimum income program throughout Canada and then to force the hand of reluctant provinces?

*[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, the hon. member may speculate all she wants but the fact is that we are being very serious and sincere about soliciting the views of a large number of Canadians.

One of the aspects we take very seriously is working with the provincial governments where we can develop a series of pilot projects, new models, and new techniques we can test out during this period of re-examination to determine what works well. In this day and age where there is such complexity in the job market, in the social service network, we should be trying out a variety of methods and a variety of models to see what works best.

As the hon. member knows, I am quite prepared to share all the information with members, to bring it together in an action plan we hope will be brought forward to the Canadian public within approximately six or eight weeks so we can then have the second stage of debate.

I find it incredible and really not very understandable why the hon. member would object to the government's reaching out to all parts of Canada, to all Canadians, to find out what works best.

**HEALTH**

**Mr. Grant Hill (MacLeod):** Mr. Speaker, my question is for the health minister.

On Monday we heard that Dr. Doug Kennedy was going to Toronto to get us some information on blood samples from the Red Cross. A progress report, please.

**Hon. Diane Marleau (Minister of Health):** Mr. Speaker, Dr. Kennedy did go to Toronto. They are in the process of examining the samples.

I believe the Red Cross has put out a report and we concur with that report at this time.

**Mr. Grant Hill (MacLeod):** Mr. Speaker, I really wanted a progress report that would give us some idea of what the report was.

**Hon. Diane Marleau (Minister of Health):** Mr. Speaker, right now the Red Cross is in the process of examining how it can test all the samples. That is about as much as I can report at this time.

I will be very happy to give members a more complete report as soon as I have one.

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(1440)

*[Translation]***PUBLISHING INDUSTRY**

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, yesterday the Minister of Canadian Heritage, who was clearly nervous, again contradicted himself in comments on the controversial Ginn Publishing transaction. He stated that since the election, no offers had been made by Canadian publishers, and also, that his decision had not been influenced by the possibility of a lawsuit.

My question is directed to the Minister of Canadian Heritage. How can the minister justify his latest about-face on the Ginn Publishing transaction, because after having said that he authorized this transaction because of the risk of being sued, yesterday, he said candidly to the reporter for the *Toronto Star*, and I read the article, that his decision was in no way affected by the risk of a lawsuit?

**Some hon. members:** Hear, hear.

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, I am not sure whether the applause is in anticipation of my answer. I never changed my mind, and I never changed my position. The comments I allegedly made outside the House referred to the period which followed the transaction, not to the period prior to the transaction. Anyone who has followed this debate will understand what I mean.

**Some hon. members:** Hear, hear.

*Oral Questions*

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, I followed this debate, but I have trouble following the minister.

How can the minister keep saying that since the election, no Canadian publishers showed any interest in purchasing Ginn, when in January, the president of Canada Publishing, Mr. Ronald Besse, advised the CDIC for at least the fourth time since 1989 that he intended to acquire Ginn Publishing. How can the minister justify his statement? When is the minister telling the truth? In the House or in the lobby, to the *Toronto Star*?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, I realize the hon. member has trouble following me, because since I became responsible for Amateur Sport, I have learned how to do some pretty fancy footwork.

I do not appreciate words being put into my mouth. What I said is that, to my knowledge, no firm and specific offers had been made for Ginn. That is what I said.

\* \* \*

[English]

**SUMMER EMPLOYMENT PROGRAM**

**Mr. Rey D. Pagtakhan (Winnipeg North):** Mr. Speaker, my question is for the Minister of Human Resources Development.

High school and post-secondary students in Winnipeg North, as I am sure in all ridings, are worried about job prospects this summer, which is fast approaching.

How will the minister ensure that the forthcoming summer employment program will meet the young people's increased demands for jobs? How will the government create the linkage between this program and its upcoming initiatives from the youth services corps and training internship to better serve the needs of young Canadians?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, I thank the hon. member for his question. I also thank other members of this caucus for their representations over the last months about the need to enhance our student employment program.

I am very pleased to announce that the government has decided to increase summer employment by 20 per cent at a cost of over \$20 million. That increased amount will be especially directed toward linkages between summer employment and the employer that will continue to be the mentor of those students throughout the entire year.

We think this is a very innovative approach and will provide additional help to the many deserving students who want to go back to school and get good training for their future.

(1445)

**KEMANO PROJECT**

**Mr. Dick Harris (Prince George—Bulkley Valley):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

On March 11 I questioned the minister with regard to intervener funding for participation in the Kemano completion hearings and the equality of access for concerned groups to that funding.

Unfortunately the minister did not respond to my inquiry concerning equal access but chose instead to remind the House of how there was not a bottomless pit of money and that the federal government was going to act responsibly in respect to federal spending.

If this is the case, will the minister confirm if his government has hired Farris and company, one of the most expensive law firms in Canada, to represent the government at the BCUC hearings instead of using Department of Justice lawyers who most assuredly are more familiar with the issue and most assuredly less expensive than Farris and company?

**Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans):** Mr. Speaker, I thank the hon. member for asking my first question in the House.

As the hon. member knows, in the Kemano completion project the government is committed to making sure that we have an open process, a transparent process. As he also knows, thousands of pages of documents have been given out to make sure that all information is available in the BCUC hearings.

In terms of intervener funding, as was indicated by the minister earlier we will look at groups that can apply to the department. We will be open and ensure that we will consider intervener groups. Some budget is available but they would have to make an application. We would look at it and we would consider intervener funding for some groups.

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

**The Speaker:** Order, please. I am sure all hon. members would like to partake in different activities in the House, but I would ask all hon. members to cease and desist from putting up any kind of paper which would in any way distract us from our very serious business.

**Mr. Dick Harris (Prince George—Bulkley Valley):** Mr. Speaker, I have to say that I am far happier with the hon. member's response with regard to intervener funding than the minister's. The Minister of Fisheries and Oceans clearly said in a memo that only native groups would be considered for intervener funding.

Today the parliamentary secretary says that—

*Oral Questions*

**The Speaker:** Will the hon. member please put his question.

**Mr. Harris:** On behalf of all concerned members of my riding, is the parliamentary secretary now telling us, the House and all other concerned people that the government will consider intervener funding for non-native groups?

**Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans):** Mr. Speaker, as I indicated, the Minister of Fisheries and Oceans indicated earlier in response to a similar question that there was funding available for intervener groups. We will look at any group that wants to make application and make sure that we stay within the budget.

There are also funds available through the Department of Indian Affairs and Northern Development. They can make application there as well.

What I am saying today is that we will review groups that want to come forward and make application for the existing budget for intervener funding.

\* \* \*

[Translation]

**OFFICIAL LANGUAGES**

**Mr. Jean-Marc Jacob (Charlesbourg):** Mr. Speaker, the Commissioner of Official Languages has intervened personally at the Department of National Defence to ensure that francophones who have lost their job have access in their language to career renewal and reclassification courses at National Defence Headquarters in Ottawa. As it happens, the person in charge of this service for the past six years is a unilingual anglophone.

(1450)

My question is for the Minister of National Defence. How can the minister, an unswerving defender of francophone rights in our Armed Forces, tolerate this kind of situation? What action does he plan to take to ensure that francophones, who account for roughly 30 per cent of staff at headquarters, have access to the same services as anglophones?

**Hon. David Michael Collette (Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, I thank the hon. member for his question. We have implemented many of the recommendations of the Department of National Defence. The former minister established a ministerial committee. We also have a general Canadian Forces-wide committee. We have carried out many recommendations and we still have a great deal of work to do.

[English]

It is a good point at which to state to the House that in view of the questions that came about in recent weeks regarding military

colleges we have been reviewing the whole question of bilingualism in the armed forces.

In a few weeks, when we come back after our Easter recess, I might be in a position to make a statement to the House. It will deal with how we propose to make the military college in Kingston acceptably bilingual for members opposite. It is a bilingual institution and we are going to enhance that bilingualism.

We will also generally deal with some of the concerns raised by the Commissioner of Official Languages and others who have criticized the department in the past.

[Translation]

**Mr. Jean-Marc Jacob (Charlesbourg):** Mr. Speaker, in spite of the answer he has just given me, does the minister not recognize that this new case illustrates once again the problems francophones have working in their own language within DND, even here in the bilingual city of Ottawa? Given this state of affairs, how can the minister expect us to believe that he will transform the military college in Kingston into a bilingual institution?

**Hon. David Michael Collette (Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, I can assure the House and the hon. member that it is possible to work in French at headquarters in Ottawa. As minister, I work in French, as do all of my senior officials.

[English]

It is an ongoing problem we have in Canadian society that we feel very strongly about. We are committed to bilingual national institutions. We are committed to bilingualism within the operation of government throughout the headquarters of national defence. We have made great strides. That is not to say that we cannot make even greater strides in the weeks ahead.

I invite the hon. member opposite and his colleagues to help us make the Canadian Armed Forces much more bilingual and acceptable to Canadians who speak both official languages.

\* \* \*

**ELECTORAL BOUNDARIES**

**Mr. Stephen Harper (Calgary West):** Mr. Speaker, the House has been considering the matter of suspending the process of redrawing electoral boundaries in Canada before the public can have public hearings on the matter and after we have spent \$5 million. Apparently also, we hear rumours, the government is intending to impose closure after only one day of debate.

My question is for the Minister of Justice. Will the minister inform the House whether the government sought an opinion on the constitutionality of this law before it was tabled in the House? If it did, will it table that opinion? If it did not, will it explain why not?

*Oral Questions*

**The Speaker:** I believe this matter is before the House for debate. However, the question itself is of a broad enough nature that if the hon. minister would care to I will permit him to answer.

[*Translation*]

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, I think that the hon. member's question refers to a proposal that would save Canadian taxpayers millions of dollars. It seems quite unrealistic at this time to redraw the electoral map which now has too many ridings, according to the hon. member's own party, which says that there are already too many MPs.

(1455)

This proposal would further increase the number of members. I therefore urge the hon. member to assume his responsibilities for saving taxpayers money and to postpone this plan until later.

[*English*]

**Mr. Stephen Harper (Calgary West):** Mr. Speaker, we have offered to meet with the government any time to negotiate a reduction in the number of members in the House, and the government has refused to do that.

My question is on the constitutionality of this act. During the last suspension of the process, Bill C-67 in the last Parliament, considered legal opinion, indicated to a parliamentary committee at the time that there was an implied time limit for carrying out readjustment under section 51 of the Constitution Act. Delaying it past the next census was a violation of the Constitution and had an impact upon other sections such as section 42(1)(a) of the Constitution Act.

**The Speaker:** Order. The question itself perhaps would find a better response on the Order Paper. It is a very detailed question. I would ask the hon. member to consider putting this type of question on the Order Paper.

\* \* \*

**FISHERIES**

**Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Fisheries and Oceans.

Fishermen in my riding are concerned that their livelihood is being threatened by a few large Canadian vessels fishing bluefin tuna off Bermuda's coast. As the parliamentary secretary knows, Bermuda is new to the bluefin tuna fishery and is not a member of ICCAT, the international body overseeing the conservation of this fragile resource.

This Canadian fishing activity in Bermuda's waters could threaten the ability of other tuna fishermen in the Gulf of St. Lawrence to fish their own quota later this year.

Would the parliamentary secretary please explain to the House and to my constituents what actions the government is taking to stop this inappropriate fishing activity?

**Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans):** Mr. Speaker, I would like to inform the House the five vessels in question have been formally advised that their activities are not sanctioned by this government and that their existing licences to fish inside the Canadian zone are in jeopardy.

They have also been informed that Canadian tuna and swordfish industry representatives have been advised that the catches of bluefin tuna and swordfish by these Canadian flag vessels will be counted against Canadian quotas.

We are doing everything possible to control these vessels and hope to put an end to it.

\* \* \*

[*Translation*]

**TAINTED BLOOD INQUIRY**

**Mrs. Pauline Picard (Drummond):** Mr. Speaker, my question is for the Minister of Health.

In January, Mr. Justice Krever, who is in charge of the tainted-blood inquiry, said that he did not have sufficient funds and resources to carry out his mandate. Questioned by the Official Opposition, the Minister of Health said that a request for additional funds had been presented and was being considered by Treasury Board.

Can the Minister tell us if Treasury Board has finally made a decision on this request for additional funds?

**Hon. Diane Marleau (Minister of Health):** Mr. Speaker, we are still reviewing the request today. We will make an announcement once we have made a final decision.

\* \* \*

[*English*]

**GRAIN TRANSPORTATION**

**Mr. Jake E. Hoeppner (Lisgar—Marquette):** Mr. Speaker, my question is for the Minister of Transport.

Canada's grain exports are being hit hard by reduced rail movement. According to Howard Restall of XCan Grain, ships are waiting from two to three weeks for prairie canola, forcing XCan to pay as much as \$10,000 per day in demurrage. Ships are also leaving empty after collecting demurrage of up to \$350,000 without any canola.

When will the minister demand that railways honour their commitment to expediently move farmers' grain when markets demand it, instead of constantly lobbying government to allow them to reduce services?

*Tributes*

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, the hon. member raises a question that is causing grave concerns in the industry for shippers, consumers and clients. We are trying to encourage a solution that will be arrived at through consultation among the various players. It is a very complicated matter, as the hon. member would know.

(1500)

I am informed that the rail companies are trying to come up with some solutions because of the changes in weather and some cars that they would not have been able to use through the winter. Efforts are being made to find cars in the United States for lease. We are actively pursuing this. I recognize the urgency of it and we will do the very best we can.

\* \* \*

**POINTS OF ORDER**

## QUESTION PERIOD

**Mr. Alfonso Gagliano (Saint-Léonard):** Mr. Speaker, I rise on a point of order. I want to bring to the attention of the House something which happened today in Question Period.

Since the opening of the 35th Parliament, I think all members of this House and especially the whips have always tried to keep decorum so that we can have good debate.

I understand that in the heat of debate sometimes members can heckle or speak a little bit louder. However, today I was very disturbed by what occurred, especially when it involved a political party that before, during and after the election lectured us about how we should behave here. Posters were displayed, not only by an individual member but by more than a row of their seats. I think it was deliberately organized. It is a shame that for the past three months we have been trying to have decorum and today regretfully we broke that practice.

**Some hon. members:** Hear, hear.

**The Speaker:** As a matter of fact, since the 35th Parliament began all hon. members, I believe, have done their utmost to have decorum in the House.

As I mentioned in the course of Question Period, we did ask all hon. colleagues to cease and desist from any such displays. I am sure the words of the hon. whip will be taken to heart by all of us because I think it is coming along well and I would encourage hon. members to please keep a sense of decorum in the House.

## SUPPLEMENTARY QUESTIONS

**Mr. Stephen Harper (Calgary West):** Mr. Speaker, on a point of order. I would ask you to examine the blues from Question Period. You ruled my supplementary question out of order before I had a chance to put it. My question was: "Would

the government simply consider looking into these matters with its constitutional lawyer—"

**The Speaker:** I will make this commitment to the hon. member. I will review the blues and if indeed there was an error on my part I will get back to the House and I will try to correct it.

I try to listen as much as I can to the gist of the question before members get to it. Therefore, if I do err I would beg the indulgence of the House. I would also ask that if some questions could be better put on the Order Paper so as to get a more complete answer, then perhaps that is where hon. members should attempt to put that type of question. However, I will make that commitment and I will have a look at the blues.

My colleagues, we are going to have tributes.

\* \* \*

**ERIK JOHN SPICER**

**Mr. Ted McWhinney (Vancouver Quadra):** Mr. Speaker, by announced consent and in my capacity as co-chair of the joint committee on the Library of Parliament, I move the following motion, seconded by the hon. member for Saint-Hubert:

That in recognition for his long and distinguished service as the Chief Executive Officer of the Library of Parliament, Erik John Spicer, Esquire, is hereby appointed as Honorary Officer of the House of Commons as Parliamentary Librarian Emeritus.

**Some hon. members:** Hear, hear.

(1505)

**The Speaker:** As a formality I put this question. Is there unanimous consent?

**Some hon. members:** Agreed.

(Motion agreed to.)

**The Speaker:** I was going to formally introduce our Librarian Emeritus and now that members have already acclaimed him, I would call on some hon. members to share with us a few of their ideas.

[*Translation*]

**Mrs. Pierrette Venne (Saint-Hubert):** Mr. Speaker, I was pleased to have been asked by my party, the Bloc Québécois, to rise in this House today to congratulate Mr. Erik John Spicer on his appointment as Parliamentary Librarian Emeritus.

I was first elected to this House on November 21, 1988. As a newcomer and government member at the time, I wanted to know all there was to know. I am naturally curious, of course. I wanted all the information on all items on the agenda, particularly on a subject that has always concerned me: firearms. I wanted to know what legislation and regulations there were in European countries on that subject. I wanted to know under what authority the Americans kept saying that they had an almost

*Tributes*

natural right to own firearms. All my questions were answered by the Library of Parliament.

Also, when we sat on committees, and it is still the case today, we could always count on the library, especially for legislative summaries on the various subjects. The Library of Parliament research branch is always ready and willing to provide information to assist us in our quest for truth.

It has also developed briefings for members and departmental assistants so that we and our staff know where to look and who to contact to obtain all the information required for the smooth functioning of our offices.

Furthermore, if you miss one of these briefings, you can always ask the Library of Parliament for the audio tapes. Again, you will get the same excellent service.

All this to say that we greatly appreciate the services developed for us, members of Parliament, as well as for our assistants, to enable us to carry out our duties adequately. Many thanks to Mr. Spicer.

[*English*]

**The Speaker:** We will hear from the hon. member for Beaver River. Inadvertently I cut off my colleague for Vancouver Quadra, whom I will recognize after the member for Beaver River.

**Miss Deborah Grey (Beaver River):** Mr. Speaker, I rise on behalf of my party today as well and offer congratulations to Mr. Spicer for a long and remarkable career in this place, certainly longer than many have been able to celebrate.

I have known Erik Spicer for five years in my capacity as the member of Parliament for Beaver River. Of course, in my unique position in the last Parliament I must say it was wonderful to have somebody to call on who knew what they were doing in Parliament. The services that were offered to me sitting as an independent member were just terrific.

To know that there was an incredible number of well qualified people in the Library offering their services and help to me was marvellous. As a qualified English teacher who had spent 10 years in the teaching profession to see a library like this at my disposal was marvellous. I want to thank Mr. Spicer so much for being helpful to me and to my staff.

What I will always remember about Mr. Spicer as I look at him now in the gallery is his marvellous smile. He is somebody who has always been cheerful. I do not think there has been a time I have come across him, whether it has been in the elevator, the Library, anywhere in the hallways or in the cafeteria, when he has not been cheerful and very pleasant to work with. Certainly that is much appreciated as well.

(1510)

In this new Parliament of course the Library was just as astounded as the table and everybody else to see so many new members elected to this Parliament. I am sure that was a huge surprise but also an incredible amount of work.

From the floor of the House of Commons today I would like to say thank you on behalf of all the members here, especially new members, for the orientation sessions that were offered regarding the Library and all the services that have been given.

What a marvellous place to work in, the parliamentary library. I will never forget my first steps through that doorway and just literally having my breath taken away when I looked at that place. What a marvellous place to have worked for several decades now. I know that he will miss it a great deal.

Mr. Spicer is leaving probably one of the most beautiful offices on Parliament Hill, but he is going to see all kinds of beautiful places.

Mr. Speaker, as you and I and the Spicers know, they love to travel. This will be a good jumping off spot for them, going from a beautiful office on Parliament Hill, the finest that Canada has to offer, to many other places.

I would like to pay tribute to Erik and his wife Helen, both of whom are librarians. I was amused when I read in a recent issue of the *Hill Times*: "That a major occupation for them while moving from a large home into a smaller condo has been the packing of their books for the move". That is no small wonder. With two librarians one can imagine the number of books in their private library. I dare say that has been a huge challenge to both of them.

I would like to pay tribute also to their daughter Erika who grew up in a home with I am sure an incredible love and respect for books. I am sure that she passes that on to her three daughters today. They are going from a beautiful place to many visits all around the world. I know they will be stopping in Vancouver regularly to visit their daughter and granddaughters.

One final memory that I have which will remain special with me forever is being on the elevator a couple of weeks ago. There was a group of senior citizens who obviously had been for dinner in the parliamentary restaurant. I just happened to be on the elevator riding down from my fifth floor office and I had a little visit with one of the women there. She said to me: "A group of friends and I have come from the lodge today and we had lunch in the parliamentary restaurant". I said: "Well, that is really nice. Is there a special occasion or what?" She said: "No, not particularly. We were just getting together. Erik Spicer is my son". It was just a treat for her to be able to come and celebrate that. She just beamed when she talked about her son Erik. That was so special because they were out for lunch on Parliament Hill and having a marvellous time at it. I will always remember the gleam in her eye and the smile that she shared with me when

*Tributes*

she said: "Erik Spicer is my son". She was proud of him and I would say she has every reason to be proud of Erik.

Good luck and congratulations to both of them as they retire. They are held in high esteem in this place. God bless them both.

**Mr. Ted McWhinney (Vancouver Quadra):** Mr. Speaker, I echo the remarks of the hon. member for Saint-Hubert and the hon. member for Beaver River in the gracious tribute they have paid to our parliamentary Librarian Emeritus. Erik Spicer served for 33 years at the rank of deputy minister. That must be a record of achievement for Ottawa. He has presided over the transition of the Library from the classic library formation to the electronic age, at the same time conserving the immense richness of the past of the accumulated collections.

A librarian sometimes does not have the time to read his books he is so busy. However, this is a gentleman who has read books, a cultivated, witty, articulate gentleman. He has recognized, as Solon did, that wise law making rests upon wise study of the past of the accumulated wisdom in books. One cannot separate a library from the business of making laws. They go together.

It is in this sense that the Library of Parliament represents a treasure house. It is the jewel in the crown in a real sense in this large parliamentary edifice over which you preside, Mr. Speaker.

(1515)

What Erik Spicer has done, the co-operation he has given, the great impartiality, the openness with which he has presided over the researchers—and never forget we have a magnificent research staff freely available to all parties, to people of all opinions within the House—has brought this together, concentrated in his own very unique personality. We shall all miss him.

We wish him, his wife and his family a pleasant and I am sure an intellectually active retirement. Thank you very much for accepting the treasure of Parliament when you were appointed Librarian, for conserving it, for adding to it, for augmenting it and making it one of the great institutions of the Commonwealth, of the world which has inherited its parliamentary traditions ultimately from the Greeks and Romans and the Britons and the French and all the new cultures that our country represents.

Thank you, sir, and a pleasant and honourable retirement which you have so richly earned.

**Mr. Nelson Riis (Kamloops):** Mr. Speaker, I too am pleased to join with my colleagues to wish our distinguished Librarian well.

I could not help but think when the member for Beaver River indicated that the first time she walked into the Library and looked up she was awestruck, I thought she was going to say it was because of Erik Spicer. I think that is how we all felt when we first met Erik Spicer. He probably was the ultimate symbol of devoted public service.

I remember over the years having all sorts of library needs or research needs that not only were always met and met in a timely way, but always beyond even my wildest expectations and wildest hopes. The leadership that he provided for so many years was nothing short of awesome and outstanding.

Not only was Erik Spicer a distinguished Librarian for many years, but more than that, as my hon. friend from Beaver River intimated, he was a friend to everyone. Whenever you would encounter Erik Spicer you knew that you were with a friend, always there to ask a friendly word about how life was going and how your trials and tribulations were unfolding as a member of Parliament.

He is a genuine individual, a gentleman in every sense of the term, an outstanding and dedicated Librarian, a professional known around the world for his ability and leadership in establishing for Canada and for us here in Parliament what must be one of the best libraries and research facilities available to parliamentarians anywhere.

We will miss him, but we will be seeing Erik Spicer around, knowing the kind of gentleman he is. On behalf of my colleagues in the New Democratic Party and all of the independents we wish not only him but his wife Helen and daughter well. We hope to be seeing him for a long time in the future.

**The Speaker:** As your Speaker it is very rare that I speak in the House, but I do take this opportunity as a parliamentarian, as one of you, to express our great vote of thanks to you, Mr. Spicer.

You have brought distinction to your profession. Witness the title of Librarian Emeritus. There can be no higher honour paid.

You leave us here with a wealth of books and in a sense a wealth of knowledge in this edifice. But more than that you have prepared countless parliamentarians by making information accessible to them, on which they can make rational and good decisions and good laws for all Canadians. You have done a great service to us here in the House and your service has extended to your country even beyond this House.

Sir, you are well worthy of all of the accolades that you have heard on this day.

(1520)

As Speaker, I wish you the very best of health. I hope that you and Helen will enjoy all of your many years to come, as much as

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you have helped us to enjoy those years that we served here as parliamentarians. I do thank you, sir.

**Some hon. members:** Hear, hear.

\* \* \*

**PRIVILEGE**

**The Speaker:** I have a point of privilege from the member for Markham—Whitchurch—Stouffville. Before I hear the point of privilege I want to thank the hon. member for holding off on the point of privilege until these tributes were paid. I asked that he do this through my Clerk.

I am going to hear the point of privilege. I would simply indicate to the hon. member that I as the Speaker have heard the point of privilege that was brought up earlier. I was prepared earlier to make a ruling on the information that was before me then, but (a) I was asked by the hon. member to withhold the decision, and (b) the hon. member withdrew that point of privilege.

If this is the same point of privilege that the hon. member is bringing up, I would ask him to please at the beginning identify for me precisely which point has been infringed, and second, I would ask him to bring new information if there is such, or if it is the same point of privilege that the hon. member brought up before. If the hon. member would do that it would help the Chair considerably.

MEMBER FOR MARKHAM—WHITCHURCH—STOUFFVILLE

**Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville):** Mr. Speaker, this point of privilege relates to the question I raised on February 15 and it is very brief.

I rise here today on the question of privilege after consulting with counsel and having discussed the issues of blackmail and the unfounded allegations made against me. I wish to re-submit my original question of privilege of February 15 so that all these issues may be investigated accordingly in the appropriate committee.

I trust your decision will be favourable, Mr. Speaker.

Concerning all the information that has come up, after discussing it with counsel I was informed that the details were not so pressing as I had believed they were. Therefore the issue remains almost the same as I had raised earlier. The discussion which I had with counsel did not produce any new material at all.

**The Speaker:** So that your Speaker is absolutely clear, the hon. member wishes me to make a ruling on the information which has been put before me at an earlier time.

If this is what the hon. member is asking me, then I will gladly do that. I will review all of the notes. I will review *Hansard*. I will review all of the information which has been put before me and I will be making a ruling to this House at the earliest possible time.

[Translation]

**ELECTORAL BOUNDARIES READJUSTMENT  
SUSPENSION ACT, 1994**

BILL C-18—NOTICE OF MOTION FOR TIME ALLOCATION

**Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)):** Mr. Speaker, no agreement could be reached under Standing Order 78(1) or 78(2), regarding the proceedings at the second reading stage of Bill C-18, an act to suspend the operation of the Electoral Boundaries Readjustment Act.

[English]

Under the provisions of Standing Order 78(3), I give notice of my intention to propose at the next sitting a motion to allot a specific number of days or hours for the consideration and disposal of proceedings of the said stage.

**ROUTINE PROCEEDINGS**

(1525)

[English]

**ORDER IN COUNCIL APPOINTMENTS**

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government pursuant to the provisions of Standing Order 110(1).

These appointments are deemed referred to the appropriate standing committees, a list of which is attached to the documents.

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**GOVERNMENT RESPONSE TO PETITIONS**

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

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**COMMITTEES OF THE HOUSE**

NATURAL RESOURCES

**Mr. Robert D. Nault (Kenora—Rainy River):** Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Natural Resources.

The committee has considered Bill C-6, an act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make

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consequential amendments to other acts and has agreed to report it without amendment.

\* \* \*

[*Translation*]

**UNEMPLOYMENT INSURANCE ACT**

**Mr. René Laurin (Joliette)** moved for leave to introduce Bill C-230, an act to amend the Unemployment Insurance Act (training and self-employment).

He said: Mr. Speaker, the main purpose of the bill I wish to table today is to allow recipients of unemployment insurance benefits to start a course of training that will help them create their own employment and thus put an end to their dependency on unemployment insurance, or to enable people who are now receiving unemployment insurance benefits to start their own business, while continuing to receive unemployment insurance benefits for the period to which they are entitled.

Mr. Speaker, I table this bill in the hope that it will receive the support of members on both sides of the House. Thank you.

(Motions deemed adopted and bill read the first time and ordered to be printed.)

\* \* \*

[*English*]

**CANADA-HUNGARY INCOME TAX CONVENTION ACT, 1994**

**Hon. David Anderson (for the Minister of Finance)** moved that Bill S-2, an act to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other acts, be read the first time.

(Motion agreed to and bill read the first time.)

\* \* \*

**PETITIONS**

## OFFICIAL LANGUAGES

**Mr. Jim Hart (Okanagan—Similkameen—Merritt):** Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition that has been certified correct as to form and content by the Clerk of Petitions.

On behalf of constituents of Okanagan—Similkameen—Merritt, the petitioners are requesting the enactment of legislation

providing for a referendum of the people to accept or reject two official languages for Canada.

(1530)

## TOBACCO TAX

**Mr. Peter Adams (Peterborough):** Mr. Speaker, I rise to present eight petitions. There is still a great concern in Peterborough riding about the lowering of the tobacco tax. I would like to summarize these petitions.

The first one which has 25 signatures stresses the increase in teen smoking which will be caused by the change. The second which also has 25 signatures suggests there will be more preventable deaths as a result of this measure than there were deaths in World War I and World War II combined. The third petition also with 25 signatures contains a reminder that the problem was Canadian tobacco which was being imported back into the country.

The next petition also has 25 signatures and suggests that the change could create two million more tobacco addicts in Canada. The next petition points out that between one-third and one-half of all smokers eventually die from tobacco use. The next petition which has 75 signatures stresses the effective marking of all tobacco products.

The second last petition with 25 signatures supports the idea of high export taxes rather than the lowering of the sales tax. The last one which has 34 signatures points out that in Peterborough riding alone 200 people die every year from tobacco use. It also points out that the incidence of lung cancer in women has tripled in the last 20 years.

I present these petitions which I have signed.

\* \* \*

[*Translation*]

**QUESTIONS ON THE ORDER PAPER**

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

**The Deputy Speaker:** Is it agreed?

**Some hon. members:** Agreed.

\* \* \*

**MOTIONS FOR PAPERS**

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, I suggest that the notices of motions for the production of papers be allowed to stand.

**The Deputy Speaker:** Is it agreed?

**Some hon. members:** Agreed.

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[English]

**BORROWING AUTHORITY ACT, 1994-95**

The House resumed from March 18 consideration of the motion that Bill C-14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the the third time and passed.

**Mr. Jim Gouk (Kootenay West—Revelstoke):** Mr. Speaker, although I have spoken many times in the House during members' statements and question period, I am pleased to rise in the House for the first time without a severe time constraint in response to the debate on Bill C-14.

I would first like to offer my congratulations to you on your appointment as Deputy Speaker of the House. I also congratulate all members of the House on their successful campaigns, especially those members who have been re-elected. During a time when the public is growing more wary of politicians being returned to Parliament that is a feat worth noting. It should be an interesting and productive Parliament.

My thanks to the constituents of Kootenay West—Revelstoke for the confidence they have shown in me to be their representative here in Parliament.

I will not take the usual time to wax eloquent about the beauty of my riding. Those who are from there know how incredible it is. Those who are from other places are mistaken in believing that theirs equal it.

It is not the intention of the Reform Party to criticize the government just for the sake of opposition as was often the style of opposition parties in the past. We will be the first to acknowledge good legislation when it occurs. Likewise when we do not agree with the government position we will try to offer constructive alternatives.

We want this Parliament to work for all Canadians, not just whoever makes the best speech from time to time. We stand prepared to work with the government and co-operate on any legislation that is in the best interests of the citizens of Canada.

Bill C-14 is somewhat of an enigma. I recognize on one hand that the government must have funds to operate during the ensuing period of awaiting the arrival of some of the tax dollars Canadian taxpayers have been sentenced to pay. On the other hand I am in a position in which I cannot in good conscience vote to support providing the government with its first instalment of an unacceptable level of spending. What is the alternative?

(1535)

The alternative is to have come out with a budget based on spending reductions leading to a balanced budget and ultimately

tax reductions. Had this been done Canadian taxpayers, myself among them, may not have felt the same level of hostility about the lack of restraint by the government. I would have been able to support this bill to temporarily borrow funds for reduced levels of spending.

Whenever someone goes to the bank or another financial institution to borrow money, the first thing the lender does is to look at the ability of the borrower to repay the loan. The Canadian government goes to a lot of lenders these days. I can assure members that these lenders look very closely at Canada's ability to repay the loans and they do not like what they see.

When these lenders look at Canada, do they see a borrower who needs to borrow to fulfil a short term shortage?—not likely. Canada has been in debt since the first world war. Do they see a borrower that is paying off its loan? Again the exact opposite is true. Not only are we not paying off our loan, we cannot even pay any of the interest on it.

In 1993 we were going into debt at the alarming rate of \$56,000 a minute. Now one year later and four months into the new Liberal government we are going into debt at the rate of \$84,000 a minute. It would be bad enough if the rate at which our debt was increasing had not improved, but in reality we are heading into a national debt hole we may not be able to get out of, at the accelerated rate of 50 per cent faster than one year ago. This is hardly something to inspire the confidence of the international lending place.

Do these lenders see a borrower that is expanding its business so as to be more profitable at some point in the future? There is no question that in the new budget the government intends to increase its revenues. Does this really relate to the equivalent of a business increasing its profits?—hardly. A more fitting analogy would be a situation where a business proposed to charge higher prices for its goods or services with absolutely no indication that anyone would or could pay this inflated price.

The government's utopian projections are based on so many variables that even a fanatical optimist would be shaken.

The next thing a lender looks at is the credibility of the main players in the company. They want to see if those major players are likely to lead the company to success and solvency or to greater debt and bankruptcy.

If the lenders look at the main players in the government, who do they see? They would see the Minister of Finance, the main financial officer of the government who went on a great tour of Canada to find out what Canadians wanted them to do. An overwhelming number of those consulted and not consulted said we should cut the spending and we should not raise taxes.

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What did Canada's chief financial officer do? He increased government spending by \$3.3 billion. He relied on increased revenues, taxes, to make up the difference in the spending hike, the exact opposite of what Canadians asked for. If he was not going to listen to what Canadians said, why then did he go through the sham and the expense of these hollow hearings?

Who were these Canadians who spoke out against increased spending and taxes? They were everyday Canadians who turned out at meetings across this country. They were small business owners and major corporations. They were organizations like the Vancouver Board of Trade, the British Columbia Chamber of Commerce, the Fraser Institute and the Canadian Taxpayers Federation. They were publications like *Maclean's*, the *Vancouver Sun*, the *Toronto Globe and Mail* and the *Financial Post*. They were economists and financial experts from across this country.

Even a member from the government side of the House was compelled to rise in defence of his own constituents. He pointed out to the Minister of Finance that if he had somehow heard Canadians state that they welcomed tax increases as he claimed they did, he did not hear it in the member's riding.

If the lenders looked at the CEO of the government, the Prime Minister, what would they see in terms of assurance, of the will and the expertise to bring the country out of its financial crisis? They would see a former Minister of Finance in whose hands the debt of this nation rose by 60 per cent during the two fiscal years he held that position.

During the week following the release of the 1994-95 budget figures the Prime Minister went on a national tour to sell this spending package. During an interview in Calgary in which it was very obvious the package was not selling well, the Prime Minister retorted that this was not a Tory budget nor a Reform budget nor an NDP budget; it was a Liberal budget. Of this there can be no doubt. It has always been the philosophy of the Liberal Party to tax and spend and in this it certainly has been true to its own philosophy. The question is can it work? The answer is a resounding no. The problem now is how do we get this point across to the main players of the government.

(1540)

Let us suppose for a moment that these two people were mere mortals like the rest of us. Let us suppose they had a house with a mortgage, a car loan, children going to college who needed financial help. Let us suppose they had a paycheque with an ever decreasing disposable income and an economic future that held very little security. Can either of them honestly suggest that if they were in that situation they would support an increase in the very taxes that drained the lifeblood from them, their families and their future? I think not.

Would the Minister of Finance operate a company with the huge debt and interest payments this country has? Would he maintain inefficiency and duplication in that company by paying out more than required for various services and by expanding the company in areas that would lead to more debt without any increase in revenues or relief of the overall problem of the debt? Not very likely.

Why then is he offering this as a solution to the identical problems of this country? Why is he going to the Canadian taxpayers by way of their elected representatives and asking for the authority to begin this great spending plan by borrowing money for round one?

An explanation of the cause of this country's debt is not some great mystery like how they get the caramilk inside the chocolate bar. It is very simple for anyone who takes the trouble to look at the problem.

Canadians are looking at two problems: unemployment and debt. To solve these problems we have to decide if one causes the other and if so, which one to remove to solve the other.

If the government were to incur enough new debt to put every person in this country to work would that solve the debt problem? Of course it would not. If the country were able to get rid of its debt which is eating up our tax dollars and screaming ever louder for more would employment return? To answer that let us look at the unemployment problem and how it got so bad.

As this country's debt became larger and larger so did its appetite for tax dollars. When taxes go up, individual Canadians have less disposable income to spend on Canadian goods and services. At the same time when the taxes of Canadian companies go up, it is reflected in the price of their products. This makes it even harder for Canadians to purchase those products and also makes it difficult for these companies to compete with their international trading partners.

As a result, these companies have to shut down non-profitable sections of their operations and streamline the remaining operations. This results in the laying off of a great number of Canadian workers.

The solution then is to reduce the government's appetite for these tax dollars by reducing spending, balancing the budget and then working toward the reduction of taxes in this country. Simply put, this will provide individual Canadians with more disposable income with which to purchase Canadian goods and services. It will reduce the cost of these same Canadian goods and services and will make Canadian companies more competitive with their international trading partners.

It stands to reason if Canadian companies are able to market more products profitably they will expand and hire Canadians instead of closing down and laying Canadians off. Is this a

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simplistic solution? Of course it is, but it is the only one that will work.

Maybe part of the problem is that everyone wants to find some complex, earth shattering solution which puts their own personal stamp on the recovery. The real solution does not belong to any one party or person. It is a matter of facing reality and reversing the disastrous actions of the past. Maybe then Canadians would not be so reluctant to approve temporary borrowing authority.

What we should do is take an honest look at how we got into our current financial mess. In the past the vote of Canadians has been for sale and the politicians of the past have bought that vote.

They bought it with overly generous social spending; not overly generous for those in need but overly generous for those not in need. They bought it with subsidies to business; not all business, only specially selected businesses that were in a position to aid the politicians or parties providing the grants. They bought it with subsidies to crown corporations in answer to special interest groups. They bought it with grants to those same special interest groups instead of requiring them to get their funding from those they claimed to represent. They bought it from rich or politically well connected individuals with promises of plum patronage appointments. Then they made good on those appointments.

Why would anyone act in a manner that is so detrimental to the needs of all Canadians?

(1545)

In the politics of the past, with exceptions, there have been two rules. The first is to get elected and the second is to stay elected. Nothing else mattered. Now we have to pay the price. We have run up a debt of over half a trillion dollars and we are increasing that debt by \$1 million every 12 minutes.

If government members want to restore public confidence in them and get the country on its feet, they must alter the budget by reducing the government's spending and balancing the budget within the term of the 35th Parliament of Canada.

The country will balance its budget and start paying off its huge debt in the foreseeable future. That is not in question. What is in question is the manner in which it will be done. We can choose to start now selecting the methods and speed with which we implement the program of financial responsibility, or we can wait as New Zealand did and have someone else make those decisions for us. Some might scoff at the idea of comparing ourselves with New Zealand and they would be right. The truth of the matter is that we are now much worse off financially than

New Zealand was when it was forced to deal with its financial crisis.

Could the government have made a significant reduction in spending in its first budget in 10 years? I bet it could and I suspect more than one of its members would like to follow that course of action.

The areas in which the government could have reduced spending in its budget are numerous. I will list but a few examples of what could have been accomplished. Budget cuts in government operations will save \$470 million. A reduction of 15 per cent of non-salaried overhead is achievable and would save \$1.25 billion and the elimination of low priority government functions would save hundreds of millions more.

The budget reduced business subsidies by \$120 million. Business subsidies are selective and available only to the chosen few. It would be far better off to eliminate all subsidies totalling up to \$5 billion and work toward general tax deductions instead. If this had been done, the elimination of the capital gains exemption and tax increases on medium sized Canadian businesses would not have been necessary and job creation would have been stimulated, not discouraged. Instead of spending money to study funding of special interest groups, it could cut that funding, saving half a billion dollars a year.

Reductions of supplements for senior citizens who have a higher than average income is not an unreasonable concept, but the government should have looked at family income rather than at individual income. An income of \$26,000 a year is not particularly high, but if a couple has \$52,000 a year income a reduction of non-contributory income or credits is not unreasonable. In that area refocusing of the old age pension on people with family income below \$54,000 a year would save \$3.5 billion. A 25 per cent reduction in the subsidy of crown corporations would save \$1.25 billion a year.

The government knows well that we have many other spending reduction proposals. I am sure it has many in mind. The few I have listed would have resulted in a reduction of this year's deficit by \$10.5 billion. If the government complemented that by eliminating the spending increases in the budget, we would have had a deficit this year of approximately \$26 billion. Had the government followed this course of action, I believe it would have won the approval of an overwhelming majority of taxpayers and I would have been able to support Bill C-14.

It is not too late. If the government is now ready to accept the \$153 billion spending cap proposed by the Reform Party in the throne speech debate, I would be pleased to support the government's bill to borrow money for necessary spending.

**Mr. Chuck Strahl (Fraser Valley East):** Mr. Speaker, I congratulate the member on his maiden speech. I enjoyed it. I

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thought he had a lot to say. I also enjoyed the fact that he put the details to his theories so that we could tell exactly what kind of budgetary savings were possible with his suggestions.

A while ago there was a comment in the editorial section of the *Globe and Mail*. It went something along the lines that sustained profligate borrowing by several generations of politicians is committing not only this generation but future generations of Canadians to a lower standard of living.

(1550)

In the last few days we have seen some real interest rate fluctuations and so on. People are theorising that there has been not only a run on the Canadian dollar but a huge jump in interest rates because the government has been unable to control its profligate spending.

Could the member for Kootenay East give his opinion on the relationship between the growing size of our deficit and debt and the future of interest rates as he sees them?

**Mr. Gouk:** Mr. Speaker, I thank the hon. member for his question.

Certainly every time our debt seems to get a bit higher and a bit worse it makes international lenders look a little more sceptically at the ability of Canada to pay off these loans. We have seen our interest rating drop. I am sure we will see other measures taken by international lenders.

I mentioned New Zealand in my speech. What happened in New Zealand was not something that it got a lot of warning about. It came to the point where lenders lost confidence in the ability of New Zealand to make its payments and in a one-month time period it was virtually cut off all foreign loans. That could happen to Canada. I am sure we have a much stronger economy than New Zealand had even though we also have more debt. I am sure people are waiting to see if we can do something in Parliament.

Occasionally we hear encouraging words, unfortunately not followed by encouraging deeds, on the government side of the House. We are hoping that government members will come to their senses and deal with our tremendous debt and deficit. The lenders are waiting to see if they will come around to that. If they do not, I am sure we will see a further drop in our credit rating and higher interest rates.

[Translation]

**Mr. Pierre de Savoye (Portneuf):** Mr. Speaker, I am both surprised and disappointed to see that the Liberal Party did not have the courtesy to respond with questions and comments and failed to appreciate the speech by the hon. member of the Reform Party.

Although I do not have the figures to which he referred, I was interested in what he said about calculating income tax on family income as opposed to individual income.

I would appreciate more information on the subject, and I would ask the hon. member to expand on a topic that should be of interest to the members of the party in power.

[English]

**Mr. Gouk:** Mr. Speaker, I would be happy to elaborate on that. I do not have the details of it in front of me, as the hon. member mentioned. However, the concept simply is that we have to start looking beyond the salary of the individual person.

I mentioned the idea of the government setting a threshold in the reduction of old age credits at \$26,000 which, as I said, is not a very high income for an individual. However, if we start combining incomes and the family income is higher that is when we should start looking. Obviously the expenses for two or more living as a family unit are not the same as those of individuals trying to provide their own housing, food and so on.

Realistically we have to look at this in a way that we can reduce some government expenditures but at the same time not place a hardship on seniors. The idea of the old age pension to which I referred was something that was brought in to aid people who had a problem in sustaining a reasonable standard of living in their old age. Now we are giving it out to millionaires.

The government answers on one hand by saying: "We tax it back". That is terrific. First we give away money to people who do not need it. We create a bureaucracy to give it to them and then we create another bureaucracy to get it back from them. The worst of it is that we let them keep some. The bottom line is that we cannot help the people who really need it if we keep on giving money to those who do not. That is the reason we have to address the concept of family income. It is a fair way of addressing that problem.

(1555)

[Translation]

**The Deputy Speaker:** Again, the hon. member for Portneuf, this time on debate.

**Mr. Pierre de Savoye (Portneuf):** Mr. Speaker, there are subjects we discuss with enthusiasm. There are bills that elicit much positive feeling and that are really worthwhile.

Unfortunately, I am somewhat less than enthusiastic about speaking to the matter before the House today. This afternoon, the debate is on the motion of the Minister of Finance for third reading and passage of Bill C-14. And what is Bill C-14 about? Is it something we can applaud? Is this a bill that will give us reason to rejoice and look forward to a happy and prosperous future for all Canadians and Quebecers?

This bill is an act to provide borrowing authority for the fiscal year beginning on April 1, 1994. The operative word is borrowing, and borrowing means deficit and deficit means debt. We are

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now talking about getting into debt. The subject is the debts of this country and its citizens. Are these small debts? Are these debts we can pay back quickly? Were these debts incurred for capital spending on infrastructures and services that will be useful to this generation and future generations as well? Not exactly.

What we are talking about is the cost of financing a deficit of \$40 billion. That is a lot of money, and not many people can appreciate what this amount represents. Put in simple terms, let us say this boils down to \$100 million per day. If we consider the bridge for Prince Edward Island, which raised quite a few questions because people felt that \$900 million was too much, this bridge would be paid for in nine days, which means that we could afford forty of these bridges, and I mean forty per year.

I suppose that could be called "looking on the bright side", but seriously, we should try and understand why we have to finance a debt of this magnitude. As the previous speaker pointed out, we are not paying the interest on our debt. We borrowed this money more than a decade ago. We borrowed, and since then, we have not paid back the capital and we have not paid back the interest incurred. We have not paid the cost of servicing the debt. Consequently, day after day, month after month, and year after year, the interest we have not paid off is being added to the debt. In fact, and most people who know something about compound interest will realize this immediately, we have a debt that is growing as a result of compound interest.

Are we unable to pay because we do not pay enough taxes or because we spend too much? I suggest we look at the figures and try to draw certain conclusions later on.

(1600)

To begin with, the citizens of Quebec and Canada pay out roughly \$120 billion each year in various kinds of taxes. This is a substantial amount of money and all of us can understand what it represents, since it either comes out of our wages or we pay it in the form of a goods and services tax.

What does the government do with these \$120 billion? Well, it spends it on various programs which result in services to the public or in more or less durable goods. All of which means that we spend what we pay out.

The \$40 billion deficit did not come about because we purchased services or goods without being able to pay for them. Basically, the \$40 billion represents the interest on the debt which we are unable to pay.

And the debt is getting bigger and bigger. It now stands at \$500 billion! It may even be higher than that since, as the member before me mentioned, it is growing at the rate of \$85,000 per minute. In the few minutes that I have been

speaking, the debt has increased by an amount which would allow several people to live quite comfortably for some time.

Imagine, \$500 billion! Few people can appreciate what this amount represents. As you know, I am a teacher by profession and a good instructor tries to find ways to illustrate the subject matter he is teaching. Therefore, I have tried to come up with an example which would give Quebecers and Canadians an idea of what \$500 billion represents.

So, here goes. The TransCanada Highway is a ribbon of asphalt about 7,000 kilometres long stretching from the Atlantic to the Pacific. Let us assume that the TransCanada Highway has four lanes: two heading from east to west, and two heading from west to east. This is a great deal of pavement, four lanes in all. Now, let me see if I have a coin in my pocket. It is unlikely though because it must have been eaten up by taxes. What if we were to pave this highway with one dollar coins, pave it from shoulder to shoulder, all four lanes, with loonies. Would we be able to get from Nova Scotia to New Brunswick or maybe even Quebec? How about Ontario, Saskatchewan or Manitoba? What about Alberta? Would we make it through the Rockies? Would we get to British Columbia? We are talking about 7,000 kilometres of four-lane highway, and loonies are, after all, a relatively small coin and we only have 500 billion of them.

I will give the House a few moments to think about this and then I will give you the answer. Not only would we be able to pave the highway from the Atlantic to the Pacific, we could go all the way back to the Atlantic and travel an additional 700 kilometres in the opposite direction. That is what \$500 billion represents. Where are we going to get the money to reimburse a debt of this magnitude?

(1605)

That is obviously a major problem. I have heard on the radio, seen on television, read in papers—claims to that effect were even made in this House—that Quebec's sovereignty poses a serious threat to Canada. I will say this. The real threat to Canada, let us not forget it, is this absolutely enormous debt, this crushing debt, which is going to ruin us all if we do not make the right moves.

Quebec's accession to sovereignty, I might add, would probably be a good time to change the current rules of the game and provide a golden opportunity to all parties to review these rules and finally deal with the public finance problem. Our public finances have obviously not been managed properly for decades and, as a result, an extremely heavy burden will be passed on to future generations.

They will have a heavy burden to bear. We already do. What is the per capita share of this burden? How much does each and every one of us owe on the public debt? Some say \$16,000,

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others \$16,500. It all depends of course on the time of day, seeing that the debt grows by the minute.

For the sake of argument, let us say for the time being that each and every one of us, all 30 million of us in Quebec and across Canada, owes \$16,384.22, but this figure grows as we speak.

We also know that, given the current interest rates, the debt doubles every six or seven years. So, unless we act now, unless we start paying off the interest on the debt if not the capital, six or seven years from now, the public debt will have doubled and each of us will owe anywhere from \$32,000 to \$33,000 on it.

If an individual goes to his or her bank or credit union and says to the manager: "Look, I have debts, about \$16,000 worth of debts, and I would like to consolidate all that", the bank manager will frown, of course, but he or she will more than likely answer: "Let us sit down together and see what we could do about your lifestyle. Let us try and work something out".

But six or seven years from now, if you go to your bank manager with a debt of approximately \$32,000, I have a feeling that his or her immediate reaction will be: "File for bankruptcy". Sometimes I wonder if we should not file for bankruptcy and just start over under a new name. I can see certain members have understood what I am getting at.

(1610)

During the holiday season I volunteered to work with the Red Nose organization in my riding. English-Canadian communities probably have similar organizations where, during the holiday season, volunteers offer rides to people who have had a little too much to drink. These people make it home safely without having to drive their cars. It has become an institution in Quebec and in many other countries. The Red Nose organization allows people aware of the dangers associated with drinking and driving to act responsibly.

That being said, I offered to drive people asking for a ride home, and one of my constituents said during the ride, "Why not simply raise taxes to pay off the deficit so that we can get rid of it quickly?" I asked her by how much she thought her taxes would go up and she said, "By a small amount of money". When she understood that we were talking of \$16,000 for the interest alone, she realized we had a real problem on our hands.

We are indeed in a dilemma. You see, if we increase income or consumption taxes, everyone will have less available income and, as a result, less money to spend on goods and services.

Mr. Speaker, you are indicating to me that I have only three minutes left so I will be quick. If we raise taxes, consumers will have less money in their pockets to buy things with; if they consume less, businesses will eventually sell less; if businesses

sell less, they will lay off workers. And we will just have increased the deficit. However, if we cut spending, again people will be laid off. These people will stop contributing to tax revenues, and again we are in trouble.

We must redirect federal expenditures wisely, cut where it will hurt the least, and ensure that displaced workers can find new jobs. We have our work cut out for us; it will not happen as if by magic.

In conclusion, I must quote the Minister of Finance not because I like his comments, but because they scare me. The Minister of Finance said, "We clearly showed, in the first phase of our budget, that we would bring the deficit down to 3 per cent of GDP within three years. It will be the first time—he used the future—in 15 or 20 years that this goal has been achieved". I hope so, but he should have said—it would have been more accurate in my opinion—"it would be the first time". He could also have stated that it was not, unfortunately, the first time such promises were made to Canadian and Quebec voters. Although I sincerely hope that this budget will fulfil the promises made to us, I am afraid that it is just another illusion.

**Mr. Chuck Strahl (Fraser Valley East):** Mr. Speaker, I would like to thank the hon. member for Portneuf for his speech.

[*English*]

That is as much as I can get out at this time, but it is going to come.

I would like to thank the member for his remarks. I am glad to see that he is concerned as many of us are with the size of not only the deficit but the size of the debt. The debt we all realize is driving this deficit problem that many of us at least on this side of the House seem to be quite concerned about.

(1615)

I am also very pleased that he used the example of a national highway from sea to sea as an example of the size of the national debt. It is perhaps a symbolic gesture on his part of that continuity from ocean to ocean. I am glad he was willing to use that.

I know the previous speaker gave some detailed examples of what he thought should happen in order to address the size of the debt and the deficit, specifically the year to year deficit. Other than some duplication of services which I know can be streamlined, with the size of the debt surely the hon. member has some specific ideas for saving significant amounts of dollars in order to bring this deficit more in line.

[*Translation*]

**Mr. de Savoye:** Mr. Speaker, during the election campaign, the Bloc Québécois proposed a specific plan for reducing government spending and attacking the deficit.

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One of these measures was an infrastructure program, something much bigger than what the Liberal Party offered us. Let me point out here, and perhaps other members will want to react to this, that the federal government is advancing \$2 billion for the infrastructure program, but the federal government is now spending \$20 billion on unemployment insurance.

Look at the dichotomy. On the one hand, we have \$2 billion to put people to work and, on the other, we have \$20 billion for them not to work. I would have expected a much more solid proposal from the Liberal government for redirecting unemployment insurance funds to more productive things that are more promising for the future of all these unemployed people.

At the present time, unfortunately, unemployment insurance is a way to help people survive until welfare becomes their only option. Unfortunately, there is no work once these weeks of unemployment insurance inexorably run out.

The Bloc Québécois's program also sought to redirect a greater share of federal spending to Quebec. You should realize that Quebec pays a total of \$28 billion, more or less, in tax every year and receives the same amount of \$28 billion from the federal government. The problem is that a large part of this \$28 billion is unemployment insurance and what is called welfare. If this money were spent on job creation, and what I am saying applies not only to Quebec but to all of Canada, people who work would pay taxes.

An interesting statistic to which few people refer is the \$120 billion paid by people who work and consume. In Canada, about one in four employable persons does not work, which means that if they could work, they would pay \$40 billion more in taxes and that is exactly what we need to wipe out the deficit.

Mr. Speaker, what are we waiting for to act?

[*English*]

**Mr. Julian Reed (Halton—Peel):** Mr. Speaker, I listened with great interest to the words of the hon. member of Her Majesty's Loyal Opposition. He quite rightly points out the very difficult financial situation which exists in Canada.

(1620)

We have all been through the stages leading up to where we are today. A brief history is that it started many years ago when Keynesian economics were applied to the economic situation of the day creating a national debt. The subsequent government that took over, if it was going to apply that same philosophy, during the years of increased economic activity in this country, should have been taking that money back and paying off the national debt. But it did not. Therefore what was a debt of \$160 billion 10 years ago escalated another \$340 billion over the two terms of office of the previous government.

The challenge has been how to turn the ship around without capsizing it in the process and put us on a new tack. Our Minister of Finance did an admirable job in focusing on the vision in the red book, which we all used during the last election campaign, and in applying it in the first phase of a double budget. My friends in the Reform Party have insisted we have to make more cuts. The government has introduced a multitude of measures.

I fail to understand how the hon. member believes that separation, or as he words it, the sovereignty of Quebec, would help with this financial problem.

[*Translation*]

**Mr. de Savoye:** Mr. Speaker, I noticed that the hon. member seemed to want to go on for a while, and I thought I would have a little time to respond. I appreciate how he put his question.

[*English*]

I understand the sovereignty of Quebec is very important for everyone from coast to coast and believe me, more so for Quebecers.

Something must be said in this House. The Quebec government over the years and for well over a decade has managed its public finances a lot better than what has been done in Ottawa.

Furthermore I am a taxpayer and have been a taxpayer for a long, long time. I have paid my share I am sure, as all the other people in this country are doing.

We send money to Ottawa on the assumption that it will be used to pay the interest on the debt and to reduce the deficit. I was told that. Everyone has been told that year after year after year for well over a decade by all the governments that have preceded this one. We are told that right now by this government.

I send my money to Ottawa on the assumption that it will be used well. When I see it is not, I wonder why I should not give my money directly to the government that has proven in the past to be more able to take care of my finances. By that I mean Quebec. That is why I think Quebec would better administer the servicing of our debt than Ottawa has proven able to do in the past.

(1625)

[*Translation*]

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia):** Mr. Speaker, today we are asked to give extensive borrowing authority to a government that has already shown in its first budget that it is not only fiscally incompetent but also fiscally incontinent.

On February 22, while the Minister of Finance was singing into our ears, I could not help but see the ghosts of Michael Wilson and Don Mazankowski coming back to haunt us. We heard all the old platitudes. For example—

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[English]

(1630)

—restoring fiscal responsibility, a responsible social security system and a framework for economic renewal. There was even a mandatory pledge to get a handle on things next year and really take action the year after that.

The minister bravely proclaimed it is time for the government to get its fiscal House in order while confessing that the government plans net spending increases of \$3 billion in the next fiscal year.

After nine years of Tory smoke and mirrors, inflated revenue estimates and broken promises, Canadians were entitled to expect something new, something better. All they got was the same old hokum that hardly anyone takes seriously any more.

This government which plans to persist with the Tory practice of killing the economy with high taxes is nevertheless predicting that the economy is going to miraculously rebound, thus inflating its projected revenue.

Personal income tax which unexpectedly fell by \$6 billion this year is supposed to rebound by \$7 billion next year. The anticipated increase of \$1 billion from higher UIC premiums will probably come true. Why should GST revenues increase by \$1 billion when anyone who has a few dollars is scared to death to spend them on consumer goods?

Rather than face reality and cut spending now, the government wants to party on. It wants to borrow another \$34 billion to pay the tab. It has already been quite a party, twenty years of glorious excess.

Now our children and our grandchildren are going to be stuck with both the bill and the hangover. The \$500 billion that this government already owes is going to be around for generations. Because of it those future generations are going to have a lower standard of living than we have had. There is no way out.

In the name of decency and common sense, how can we justify borrowing another \$34 billion to make their burden heavier? More to the point, how can we talk about adding another \$100 billion to this load on their backs for the next three years?

Remember that \$100 billion is based on the rosy estimates of this government. If events of the last 20 years are any indication, it will probably be closer to \$150 billion if the foreign money lenders do not come and take our credit card away before that happens.

Thanks to the magic of compound interest the debt we have already accumulated is eating us alive. Debt service costs this fiscal year will equal the cost of old age pensions and UIC combined. Every second the federal government pays more than \$1,200 in interest. A typical Canadian family of four pays \$460 in taxes every month just to cover the interest on the federal debt, a third of which is foreign debt.

For 20 years the Grits and the Tories have told us soothingly that mounting government debts are not really a problem because they are internal, that we owe it to ourselves and since the interest payments remain within the domestic economy they constitute only a recirculation of funds, an economic perpetual motion machine.

Even if one accepts this Disneyland approach to economics, the basic premise is no longer true. We are paying so much interest to foreigners that even though we have had a trade surplus every year for decades, our current account balance has been negative since 1985. This year our current account shortfall will be \$25 billion and our foreign exchange reserves are shrinking.

If provincial foreign debts are added to those accumulated in this place, and that is reasonable since most countries do not have states or provinces borrowing money on world markets, Canadian public foreign debt is greater than that of Mexico and on a per capita basis it is greater than that of Brazil.

The government can wail “But there is nothing we can do. If we cut spending it is going to hurt”. Sure it will but the pain can only be delayed, it cannot be avoided. Every time a year goes by and another \$40 billion is added to the burden, the intensity of the potential pain becomes greater.

What is more desirable, to cut voluntarily while we still can or wait for the inevitable fiscal meltdown to burn us up like New Zealand and Sweden? How long does the government think that our economy can survive if the foreign bankers cut us off? How long before we would have to go hat in hand to the IMF like a third world country?

The government says it cannot cut spending because of its great compassion for the poor and the disadvantaged. I submit that the trick is to target social spending to those who need it. We can no longer afford to subsidize high income individuals and we can no longer afford to subsidize corporate Canada. If the government does not start to practise a little basic economic management, that compound interest machine is going to continue to accelerate.

One-third of every tax dollar collected by the government is already being used to service existing debt. What happens in the not too distant future when that becomes 40 cents out of the dollar, 45 cents or even 50 cents? Where will the money come from to pay for social programs or even to provide basic government services?

If the whole rotten structure comes tumbling down there will be no medicare, no pensions, no UIC, no welfare, nothing. Those who will suffer the most will be the weakest members of society: the sick, the old and the very young. That will be the gov-

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ernment's legacy to the people of Canada if it does not begin to take the problem seriously.

The government has proven through its non-budget that it cannot be trusted with a credit card. That card should be locked away in a safe place before the foreign bankers come and take it away from us.

[Translation]

**Mr. Pierre de Savoye (Portneuf):** Mr. Speaker, true, I talk a lot about the deficit but, you see, a few years ago I thought it was my money at stake, but I realized some time ago that it is my children's and perhaps even my grandchildren's money.

(1635)

[English]

The hon. member mentioned many things, one of which I want to correct, if he would kindly allow me to do so. He said that one-third of the tax collected by the government is used to service the debt. Unfortunately, it is a lot worse than that. Zero per cent is used to service the debt. One hundred per cent is used for programs. We do not pay the debt and the interest just adds on. How unfortunate.

However, I have a question for the hon. member if he does not mind. I will read something that was printed in *La Presse* in Montreal. I will read it in French. I am sure he will be able to follow it through the translation.

[Translation]

"The changes to the unemployment insurance program announced in the last federal budget make unemployed Canadians bear the brunt of over half of all new Liberal cuts", as if cuts could be liberal, "and will cost the provinces \$1 billion, including \$280 million in Quebec alone".

[English]

This is the question I would like the hon. member to address. It seems that the federal government has succeeded in keeping the deficit just below the \$40 billion mark by shovelling part of the problem into the backyard of every one of the provinces. How does the member react to that?

**Mr. Morrison:** Mr. Speaker, I will address the first comment of the hon. member for Portneuf.

Where does the money come from to pay the interest on the debt? I guess this is an exercise in semantics. You can take it out of their right pocket or you can take it out of their left pocket. The fact remains it collects \$120 billion in taxes and \$40 billion goes to pay interest on the debt.

Yes, I agree with the hon. member. We are borrowing money to pay interest on the debt because we are not quite breaking

even. We are borrowing more than the interest cost. Where this will end, the hon. member knows well.

I want to compliment the hon. member for Portneuf on his original speech. I did not get a chance to stand up because everyone wanted to ask him questions. I applauded him. I thought he had perhaps become a Reformer when I listened to his economic analysis.

**Mr. Canuel:** Le Bloc réformiste.

**Mr. Morrison:** Yes, le Bloc réformiste, bien sûr.

The only part of his address that bothered me and sort of spoiled the effect was when he persisted from time to time in referring to two different countries, Quebec and Canada. If he would accept the premise that we are all one country, I would really like to see him move many seats this way and display his considerable talents on behalf of the nation because he really knows his economics.

**Mr. Ian McClelland (Edmonton Southwest):** Mr. Speaker, as the House may or may not be aware, the hon. member for Swift Current is involved in the agricultural community.

I wonder if the member could enlighten me and other members of the House of the effect on the agriculture industry of this chronic overspending and our inability to live within our means. Is it making our agricultural products less competitive in the world market?

**Mr. Morrison:** Mr. Speaker, the answer is yes, it is having a very marked bad effect on our competitiveness in the agricultural markets.

One of the main reasons that farm input costs are so high is the tax component they contain. It does not matter whether one is buying a tractor or a litre of diesel fuel or repairs for something on one's farm, the tax component if one tracks it backwards through every stage of production in many cases, I would suspect in most cases, amounts to some 50 per cent of the cost when the farmer goes to buy it from his agent.

(1640)

If we were not being taxed to death in order to maintain this excessive debt load, then the prices of farm inputs would automatically go down and we would be more competitive on the world stage.

**Mr. Chuck Strahl (Fraser Valley East):** Mr. Speaker, I would like to congratulate the member from Swift Current again for his presentation on the borrowing authority bill and to get away a little bit from the side issues. I guess they are all important, but to me it is a side issue, whether it affects agriculture per se or affects one region of the country more than another.

I would like to focus on the borrowing aspect of this bill, the authority that it is giving the Government of Canada to borrow

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tens of billions of dollars at unknown interest rates, apparently ever on the increase, and the effect that is going to have on the government's budgetary predictions.

I wonder if the member from Swift Current would comment on yesterday's announcement of the three-quarter per cent jump in the Canadian prime and the effect he feels this will have on the government's budgetary predictions.

**Mr. Morrison:** Mr. Speaker, we asked the Minister of Finance this morning to address that very question. We did not get an answer. My own interpretation is that it will probably cost about an extra \$1.5 billion a year if this current increase continues.

What I am more afraid of is that this is the shape of things to come and that we are going to have another spurt of interest rate increases. As our bond ratings are downgraded and as foreign investors begin to look more and more unkindly on us, we could very easily see 8 per cent interest rates by the end of this year. Then watch the deficit roll.

**Mr. Chuck Strahl (Fraser Valley East):** Mr. Speaker, it is a pleasure to speak again on this bill. I spoke at second reading. I raised some concerns at that time, concerns that have been expressed to me not only in post budget days but during the lead-up and the entire campaign period last fall, even during the time I was nominated before I entered into the campaign mode.

This whole issue of deficit financing, the national debt, having to borrow and the fact that we are placing not only this nation and ourselves into a tremendous debt hole but are asking our children to try to dig us back out is an issue for which many of us in the Reform Party have become standard bearers.

One of the major concerns that brought the Reform Party into being was the fact that the fiscal mismanagement of successive federal governments has placed us in an untenable position for which we will be paying for generations.

When I first sought the nomination for Fraser Valley East the size of the deficit was forecast as perhaps going as high as \$30 billion. This was a couple of years ago. At the time I have to admit it was the last straw that catapulted me into the federal election arena. Just the thought that I was going to saddle the nation with a deficit of \$30 billion was more than I could stand. I am not sure whether there was a national uproar, but in my area it was such a concern that many of us joined the Reform Party and said that we would try to do something to turn the tide so that our children would not be adversely affected.

Thirty billion dollars is looking better every day. We are approaching a \$45 billion deficit. By the government's own admission the best that it can hope for this year is in excess of \$40 billion. Every day that the interest rate fluctuates or the

dollar drops or the Minister of Finance has some musings, it changes the rates and the figures once again.

(1645)

It was a real concern at \$30 billion. Now that it is \$40 billion or \$45 billion, depending on who one wants to believe, it is even more of a concern. I would suggest it has gone from a concern to a pending and possibly imminent disaster.

Since it is bad and is getting worse we should describe, as the member did previously I think a little bit, the size of the debt and what it will mean to Canadians in the years to come. The debt is in excess of \$500 billion, depending on the figures that were bandied about here a little bit earlier. Whether it is \$16,000 per person or whatever, that only shows part of the picture. The other half of the picture, of course, is the added debt from the provinces, because there is only one taxpayer. Canadians are going to have to finance somehow by increased taxes, increased deficit, and more and more of these types of bills, borrowing authority acts, in all legislatures and Parliaments and that will continue to add to this burden for successive generations.

The deficit, which is a year to year accumulation of the shortfall in the revenues from expenditures, is going to be at least \$40 billion this year. That alone is going to add increased burdens on all the people who can least afford it. I seldom see people worth \$10 million or \$20 million running for cover when these figures are bandied about. What bothers me and concerns me the most is that the people who are least able to shoulder this type of load, those on fixed incomes, the people who are relying on a government pension that they have faithfully paid into and expect to reap some benefit from, the people who are needing some temporary help from a temporary loss of employment through a UI program, no matter how it is revised, will have to pay the price and pay increased taxes and will in the long run experience decreased services.

I have a lot of concerns about that. These concerns have not gone away since I have come to Parliament. Over the last couple of months the concerns I think have been exacerbated by the signals being sent from the government side of the House.

It seems there is no concept of fiscal restraint. The budget papers states: "We will no longer nibble around the edges and just fuss with the minor details of the budget. This budget contains real cutbacks". That is what the government would have us believe. When I turn the page I see that the total expenditures of the federal government have increased from \$160 billion to \$163 billion.

How is that a cutback? It is not a cutback. It is increased spending. Our borrowing has increased, our taxes inevitably will go up, and our service inevitably will go down. That is a

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problem. It is a concern to all of us. It certainly should be even more of a concern to the government side.

If that is the problem, and I believe the problem is what I have described, we are going to pass this problem on to successive generations. What can we possibly do to control the deficit? What can we do to bring under control the year to year deficit so that this borrowing authority that we are debating today will no longer be necessary?

We are not without examples of what can be done even within the Canadian jurisdiction, leaving New Zealand out of it for a moment. I know that is often bandied about. Within the Canadian jurisdiction there have been some examples of what can be done to control excessive spending by governments.

We have an example from Alberta in which the provincial government has grabbed the bull by the horns, if I may use a western expression, and has said that enough is enough, we can no longer afford to continue to spend and tax and spend, and expect to maintain services and a business environment that will assure prosperity in the future.

The premier of Alberta did the unthinkable in Canadian politics. He decided to get tough with some spending, and indeed he did get tough. Some people have done analyses on this and have suggested that if the federal government were to exercise as many spending cuts as the Alberta government proportionately, then it would have to slice \$19 billion from its spending just to match the precedent set by Premier Klein in his budget. I am not saying Premier Klein's budget is perfect, but I use that as an example to show that it is possible to realize the severity of the problem. It is possible to reduce one's spending in real terms. It is possible to offer a light at the end of the tunnel for those Canadians concerned about the size of deficits, debts and the borrowing that is associated with it.

(1650)

Of all things, and I never thought I would say this, there is even an example in my own province of British Columbia. I hate to think that the federal government cannot match an NDP budget, but the B.C. budget brought down yesterday announces tax cuts of \$112 million. It will reduce its deficit this year to \$189 million which is a tremendous step in the right direction for a government not known for its fiscal responsibility. It is offering certain tangible benefits to businesses and some of that famous light at the end of that famous tunnel.

For example, the Vancouver international airport, which is competing as all of B.C. must for Pacific rim business, is a big winner. The jet fuel taxes are being rolled back one cent to four cents a litre. Air cargo gets another boost. Last year's budget removed fuel taxes from cargo carriers altogether. There are ways to help businesses, consumers and people who are concerned about taxes, deficits and everything that just seems to snowball together. We can specifically reduce spending and by

reducing that spending we can offer tax breaks to businesses, consumers and people on fixed incomes.

For instance, in the B.C. budget there were the mining tax breaks estimated to be worth \$18 million. This is unprecedented in B.C. recent budgetary history. The people are concerned about increased taxes, increased borrowing and the never ending spiral of hopelessness that involves. Now that the government has seen the light, if I can use that expression again, it has actually reduced taxes in specific areas to help businesses help themselves. These businesses are not going to receive a grant, a handout, regional development aid or anything else. These businesses are going to receive tax breaks which is all that businesses require.

How many times have we heard small and medium sized businesses say that all they ask of government is to get out of their way and get off their backs so they can get on doing the job that they do best which is create jobs for Canadians?

As I said, I did not know that I would ever compliment the B.C. government on its ability to bring in a budget, but I am not going to be totally complimentary to it either. The B.C. budget also brought in some total budgetary spending increases of 3.5 per cent.

What would have happened in B.C. if instead of bringing in increased budgetary spending it had brought in a zero increase in budgetary spending? All of the similar cuts that I talked about earlier could have gone on. The cuts in overall taxation levels could have gone on. The reduction in the taxation for jet fuel and so on and so forth could have gone on. What if, instead of increasing the spending in other areas by 3.5 per cent, the B.C. government had brought in a zero increase budget? Instead of predicting a balanced budget by 1997 it could have brought in a balanced budget within its term, within the next year or two. That would have been a tremendous feather in its cap and may have turned the tide in the popularity contest which it seems to be losing at the current time.

Those are precedents that are within the Canadian round. If the federal government had brought in a zero increase budget and had just held flat at \$160 billion, which is incredible as it is, but even if it had brought in that much without an extra \$3 billion or \$4 billion in spending, then this government I think would have been perceived by the Canadian people as being serious about addressing what may be a crisis problem of deficits, debt and borrowing.

(1655)

My riding extends from Boston Bar, which is pre-riding boundary adjustment time, in the north which is basically a one industry town, a lumber town that derives almost its entire economic activity from the forestry industry. It extends down through Hope which starts to diversify a little. There is some mining and basically a lot more forestry activity and a lot of tourism. It extends down through the Chilliwack area where I live and where we diversify into agriculture and again lumbering and forestry continue to be important. There is a Canadian

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forces base there. My riding extends right into the Abbotsford area which has almost another flavour unto itself. It has a lot of urban commuters who drive in to Vancouver and work in the big city and it has a lot of retirement people as well.

It does not matter where I go in my riding, whether I am talking to a lumberjack or a logger up in Boston Bar with his red strap suspenders and the whole ball of wax, if I talk to him about the size of the deficit and having to live within your means, that logger knows exactly what I am talking about. He will poke his finger into my chest and tell me to tell this government to quit spending money it does not have just like he has to manage things in his own household.

If I extend down into Hope and into Chilliwack where I live and talk to a dairy farmer there who is worried about GATT and NAFTA and all sorts of things, he will tell me again as he sticks his finger into my chest: "You tell that government to quit spending money it does not have. Quit borrowing money to spend on things we do not even need. Quit obligating my children to pay your debts. Tell that government to quit spending money".

If I go into Abbotsford where people live on a fixed income they will come up to me at a public meeting and tell me the same story. It does not matter what you do or where you live, the people know you have to live within your means.

As soon as you get an allowance of two bucks a week when you are 10 years old, you know you have to live within your means. This government has not learned this lesson yet. This is why this government's borrowing authority act is asking for an unprecedented amount of money to keep government going. It has not learned the lessons it should have learned by watching, if I may be so bold, the PC government of the last eight, nine or ten years.

If the government continues to spend this sort of money in the dollar amounts it is proposing, the electorate will turf it out at the next election with such a vengeance that we may again find a party decimated to the ranks with one or two people left. It has to listen to the Canadian people. The Canadian people want restraint. They want budgetary sanity brought back into government and they expect this government to do its part by restricting spending, bringing in a budget that does not include increased spending measures. Do it now. Do it not only for the people sitting here today but, more important, do it for the people of Canada who are demanding it.

I ask the government to reconsider this bill. Do not pass it. Do not ask for this amount of money. Bring in a budget that we can support, something with a cap on spending, and do it now.

[*Translation*]

**Mr. Pierre de Savoy (Portneuf):** Mr. Speaker, I have a comment and a question for the hon. member, who raised points which I wondered about several months ago already, and for which I found an answer. I am going to suggest that answer to the hon. member and, in the process, get his point of view.

The hon. member says that the government must live according to its means. He adds that, for years now, in fact two decades, we progressively got more and more into debt.

I noticed that too, and I wondered not only about the facts but also their cause. It is not enough to say that we notice something. We have to ask ourselves: How did we end up in this situation and why do we still find ourselves in it?

(1700)

So, I asked myself this very simple question: Why is it that Mr. Trudeau—I think I can name him without violating the rules—started getting us into debt? Is it because he did not realize that it was not a very smart idea to incur debts? Or is it because he was incompetent or acted in bad faith? Certainly not! I am convinced that, at the time, Mr. Trudeau acted in good faith and followed what he believed to be excellent advice encouraging him to do what he did.

Several years later, Mr. Mulroney promised to correct the situation and he failed. Did Mr. Mulroney act in bad faith? I do not think so. I believe that Mr. Mulroney really wanted to reduce the national debt.

Did he receive bad advice? I think that, here in Ottawa, we have extremely competent civil servants who work very hard to make things happen. So, my question is: What happened?

[*English*]

**Mr. Strahl:** Mr. Speaker, I thank the hon. member for Portneuf for his question. He raised a couple of interesting points. I am not exactly sure what Mr. Trudeau was thinking when he started us down this path. Perhaps it is just a Liberal frame of mind. I am not sure but time will tell.

I realize I am stretching it, but Mr. Trudeau and Mr. Mulroney have a similar problem or similar disease that afflicts new governments. It is called missed opportunities. When a new government takes the reins in Parliament it has a window of opportunity, which lasts a few months while the honeymoon period is on and while government members are glowing from ear to ear and from coast to coast, to make significant changes in the way that Parliament and Canada are run.

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Both Mr. Trudeau and Mr. Mulroney had a similar disease in that they missed opportunities. I am not sure exactly what the perception of Mr. Mulroney was in Quebec where he won a huge number of seats, but we voted for him in the west in 1984 because we thought we were electing a fiscally responsible voice that would ensure our concerns were upheld in Parliament.

During his first budget Mr. Mulroney missed a tremendous opportunity. People wanted a fiscally responsible budget brought down, but because of some vocal people who were naysayers he folded the tents and went scurrying with his tail between his legs.

If I could come now to the 35th Parliament, I fear from looking at the budget that we have a similar phenomenon. We have a populace leader of the government who seems to be very much in tune with people. He seems on the outside to be one of the little guys from Shawinigan, just a regular guy, but he missed an opportunity in the budget to change the course of the 35th Parliament. It will not get easier. If the hon. Minister of Finance thinks it will get easier as we get near the next election, he is totally wrong.

As the hon. member said, whether they received bad advice or did not catch the full vision of what people were sending them to Ottawa to do, I am not sure. Regardless of what it was, if an opportunity is missed at the start of a parliament to set the tone for what the government is trying to accomplish the opportunity will never come back.

(1705)

Perhaps the government wonders why we make such a fuss about the borrowing authority, the budget and so on. It tells us to wait until next year, but we have heard this wait until next year stuff for at least 10 years and it never comes because it never gets easier.

Any time we shrug something off and think that a problem will go away on its own it is just wishful thinking and there is a famous road paved with wishful thinking.

**Mr. Jim Silye (Calgary Centre):** Mr. Speaker, I am pleased to address for the first time Bill C-14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994. I speak against the bill because it is time we stopped living on borrowed money. The government has to start living within its means and resist the temptation to continue the mistakes of the past 25 years.

In 1968 the Liberal government under Pierre Elliot Trudeau came into power. It generated the first deficit. Since 1968 and including that year every government has continued to spend more money each and every year than it generated in tax dollars. If we check the records, after the Liberal government was kicked out by the Conservative government it left a debt for the Conservatives of \$175 billion in 1984.

The Conservatives continued the same spending habits the Liberals had taught them while they were in government. Each and every year while the Conservatives were in power they continued to add to the debt to the point at which the people finally had enough. Under that government the debt grew to \$460 billion. When the Conservatives were in power they kept blaming the Liberal government for the debt that grew every year because they had to pay interest out of the revenues to service the debt brought in by the Liberal government under Mr. Trudeau.

Now the Liberals are back in power and they are blaming the Conservatives for the \$460 billion debt. They say it is their fault and that the \$40 billion interest payment is a result of their lack of fiscal responsibility. The Liberals are now expecting the Canadian public to buy the same argument again.

Enough is enough. The finance minister's budget ignored the real problem. The finance minister presented a budget that accomplished nothing. The results would have been the same after 12 months if he had done nothing. It is a shame for him as a person with such good business background and business acumen not to heed the advice of his own experience.

The real problem is the debt and the interest we must pay every year to service the debt which is in the \$40 billion range. There is the deficit, the debt and the interest payment on the debt. The finance minister brought in a budget that increased overall spending by \$3 billion. Yet his rhetoric sounds as if he read the Reform Party blue book and the zero in three plan.

He talks tough. He talks about where we must take tough measures and make tough decisions. We must work toward a balanced budget. We must do this. We must do that. However, what does he do? He makes one sector of the economy, the military, suffer the most. It is suffering pain for no net gain because he increased spending by \$3 billion overall.

This is why we are concerned as members of the Reform Party. The finance minister says he understands the problem but he fails to address it in the budget. As a businessman I am doubly infuriated because every time the government interferes in the private sector through grants, subsidies and regional development funds it proves in the long run not to work. When the money runs out so do the businesses. It is unfair. It distorts the marketplace and it creates confusion.

For instance, under the infrastructure program the federal government will contribute \$2 billion if a province contributes \$2 billion and the municipalities collectively contribute \$2 billion. Then we will have a \$6 billion job creation program. It is creating confusion. In the heart of downtown Calgary in my riding is a building that contributes to infrastructure that already draws businesses and people. It is a round-up centre, a building called the Saddle Dome which houses the Calgary Flames, a professional hockey team. The municipal council has now found a way to make application to the provincial government and through it to the federal government. The President of the Treasury Board will have to make a decision. I advise him to

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decide against it because it is not a true use of infrastructure moneys. He will be asked to make a decision on whether it falls under the criterion and the definition. There is confusion.

(1710)

Therefore the federal government should make it a point that if it has an infrastructure program it should go toward infrastructure. Two other levels of government have decided that spending money on a facility that is already in place is infrastructure. Since the private sector is involved with the Calgary Flames and since it is the major tenant, I recommend the President of the Treasury Board take a good hard look at the application.

My original point was that the infrastructure program was causing confusion. It is an intrusion into the marketplace. Another intrusion involves the province of Quebec and the manufacturer of the Hyundai car. Hyundai was originally subsidized, attracted to come to the province. It was to create 1,000 jobs. We were to lend it \$100 million and to sell 100,000 cars at the end of this wonderful deal.

Hyundai closed its doors when the money ran out. Some 856 jobs were created, not 1,000. There were only 26,000 cars produced, not 100,000. However the Minister of Finance is considering lending more money for it to reopen the doors and gainfully employ another 800 people, the same 800 people.

Has the government or the finance minister not even asked why it shut its doors. Is it because Hyundai is not competitive enough? Is it because it cannot sell cars?

This is the private sector in which the federal government continues to intrude and continues to distort. The private sector wants the government off its back and out of its pockets. It wants to be left alone; it can create the infrastructure. It wants the government to do only what governments can do, and that is peace, order and good government, not investing in the private sector. I do not know how much more emphatically Reformers can say that and repeat that until it finally gets the message across.

The government wants to pass Bill C-14 so that it can borrow money to meet its commitments in the red ink book. It wants to borrow money so that it can create jobs to fund our already too generous social programs rather than review them for ways and means in which it can create a social safety net that protects the truly needy, not those it protects now who do not really need the money.

We have limited dollars. We are living on borrowed money. Why do we not stop wasting borrowed money and reduce the debt and thus reduce the amount we have to borrow? The proper signal should be sent to investors, lenders and consumers that the government will change the mistakes of the past 23 governments and finally make a commitment to the proper principles

of economic growth. Lord knows, with all the advice we have available through bureaucracy we could do it.

As a member of the Standing Committee on Finance I have heard some interesting presentations on a replacement tax for the GST. I have also had the very good privilege of questioning the deputy minister of finance, Mr. Dodge. It is worthwhile for the entire Liberal cabinet to listen to him, especially the finance minister to whom this man has to answer. Let me read a comment that he made to the committee referring to our huge debt. He said that the problem was not only a federal one but also a provincial and local one.

(1715)

In 1992-93 our deficit stood at approximately \$40 billion federally and approximately \$25 billion provincially. The debt at the federal level is getting very close to three-quarters of the GNP. We are paying interest rates that are about 2 per cent above the rate of growth of the economy. That means we have to divert increasing amounts of taxpayers revenues just to service the past debt.

Canada's total budget deficit was the second highest among G-7 countries in 1992. We are just about leading the G-7 with respect to all levels of spending which is approximately 50 per cent of our GNP. The proportion of our debt that is internationally held has increased a great deal over the past 10 years. It is to the point now where the combined federal provincial total is about \$750 billion and \$300 billion plus is foreign held.

We must pay foreigners more and more to service Canada's foreign debt, approximately \$1 of every \$20 produced. All we can say is there may come a time when financial markets will feel they can no longer trust Canada to handle its problems. People will want to sell their Canadian bonds and we will no longer be able to borrow. We will face serious problems like New Zealand, Sweden, et cetera.

The important part is that the moment of truth can arrive just like that. That means when the Liberal government's program and budget after this year and next year do not work, its final recourse may be the International Monetary Fund. The government may have to invite them here and I do not think we need that. Do we want to invite the International Monetary Fund to solve our problems? I do not think so.

Is the finance minister listening to his own deputy Minister of Finance? Is the Liberal cabinet discussing the seriousness of the debt and the deficit and the interest costs on servicing that debt? What is going to happen if interest rates continue to rise? I will leave that for another speaker to possibly address.

I recommend we handle our own problems before resorting to groups like the International Monetary Fund. I recommend a complete overhaul and entire review of the taxation system. Never mind just a GST study, make a commitment to an entire

*Government Orders*

tax review. Get rid of the income tax in its present form. Get rid of the 14,000 books of rules and regulations.

Why does this government not take some advice from one of its own members who worked hard and true on this in opposition, the hon. member for Broadview—Greenwood? I know what his name is but I am not allowed to mention it. He wrote the book *The Single Tax*.

That has a lot of merit. A flat tax for Canada would help spread the tax load. It would allow us to introduce a lower tax rate. It would help solve the problems with the social safety net with an exemption level for each person that generates money. That would solve the problem. They would not have to pay tax on the first \$15,000 for instance. They could then look after themselves without government subsidies and aid. Then the money we did generate as a government could go to the truly needy, the people who really need welfare and those seniors who really need help under the guaranteed income supplement.

Why will the Liberal government not focus on issues like this? There is a member within that party and he is not even in cabinet. He has been shunted right out and I do not understand why.

A flat tax has some other advantages. A flat tax would allow all Canadians on a proportional basis, depending upon the size of their family and the size of their income, to pay the same rate of tax. That would be equal. It would be more equitable and it would be fair. The finance minister always likes to use the word "fair". He has said in his budget speech that his intent and one of the objectives of the federal budget is to restore and sustain fiscal responsibility but I beg to differ.

The other advantages of a flat tax, if the Liberal government were so inclined to review it, would be that being simple it eliminates the need and the work with all these exemptions and loopholes that the finance minister talks about in his budget.

Today when we want to develop a certain sector of our natural resources, we create an incentive for people to invest and we give them a tax deduction. That starts to work or does not work and then later on we take the exemption away. We call it a loophole and we eliminate it. We give and take and give and take.

(1720)

If we had a flat tax we would not have to worry about incentives, loopholes and deductions. We would only have to figure out mechanisms over and above the personal exemption in terms of charitable donations, perhaps 1 per cent, and in terms of the child credit and child care costs. Those could be incorporated.

After that we could draw a line. We would state what was made, make the deductions, multiply by 15 per cent and send that amount to the federal government. This system would be less complicated and understandable by everybody. It could be put on one sheet. Everybody would be doing it the same way. It is a proportional tax.

I would love to have a debate on this. Perhaps I could convince my own caucus to make a motion at some future point to discuss this flat tax and have a situation in which we solve our own problems. I believe a major overhaul of the entire taxation system would entice more investment in Canada.

We need capital. We need equity capital. Right now the government mentality, especially at the federal level is to continue to live on borrowed money which I call debt capital. There is a big difference. Money that is at risk motivates. Government money, especially borrowed money, is a waste.

I wish at some point in time we could address our entire economic and social problems in a comprehensive and analytical manner. As some Bloc Quebecois members like to say in the finance committee, there should be a complete review of our taxation system category by category, allocation by allocation.

We could then decide what programs we should be funding, what programs should remain in the public sector and what programs should be shunted off to the private sector. Yes, I am talking about privatization. There are a lot of Crown corporations that could be sold off if they are still necessary. If nobody in the private sector wishes to buy them, that is only proof nobody wants the service or needs it anyway.

We could really clean house in this 35th Parliament if we made a commitment. I understand the Bloc Quebecois claims to be fiscally responsible. So does the Reform Party. Why do the cabinet ministers not swallow their pride and listen to some of the comments we make? They could take credit for being the greatest government that ever lived because it finally listened to the people on matters that really counted, money. We pay far too much in taxes and they need to be reduced.

I speak against Bill C-14. I know the government ultimately can put this bill through, but I caution it to at least listen to some of the comments made in this House. Do more than give token interest to what we say. We are here to serve for another four and a half years. We want to be solving the problems for this country, not for some international association.

[*Translation*]

**Mr. Pierre de Savoye (Portneuf):** Mr. Speaker, I will be brief because I really want to hear the Reform Party's answer to this question.

Some time ago, because of a similar perception of the debt problem, I was invited to join the ranks of the Reform Party.

*Government Orders*

However, even though we may perceive the problem in a similar way, it does not necessarily mean that we share the solution. Indeed, our respective solutions may differ.

In this context, I said earlier that in the last decade or two no government was able to control the debt and the deficit.

(1725)

I submit that the reason for this failure rests with the system itself and that the system has to be changed. I would like to read the hon. member, if I may, Mr. Speaker, the end of the letter dated March 1st which the president and chief executive officer of the Quebec manufacturers' association, Richard Le Hir, wrote about the budget. It is only one paragraph long.

Faced with this situation, the federal government's only strategy is the relentless pursuit of the same policy in spite of all the evidence. Nothing else can explain Mr. Martin's reserve in his recent budget. He and his Liberal colleagues are hoping that, contrary to all expectations, a miraculous upturn in the economy will save Canada from the disaster it is headed for. They are making the same mistake the Conservatives made before them. They refuse to admit there is a structural aspect to the Canadian public finances problem. And for a very good reason! If they did, it would call into doubt the very structure of the system: the sacrosanct Constitution. That would be tantamount to opening Pandora's box. That is why, as we now say in Montreal, 'les jeux sont faits, rien ne va plus'!

[*English*]

**Mr. Silye:** Mr. Speaker, I enjoyed the commentary of the hon. member. That quote has a lot of merit. I would not dispute that.

I would like to raise one thing that perhaps Bloc Quebecois members have not considered. I know the agenda they ran in the province of Quebec. They feel that separation is the best thing for Quebec. I respect their views on that. I respect why they feel that way. Perhaps members could give them other thoughts to consider.

Why not stay in Canada? Why not work together for one Canada, a new federalism? The Bloc Quebecois would work within this confederation to gain the best possible for the province of Quebec in partnership with nine other equal provinces. As one country we would grow together and ultimately achieve our highest potential. Why does the hon. member not talk to his caucus about the economic advantages for the province of Quebec of staying in Canada? The signal that would send to the global community and the global market would have resounding positive financial rewards for the province of Quebec.

As Reformers we would be happy to point out to the Bloc Quebecois what some of the advantages are to staying in confederation. This separatist point of view is divisive and confusing. There are the arguments and debates over immigration, over the debt and what Quebec's share would be, how we do this, how we do that. Why not work together? Financially it is advantageous for everyone concerned.

**The Deputy Speaker:** The Chair has received written notice from the hon. member for Davenport that he is unable to move his motion during private members' hour on Thursday, March 24.

It has not been possible to arrange an exchange of positions in the order of precedence according to Standing Order 94(2)(a). Accordingly it is necessary that the Chair ask the table officers to drop the item of business to the bottom of the order of precedence.

[*Translation*]

Pursuant to Standing Order 94(2)(b), Private Members' Hour will be suspended for the day and the House will continue with the business before it at the time.

[*English*]

It now being 5.30 p.m., pursuant to the order made on Tuesday, March 22, 1994, it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the third reading stage of the bill now before the House.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 21*)

## YEAS

## Members

Adams  
Allmand  
Anderson  
Assad  
Augustine  
Baker  
Barnes  
Bellemare  
Bertrand  
Bevilacqua

Alcock  
Anawak  
Arseneault  
Assadourian  
Axworthy (Winnipeg South Centre)  
Bakopanos  
Beaumier  
Berger  
Bethel  
Bhaduria

*The Budget*

Blondin—Andrew  
Bonin  
Brown (Oakville—Milton)  
Bryden  
Calder  
Cannis  
Chamberlain  
Collenette  
Cowling  
Culbert  
Dingwall  
Dromisky  
Dupuy  
Eggleton  
Fewchuk  
Fontana  
Gaffney  
Galloway  
Godfrey  
Graham  
Grose  
Harb  
Harvard  
Hubbard  
Iftody  
Jackson  
Karygiannis  
Kirkby  
Kraft Sloan  
LeBlanc (Cape Breton Highlands—Canso)  
MacAulay  
MacLellan (Cape Breton—The Sydneys)  
Malhi  
Marleau  
Massé  
McKinnon  
McTeague  
Mifflin  
Mitchell  
Murray  
Nunziata  
Ouellet  
Payne  
Peters  
Phinney  
Pillitteri  
Reed  
Richardson  
Ringuette—Maltais  
Rock  
Scott (Fredericton—York Sunbury)  
Shepherd  
Simmons  
Speller  
Steckle  
Stewart (Northumberland)  
Telegdi  
Thalheimer  
Valeri  
Volpe  
Wappel  
Whelan  
Young

Bodnar  
Boudria  
Brushett  
Bélair  
Campbell  
Catterall  
Cohen  
Collins  
Crawford  
Dhaliwal  
Discepola  
Duhamel  
Easter  
English  
Finlay  
Fry  
Gagliano  
Gauthier (Ottawa—Vanier)  
Goodale  
Gray (Windsor West)  
Guarnieri  
Harper (Churchill)  
Hickey  
Ianno  
Irwin  
Jordan  
Keyes  
Knutson  
Lavigne (Verdun—Saint-Paul)  
Lee  
MacDonald  
Maheu  
Maloney  
Martin (LaSalle—Émard)  
McCormick  
McLellan (Edmonton Northwest)  
McWhinney  
Milliken  
Murphy  
Nault  
O'Reilly  
Pagtakhan  
Peric  
Peterson  
Pickard (Essex—Kent)  
Proud  
Regan  
Rideout  
Robichaud  
Rompkey  
Serré  
Sheridan  
Skoke  
St. Denis  
Stewart (Brant)  
Szabo  
Terrana  
Ur  
Verran  
Walker  
Wells  
Wood  
Zed—146

Chrétien (Frontenac)  
Cummins  
Debien  
Deshaies  
Duncan  
Fillion  
Frazer  
Gauthier (Roberval)  
Godin  
Grey (Beaver River)  
Guay  
Hanrahan  
Harper (Simcoe Centre)  
Hart  
Hermanson  
Hoepfner  
Jennings  
Landry  
Laurin  
Lebel  
Leroux (Shefford)  
Marchand  
McClelland (Edmonton Southwest)  
Mills (Red Deer)  
Ménard  
Paré  
Plamondon  
Péloquin  
Riis  
Rocheleau  
Scott (Skeena)  
Solberg  
Speaker  
Taylor  
Tremblay (Rosemont)  
Wayne  
White (North Vancouver)

Crête  
Daviault  
de Savoye  
Dubé  
Epp  
Forseth  
Gagnon (Québec)  
Gilmour  
Gouk  
Grubel  
Guimond  
Harper (Calgary West)  
Harris  
Hayes  
Hill (Macleod)  
Jacob  
LaLonde  
Langlois  
Lavigne (Beauharnois—Salaberry)  
Lefebvre  
Loubier  
Martin (Esquimalt—Juan de Fuca)  
Meredith  
Morrison  
Nunez  
Picard (Drummond)  
Pomerleau  
Ramsay  
Ringma  
Schmidt  
Silye  
Solomon  
Strahl  
Tremblay (Rimouski—Témiscouata)  
Venne  
White (Fraser Valley West)  
Williams—90

**PAIRED—MEMBERS**

Members

Caron  
Coppes  
DeVillers  
Dumas  
Leroux (Richmond—Wolfe)  
Marchi  
Parrish  
Sauvageau

Cauchon  
Dalphond—Guiral  
Duceppe  
Leblanc (Longueuil)  
MacLaren (Etobicoke North)  
O'Brien  
Patry  
St-Laurent

(1755 )

**The Deputy Speaker:** I declare the motion carried.

Bill read the third time and passed.

\* \* \*

**THE BUDGET**

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 10 consideration of the motion that this House approves in general the budgetary policy of the government.

**The Deputy Speaker:** Pursuant to order made Wednesday, March 16, 1994 the House will now proceed to the taking of the deferred division on Ways and Means Motion No. 6 concerning the budget.

**NAYS**

Members

Ablonczy  
Asselin  
Bellehumeur  
Bergeron  
Bernier (Mégantic—Compton—Stanstead)  
Bouchard  
Brown (Calgary Southeast)  
Canuel

Althouse  
Bachand  
Benoit  
Bernier (Gaspé)  
Blaikie  
Brien  
Bélisle  
Chatters

*The Budget*

[Translation]

**Mr. Gagliano:** Mr. Speaker, I believe that you will find unanimous consent to apply the result of the vote just taken to the motion which you just announced on the Budget.

**The Deputy Speaker:** Does the House agree?

**Some hon. members:** Agreed.

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 22)***YEAS**

## Members

Adams  
Allmand  
Anderson  
Assad  
Augustine  
Baker  
Barnes  
Bellemare  
Bertrand  
Bevilacqua  
Blondin—Andrew  
Bonin  
Brown (Oakville—Milton)  
Bryden  
Calder  
Cannis  
Chamberlain  
Collenette  
Cowling  
Culbert  
Dingwall  
Dromisky  
Dupuy  
Eggleton  
Fewchuk  
Fontana  
Gaffney  
Galloway  
Godfrey  
Graham  
Grose  
Harb  
Harvard  
Hubbard  
Iftody  
Jackson  
Karygiannis  
Kirky  
Kraft Sloan  
LeBlanc (Cape Breton Highlands—Canso)  
MacAulay  
MacLellan (Cape Breton—The Sydneys)  
Malhi  
Marleau  
Massé  
McKinnon  
McTeague  
Mifflin  
Mitchell  
Murray  
Nunziata  
Ouellet  
Payne  
Peters  
Phinney  
Pillitteri  
Reed  
Richardson  
Ringuette—Maltais  
Rock  
Scott (Fredericton—York Sunbury)  
Shepherd  
Simmons  
Speller  
Steckle

Alcock  
Anawak  
Arseneault  
Assadourian  
Axworthy (Winnipeg South Centre)  
Bakopanos  
Beaumier  
Berger  
Bethel  
Bhaduria  
Bodnar  
Boudria  
Brushett  
Bélair  
Campbell  
Catterall  
Cohen  
Collins  
Crawford  
Dhaliwal  
Discepola  
Duhamel  
Easter  
English  
Finlay  
Fry  
Gagliano  
Gauthier (Ottawa—Vanier)  
Goodale  
Gray (Windsor West)  
Guarnieri  
Harper (Churchill)  
Hickey  
Ianno  
Irwin  
Jordan  
Keyes  
Knutson  
Lavigne (Verdun—Saint-Paul)  
Lee  
MacDonald  
Maheu  
Maloney  
Martin (LaSalle—Émard)  
McCormick  
McLellan (Edmonton Northwest)  
McWhinney  
Milliken  
Murphy  
Nault  
O'Reilly  
Pagtakhan  
Peric  
Peterson  
Pickard (Essex—Kent)  
Proud  
Regan  
Rideout  
Robichaud  
Rompkey  
Serré  
Sheridan  
Skoke  
St. Denis  
Stewart (Brant)

Stewart (Northumberland)  
Telegdi  
Thalheimer  
Valeri  
Volpe  
Wappel  
Whelan  
Young

Szabo  
Terrana  
Ur  
Verran  
Walker  
Wells  
Wood  
Zed—146

**NAYS**

## Members

Ablonczy  
Asselin  
Bellehumeur  
Bergeron  
Bernier (Mégantic—Compton—Stanstead)  
Bouchard  
Brown (Calgary Southeast)  
Canuel  
Chrétien (Frontenac)  
Cummins  
Debien  
Deshaies  
Duncan  
Fillion  
Frazer  
Gauthier (Roberval)  
Godin  
Grey (Beaver River)  
Guay  
Hanrahan  
Harper (Simcoe Centre)  
Hart  
Hermanson  
Hoepfner  
Jennings  
Landry  
Laurin  
Lebel  
Leroux (Shefford)  
Marchand  
McClelland (Edmonton Southwest)  
Mills (Red Deer)  
Ménard  
Paré  
Plamondon  
Péloquin  
Riis  
Rocheleau  
Scott (Skeena)  
Solberg  
Speaker  
Taylor  
Tremblay (Rosemont)  
Wayne  
White (North Vancouver)

Althouse  
Bachand  
Benoit  
Bernier (Gaspé)  
Blaikie  
Brien  
Bélisle  
Chatters  
Crête  
Daviault  
de Savoye  
Dubé  
Epp  
Forsyth  
Gagnon (Québec)  
Gilmour  
Gouk  
Grubel  
Guimond  
Harper (Calgary West)  
Harris  
Hayes  
Hill (Macleod)  
Jacob  
Lalonde  
Langlois  
Lavigne (Beauharnois—Salaberry)  
Lefebvre  
Loubier  
Martin (Esquimalt—Juan de Fuca)  
Meredith  
Morrison  
Nunez  
Picard (Drummond)  
Pomerleau  
Ramsay  
Ringma  
Schmidt  
Silye  
Solomon  
Strahl  
Tremblay (Rimouski—Témiscouata)  
Venne  
White (Fraser Valley West)  
Williams—90

**PAIRED—MEMBERS**

## Members

Caron  
Copps  
DeVillers  
Dumas  
Leroux (Richmond—Wolfe)  
Marchi  
Parrish  
Sauvageau

Cauchon  
Dalphond—Guiral  
Duceppe  
Leblanc (Longueuil)  
MacLaren (Etobicoke North)  
O'Brien  
Patry  
St-Laurent

**The Deputy Speaker:** I declare the motion carried.

It being 6 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

## PRIVATE MEMBERS' BUSINESS

[English]

### CONSTITUTION ACT, 1982

**Hon. Warren Allmand (Notre-Dame-de-Grâce)** moved:

That, in the opinion of this House, the government should initiate an amendment to the Constitution Act, 1982 to delete section 33 (the notwithstanding clause).

He said: Mr. Speaker, I would appreciate if we could get a little order in the House as it is difficult to speak over the noise.

**The Deputy Speaker:** Colleagues, your colleague wants to have some order and the Chair on his behalf would request order so that he might present his motion.

**Mr. Allmand:** Mr. Speaker, the motion which I have presented asks that the government initiate an amendment to the Constitution Act of 1982 to delete section 33, the notwithstanding clause.

What are we talking about? In 1982 the Parliament of Canada and all the parliaments of the provinces passed the Constitution Act of 1982 which included for the first time in our history an entrenched Charter of Rights and Freedoms. These were such rights as the fundamental freedoms; the freedom of conscience and religion, the freedom of thought, the freedom of belief, opinion and expression, freedom of the press, freedom of peaceful assembly, freedom of association, our democratic rights—that is, the right to take part in elections, the right to run for office, mobility rights, legal rights, very important equality rights. That section said that all Canadians were equal irrespective of their sex, their age, their colour, their religion, their race, their national origin.

In 1982 we entrenched those rights, which meant that those rights could not be taken away by ordinary legislation. Furthermore, those rights prevailed over all other legislation since they were in the Constitution.

If a conflict arose between any other law in Canada and what was in the Charter of Rights and Freedoms, then the Charter of Rights and Freedoms prevailed. The only way those rights could be taken away is by an amendment to the Constitution, which is a very complex thing, as we all know as a result of the Charlottetown accord experience.

We took steps to give Canadians these entrenched rights and then at the same time we put in the very same act article 33, the notwithstanding clause, which allowed Parliament and all the legislatures of Canada to take away those very rights by the use of what is called a notwithstanding clause. This means that if a

### *Private Members' Business*

government introduced a bill which said: "Notwithstanding the charter of rights, we legislate as follows", then it would legislate away the right of freedom of the press or freedom of religion or freedom of equality, and so on.

(1805)

When Prime Minister Trudeau first introduced the Charter of Rights and Freedoms in 1981, the notwithstanding clause was not in it. At that point the Constitution of 1982 was clear, pure, simple and direct without any shenanigans or skulduggery whatsoever.

However, in the negotiations with the provinces, between early 1981 and passage in late 1981, pressure was brought to bear and the notwithstanding clause was accepted.

I always opposed the notwithstanding clause. As a matter of fact I voted for the Constitution Act of 1981 when it was first presented on the first round by Mr. Trudeau as a member of his party and supported it strongly. However, at the end of the process, when we voted again at the end of the year, I was obliged to oppose the package, not because I did not support many things in it but I could not accept the notwithstanding clause and there were a few other clauses that were added that I could not accept.

Why am I so opposed to the notwithstanding clause? I just referred to these rights. These are not marginal rights that we are talking about. These are not supplementary rights. We are talking about basic, universal rights, rights that are recognized around the world. We are talking about rights that are recognized in the Universal Declaration of Human Rights of the United Nations. We are not talking about rights to own property or to build a house on a certain street. We are talking about things like freedom of religion, freedom of conscience, equality between races, equality between people of different religious backgrounds and so on. We are talking about things that are very basic.

As far as I am concerned, rights are rights and they should not be subject to legislative suspension for any reason, not these kinds of rights. They cannot be legislated away.

Some people would argue that no rights are unlimited. That is correct. For example, let us take freedom of speech. The principle of freedom of speech is, without a doubt, unchallengeable, but we cannot abuse it. We have accepted for a long time the crimes of libel and slander which are an abuse of the freedom of speech. We have now in our criminal law provisions against hate literature by which one cannot attack another ethnic or religious group in a demeaning way. It can add up to hate literature. That is an abuse of the freedom of speech.

The Constitution Act of 1982 and the Charter of Rights and Freedoms provide for that in section 1. The notwithstanding clause is not necessary. Section 1 of the charter states: "that the Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits

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prescribed by law as can be demonstrably justified in a free and democratic society”.

We have had our liable and slander laws for many years, but if they were to be challenged as contrary to the Charter of Rights and Freedoms, the spokespersons for the government could argue that these were exceptions that were reasonable in a free and democratic society. In other words, one should not be able to tell lies that will hurt the reputation of other people.

The difference with article 1 of the charter is that it is the court which decides whether the law being challenged is an exception to the charter or not and it is not a politically elected Parliament or legislature that decides. To me that is very important.

What does it really mean when we have a notwithstanding clause in our Constitution and in our Charter of Rights and Freedoms? It means that our minorities really have no protection vis-à-vis the majority. It means that the minorities are subject to the rule of the majority. The notwithstanding clause becomes a contradiction to the very reason for the charter in the first place.

(1810)

Those of us who argued in favour of the charter, including Prime Minister Trudeau, said that we must have a charter entrenched in our Constitution to protect minorities of different kinds against the rule of majorities in cases where fear often is demonstrated, where all of a sudden in certain situations people want to trample over the rights of the minorities. He said that we could not leave that to ordinary legislation, that we must recognize basic principles and put them beyond the rule of the majority. However if a notwithstanding clause is included that is contradicting what is being done in the first place. You are giving with one hand and then taking away with the other.

To me that is hypocrisy. You really do not have a Charter of Rights and Freedoms if a legislature can pass a law using the notwithstanding clause, using the words “notwithstanding the rights and freedoms we are legislating as follows”. You really do not have protection and that is what was supposed to be done in the Charter of Rights and Freedoms. However you are giving with one hand and taking away with the other. It becomes a farce. It can even become mob rule. That is, the mob, the majority when they want to act, they act regardless of the basic rights of the minorities in society.

I had the privilege of being educated at law school by Frank R. Scott, one of the great Canadian professors of law and one of the great civil rights lawyers in our entire history. He was able to challenge two laws Quebec Premier Duplessis passed in the post-war period.

One was a law to ban the Jehovah Witnesses. Frank Scott with others was able to have that law overturned. We did not have the Charter of Rights and Freedoms in those days. However because he was a very imaginative lawyer he was able to do it by referring to other parts of the Constitution.

Then Premier Duplessis passed a law called the padlock act. It allowed him to put locks on the doors of anybody suspected of being a Communist. I have no sympathy for Communists. The point is if it can be done for the Communists, it can be done for the Reform Party, the Liberal Party, the Conservative Party or any other party if you do not like them and you are allowed to pass a law banning a political party. Again, Frank Scott was able to win without the charter.

However I put this to the House. If there had been a charter with the notwithstanding clause and Frank Scott had won in the Supreme Court of Canada, Mr. Duplessis would simply go back to his legislature and say: “Notwithstanding the Supreme Court of Canada, notwithstanding the Charter of Rights and Freedoms, we are once again going to ban the Jehovah Witnesses. We are once again going to ban a political party”.

When it was introduced and agreed to by my own party and our own government, it was said we were agreeing to it to get the package through. It was said that it would never be used and if it was going to be used, it would be rare.

It has been used several times. It has been used in Saskatchewan; it has been used in Quebec to override the Supreme Court of Canada and to override other rulings of the court with respect to the charter.

I ask Quebecers in particular to consider that if the legislature of Quebec can do it for language in that province, then another province can do it for language as well. If it can be done for language, it can be done for religion. If it can be done for religion, it can be done for equality between the races.

Once you agree to do it, then one day you cannot say to the guy in the next province or to this Parliament that it should not be done for that when you have done it yourself. You cannot pick and choose on this kind of thing.

Imagine what the situation would have been if the United States had a notwithstanding clause. I know it took a long time but it was finally in 1954 in the famous Brown case that the discrimination laws against blacks in the United States were finally struck down. They were laws that were enforced in several of the southern states that said that blacks must sit in the back of the bus, that said that blacks had to sit in a certain part of a cinema, that said that blacks could not go into certain parks, that they could not live in certain districts, that they could not go to certain schools.

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It was the constitution of the United States. It took a long while in American history but finally they won in 1954 by gathering together the funds necessary to challenge those laws. They won in the Supreme Court of the United States in that very famous case, the Brown case.

(1815)

Can members imagine if they had a notwithstanding clause in the American constitution and Mississippi, Alabama, Georgia or any of those states could simply say that despite the Supreme Court of the United States, too bad, they are going to legislate exactly what they had in the first place. The constitution of the United States would not mean anything. That would be ridiculous. It is ridiculous in most countries. The notwithstanding clause was accepted as a political compromise and it was unfortunate and wrong.

During the discussions on the Charlottetown accord there was discussion as to whether the committee of which I was a member, the Beaudoin-Dobbie committee—it was Castonguay at one point—should make recommendations against the notwithstanding clause.

We debated it at great length and finally we left it aside, much to my dismay, on the grounds that while the notwithstanding clause is not correct in principle there was no chance we could get the provinces to agree, therefore we should not waste our time pursuing something that we could not get agreement on. I say that was unfortunate.

There are other people who will argue that the last word must always be with the political people, the elected people. I can remember an NDP premier of Saskatchewan, Allan Blakeney, whom I respect for other things. He took that point of view.

Legislatures and Parliaments in this country are not unlimited. The Constitution Act of 1867 puts limits on us in many respects. There are limits on catholic schools and protestant schools. There are limits on what one can legislate in the provinces and what one can legislate at the federal level.

There are limits with respect to what one can do regarding the monarchy in the country. One cannot legislate in any respect whatever one wants. There have always been limitations. What the charter did was extend those limitations and say that certain rights belong to people and political bodies cannot take them away.

The argument that political bodies should be completely free to do whatever they want or what they think right at any time is not right in principle and it is not acceptable even from a legal point of view.

I want to remind the House that in 1986 at a large national convention after we lost in a devastating way the election of 1984, the Liberal Party passed a resolution by well over 80 per

cent of the delegates attending in 1986 in Ottawa, saying exactly what I have in my motion today, that we should take steps to get rid of the notwithstanding clause.

As a matter of fact, the then leader of our party, the Right Hon. John Turner, presented the same motion that I am presenting today. It was in his name until he retired. I have taken up the motion although I have always supported the same point of view.

I am saying that if we are going to have a Charter of Rights and Freedoms on such basic rights as I have described—I would not say the same thing about marginal rights which are important or other types of rights—and that we have in this charter, they should never be subject to suspension.

If one agrees to suspension in one case, then one leaves oneself open a little while down the road to the suspension of other rights whether they be religious rights or language rights or rights to express one's opinions, freely to write what one wants, to form a trade union, or to form a political party.

I ask this House to take this motion seriously. This is not a piece of legislation in itself. It is a motion that will express the view of this Parliament.

During the discussion right up to the Charlottetown accord some people said that we could not get rid of the notwithstanding clause altogether but that maybe we could get agreement on its limitation, maybe we could take it off the equality rights section, perhaps we could take it off the fundamental freedoms section but leave it on the political rights, in other words restrict its ambit of application.

That was one solution proposed. Others said that maybe we could reduce the number of years for which the notwithstanding legislation is valid. As members know, right now when you pass a bill under the notwithstanding clause it is only good for five years and you must do it all over again. They said let us reduce that to three years, two years or whatever.

(1820)

Then others said maybe we should introduce a two-thirds requirement for its use. If you are going to suspend basic rights in the Constitution with the notwithstanding clause you should at least have to have two-thirds, three-quarters, not the ordinary 51 per cent majority.

If it was impossible to get rid of the clause altogether I would certainly accept those kind of compromises. I think they would go some distance in reducing the concern that the many minorities in this country have.

Let me say this is a country of minorities. You look at the House we have today, we come from many parts of the world, we come from many linguistic backgrounds, many racial backgrounds, many religious backgrounds. It is not as it was in 1867 when we were basically catholics, protestants, we were all white

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and we were either had French or British background. Today we are of many many backgrounds. We are all minorities.

I think we would do ourselves well to declare ourselves on this. It is not to pass a law but it would show where this new Parliament stands on basic rights and freedoms and we would be saying loud and clear that these rights are our rights forever and a day and they cannot be suspended by any simple majority of a Parliament of Canada or a legislature of a province.

[Translation]

**Mr. François Langlois (Bellechasse):** Mr. Speaker, I welcome this opportunity to speak to motion M-239, introduced by the hon. member for Notre-Dame-de-Grâce, which requests withdrawal of section 33 of the Canadian Charter of Rights and Freedoms of 1982, the notwithstanding clause, also known in Quebec as the "clause nonobstant".

Need I recall that the legislation we are discussing, the 1982 Canadian Charter, was passed by the Imperial Parliament in Westminster, after a debate in this House where the majority of Quebecers—there were a few exceptions—supported the request made to the Imperial Parliament?

In fact, there was more opposition to the Constitution Act, 1982, in the Imperial Parliament in Westminster than in this House. Westminster ratified this legislation, despite two memoranda by the Government of Quebec which vigorously objected to the process and also despite a resolution supported by both parties then represented in the Quebec National Assembly, the Parti québécois and the Liberal Party of Quebec, with only six members voting against the resolution.

What we have now is legislation that may have its merits but is fundamentally flawed in terms of the process that was imposed on us to adopt it. The government amended Canada's Constitution and removed Quebec's right to legislate on language matters, a right guaranteed by section 92 of the Constitution Act, 1867, by what was always defined as a pact between the two founding peoples. What a fallacy, Mr. Speaker!

Section 23 of the Constitution Act, 1982, ratified in London and amended in a Parliament on the other side of the Atlantic, amended section 92 of the Constitution Act, 1867, by restricting the powers of the Quebec National Assembly with respect to language in Quebec, and in many respects it was this section that caused so much trouble. How ironic that we should have to go to London to amend the Canadian Constitution and to incorporate in the constitutional amending formula provisions that, if they had existed in 1982, would have made it impossible to amend section 23 with respect to the powers of Quebec.

They asked London to do the dirty work, so that would be the end of it. This is a strange interpretation of democracy. And with all due respect for the hon. member for Notre-Dame-de-Grâce, who referred to decisions by the courts in Quebec and especially to Mr. Duplessis, I think we should not forget that in this trilogy of judgments made in the fifties, in Saumur versus the City of Quebec, the Switsman case and the Roncareli case, the Supreme Court of Canada came down on the side of those who defended civil rights and quashed the laws passed by the Legislative Assembly and Legislature of Quebec which restricted individual rights and freedoms. The rights of the Jehovah's Witnesses were recognized by the Supreme Court of Canada. The padlock act, passed by the Legislative Assembly and Legislature of Quebec, was declared null and void.

(1825)

But where was the hon. member for Notre-Dame-de-Grâce in 1970, when this House passed the War Measures Act which provided for arrests without a warrant and arbitrary detention of Canadian citizens? Government by decree, that is exactly what they did in 1970, and the hon. member for Notre-Dame-de-Grâce voted in favour of this odious piece of legislation, which was last used in World War I. Was he there to defend the rights of Quebecers, when 500 were jailed without a warrant and could be detained for up to six months without trial? In most cases they received no compensation, or very little. Some people lost their jobs, their families and the love and respect of their friends. Where was the hon. member for Notre-Dame-de-Grâce then? Perhaps he should tell us someday.

However, I understand some of the frustrations of the hon. member which are probably connected with Bill 178, passed by the Quebec National Assembly and proposed by the Liberal Premier of Quebec, Mr. Bourassa, which created two language categories in Quebec, one language which could be posted inside and another outside. There is nothing wrong with being able to post signs in one's own language. Bill 178 was highly questionable because it seemed to make English a language that had to be used furtively. And that should certainly not be the case.

Getting back to the crux of the matter, since these precautions were taken, section 33, the famous notwithstanding clause, allows us to interpret the Canadian Charter of Rights and Freedoms. It allows parliamentarians to interpret the Charter and, depending on the circumstances, to ask themselves this: Should we or can we distance ourselves from the Canadian Charter of Rights and Freedoms?

At the federal level, the decision to do so is made by the houses of the federal parliament, while at the provincial level, it is made by the members of the legislatures. The decision is only valid for five years. It is a serious matter which must be studied each time and the decision that is reached is valid for a period of five years, which enables the legislator to have the final word. However, when it comes to justifying the use of the notwithstanding clause to the Canadian and provincial electorates, the

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burden will fall to federal and provincial members of Parliament. And there may indeed be circumstances where the application of the notwithstanding clause is justifiable. For example, it may be justified in the case of political party funding where the sky is virtually the limit when it comes to contributions.

Perhaps a notwithstanding clause will be referred to this Parliament, thereby making it possible to adjust today's reality to the deeply felt wishes of Canadian and Quebec society. Perhaps. There are cases. In any event, when there is a charter of rights or constitutional provision, such as the constitutional amendments to the constitution of the United States, there is no notwithstanding clause. The U.S. constitution does not contain one and the legislator is bound by his own constitutional provisions which must be upheld.

The offshoot of this, however, is that if the legislator cannot do the job, the courts will do it. The courts take on the task, from time to time, of defining that which, in their opinion, is acceptable at a given point in time, based on how a society evolves. Over the decades and even the centuries now, the Supreme Court of the United States has not been shy about interpreting differently various provisions of the amendments to the American Constitution that guarantee certain rights associated with certain fundamental freedoms.

(1830)

I much prefer to have this discretionary power exercised by elected officials as in our country who must go before their constituents at least every five years, rather than by unelected judges who cannot be removed and are not accountable to anyone, since this is basically a political act. If we want to take politics out of Parliament and put it in the courts, the proposal of the hon. member for Notre-Dame-de-Grâce should be accepted. If political debates should go on in our stately courtrooms, let us adopt the motion presented by the hon. member for Notre-Dame-de-Grâce, but if we want political issues to be settled here in the House of Commons or in the Quebec National Assembly or in the provincial legislatures, please do not pass a motion like this one.

Passing Motion No. 239 would be compounding the wrong done to us Quebecers in 1982, which came on top of the insult we had to put up with in October 1970, let me remind the hon. member for Notre-Dame-de-Grâce in closing.

**The Deputy Speaker:** Excuse me. I wonder if the hon. member has not completed his remarks, perhaps he could have unanimous consent to do so. Has the hon. member for Bellechasse finished?

**Mr. Langlois:** I think that this is a debate about the kind of society we want which could go on for years, Mr. Speaker. If you wish, give the floor to the hon. member for Chambly, who could use up my speaking time.

**The Deputy Speaker:** I would ask hon. members if there is unanimous consent to give the hon. member five minutes to complete his remarks? Do hon. members agree? I know that it is a very important subject. Can the hon. member for Bellechasse have more time to complete his remarks?

**Mr. Langlois:** To conclude, Mr. Speaker, I would ask you to give the floor for the rest of my time to the hon. member for Chambly.

**The Deputy Speaker:** The hon. member's time has expired. Members who follow the member who presented this motion have ten minutes each.

I think that two other members wish to speak. No, four members want to talk on this. Can we share the time, perhaps seven or eight minutes each?

I now give the floor to the hon. member for Edmonton Southwest.

*[English]*

**Mr. Ian McClelland (Edmonton Southwest):** Mr. Speaker, I will share my time. I have a few very brief comments to make.

I recognize the motion put forward by my hon. friend from Notre-Dame-de-Grâce and accept the fact that it is a basic contradiction to speak against the motion. If article 33 is to be used to take away rights or freedoms, chances are that it will be used to take away rights and freedoms from where they are probably needed the most. There is a basic contradiction in speaking against the motion, which is what I intend to do this evening. I do so despite the fact that I am appreciative that it really is a conundrum when the Charter of Rights and Freedoms has an override provision on perhaps the most personal aspects of the charter.

Under the Constitution Act, 1982, as was pointed out by my hon. friend from Quebec, when the Constitution came back to Canada it did not have unanimous support of all provinces. It also changed the fundamental values in the way our country relates, the way we relate as citizens one to another. We no longer have common law. The legislatures are not longer paramount in Canada; it is the Supreme Court. We found ourselves as a nation reacting to interpretations of the way we relate one to another by virtue of how the Supreme Court interprets a particular law.

(1835)

The net result is that we have become a nation of entitlement rather than of responsibilities. I keep suggesting that perhaps we

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could immeasurably improve the Charter of Rights and Freedoms if we were to change it to the charter of rights, freedoms and responsibilities, because there is no such thing as a right or a freedom without a corresponding responsibility.

Bringing in the Charter of Rights and Freedoms with the Constitution Act has fundamentally changed the way we relate to each other as citizens and to our governments. The notwithstanding clause gives elected parliaments the opportunity to override the court which is unelected and appointed.

Perhaps there would be some way we could evolve to some sort of compromise so that we could have the best of both worlds. I do not know what that compromise would be, but I know the people of Canada, at least in my opinion, would far rather have a country where elected bodies in our nation were paramount to appointed judicial bodies.

For that reason I would vote against the bill and I would speak against the notion of striking the notwithstanding clause, keeping in mind that when invoked the notwithstanding clause must be redone every five years.

[Translation]

**The Acting Speaker:** Before I recognize the hon. member for Chambly, I would like to inform the House that there is enough time remaining for two members to speak for 10 minutes apiece.

**Mr. Ghislain Lebel (Chambly):** Mr. Speaker, I am truly outraged by the motion of the hon. member for Notre-Dame-De-Grâce.

A brief overview of the events of 1982 will make it clear to him that Quebec has always been opposed to the unilateral patriation of the Constitution and to the passage of laws overseas by a foreign country for the purpose of muzzling Quebec and taking away from it the only powers it had left as far as language was concerned.

In the National Assembly, Quebecers in both parties opposed these measures. Now, twelve years later, is the member for Notre-Dame-de-Grâce trying to hammer the final nail into the coffin of the French language in Quebec? I have to say that this is not very far from the truth.

Quebec will never agree to the removal of such measures as the notwithstanding clause. All the more so because at the present time, the provisions of Quebec's education laws are being extended. Five laws are currently being debated in the National Assembly and the notwithstanding clause will be continued because it reflects the very essence of Quebecers and their existence in Quebec. If the hon. member for Notre-Dame-de-Grâce has not yet understood this after 25 or 30 years in politics, then I wonder what he is doing here.

Mr. Speaker, this is not a negotiable issue as far as we are concerned. Nor will it ever be. I do not need 10 minutes to tell you that it will never fly in Quebec. If we have to, we will fight you on this tooth and nail.

[English]

**Mr. Mike Scott (Skeena):** Mr. Speaker, I rise today to speak on the motion before us. I must say I have listened with a great deal of interest to some of the arguments presented by my friend in the Reform caucus, members of the Official Opposition and the hon. member for Notre-Dame-de-Grâce who moved the motion. I agree with the member for Notre-Dame-de-Grâce that the notwithstanding clause in the Constitution is a fundamental and, some might say, fatal flaw which emasculates the Charter of Rights and Freedoms.

(1840)

The override clause is contradictory to the idea of inalienable rights. On the one hand the charter says that the people of Canada have inalienable rights. On the other hand they can be taken away by legislation when the government chooses. That is a fundamental contradiction. It actually puts us in a position where we do not have a final set of inalienable rights that cannot be taken away from us at the whim of government.

I want to talk about some of the ramifications of this point and then talk about some other flaws in the charter. As I said earlier, the government can suspend specific rights granted in the charter at its whim. Governments are usually elected with only a plurality of the vote and very seldom by a majority. Even when they are elected with a majority, the majority is giving them that endorsement on election day for a variety of reasons but often not specifically so that they have the legislative authority to take away fundamental rights.

I could use my home province of British Columbia as an example. In the last election its government was elected with 38 per cent of the popular vote. Now it is in a position to use legislative power to suspend charter rights in British Columbia if it so chooses, even though it were only elected with 38 per cent of the popular vote. At this point its popularity has gone down, not up. As we sit here today the Government of British Columbia probably enjoys less than 25 per cent support among the people.

Again I say this is a fundamental flaw in the charter. It gives a government which enjoys very low popular support the ability to override fundamental rights in the charter. I consider that to be anti-democratic. It is very anti-democratic at its very roots. I therefore concur that the override provision in the charter is not in the interests of the people.

The mover of the motion has gone. I wanted to ask him some questions. The way the process evolved that brought us the charter was flawed in itself. That is the reason we have problems with the charter. The framers of the charter never consulted in a meaningful way with the people. There was no opportunity for Canadians to come out and express their opinion on the charter. Whether they agreed with it or disagreed with it or whether they

wanted changes, it was framed by a group of elite politicians in a power brokering deal between the federal government and the provinces with very little if any opportunity for the people to put forward their points of view.

**An hon. member:** All men, no women.

**Mr. Scott (Skeena):** As my hon. friend said, it was a group of white Anglo-Saxon Protestant men. No women or minorities were reflected. It was very much a power brokering deal.

I have read a bit of history and I understand that at the time Prime Minister Trudeau considered very carefully going to a referendum because he was having a problem getting the provinces to agree to the amendment of the Constitution. If the government of the day had gone to the people and had asked for their input, we would have today a charter without a notwithstanding clause. That was put in there at the request of the provinces. It was done in a power brokering deal arrangement made behind closed doors with a group of elite politicians.

Does the member who moved the motion not agree that the process was flawed and that if we had the proper process we would not be in the situation we are in today? I guess that leads to the following questions. Where does sovereignty fundamentally reside? Does it reside in the federal government? Does it reside in the provincial governments? Is it shared between them? Or, does it reside in the people where it properly should reside?

The power sharing arrangement was constructed by and for political interests.

(1845)

I go on from there to say that the framers of the charter in my view have a fundamental misunderstanding of what a charter of rights is for. A charter of rights should be about freedoms from and not entitlements to.

If we look at the Canadian Charter of Rights and Freedoms as it is today, it is not that. There are certainly some reflections of that idea in there but it is more than that. It has some fundamental omissions in my opinion and it has some things in there that we could easily do without.

I would like to talk about the omissions first. There is no entrenchment of private property rights. This was done to serve the interests of the provincial governments but it certainly is not in line with what Canadians want. I suggest again if the process had been right that would be in there.

There is no tax limitation clause. There is no ability for the people to say that government can have only so much of my skin and I want the rest. There is no ability to do that within the

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charter. There is no deficit limitation clause. There is no ability for the people to say that government can only go into debt so far, that government can only have deficits of such a per cent of gross domestic product and no more.

That is not in the charter. There is no ability within the charter for referendums, initiative or recall and that could very well have been placed in there as well. It is something that we in this party know from campaigning and talking to people throughout Canada is very popular with the people but it is not in our charter.

I want to talk now about a part of the charter that we could do without. Section 15 of the Constitution Act of 1982 provides in subsection (1) that no Canadian will be discriminated against because of race, sex, disability, et cetera. Subsection (2) of the same section notes that the first section does not mean that government may not enact laws that are intended to ameliorate past discriminations.

What this subsection implies is that subsection (1) holds unless government has decided that a reverse discrimination program is in order. If there is such a program, the rights of those who are affected by such programs are simply forfeited in the interest of achieving the aims of the program.

This reverse discrimination or affirmative action provision in effect means that there is no protection for individuals from discrimination against them by Parliament if Parliament deems that in some past period of time some group covered by subsection (2) was discriminated against. This is another fundamental flaw in the charter.

While I agree that the notwithstanding clause is fundamentally undemocratic and its removal would enhance the charter and give it real meaning and protect the inalienable rights of Canadians, there are these other changes to the charter that need to be addressed as well.

In line with that, as my hon. friend earlier suggested, we have to look at reforming appointments to the Supreme Court. We have to look at a more democratic way of having those appointments made so that people can feel that at the highest levels of protection of our democratic interests we do have a democratic institution, an institution that is elected and not appointed, that is there to safeguard those interests.

**Mr. Allmand:** Mr. Speaker, on a point of order. The hon. member for Skeena asked me a question and I am wondering with the permission of the House if I could briefly answer it.

**The Deputy Speaker:** Is there unanimous consent for the member to briefly answer the question?

**Some hon. members:** Agreed.

*Private Members' Business*

**Mr. Allmand:** Mr. Speaker, the member asked me if I thought it was due that we got the notwithstanding clause because of the process. I would say absolutely correct.

When Mr. Trudeau first introduced the charter, it did not have a notwithstanding clause. It only came about in the negotiations with the provinces. By the way, it was not Quebec that suggested it. It came from one of the western provinces.

I also agree with him when he says that sovereignty lies with the people and not with governments or legislatures. We all get our power from the people. There may have been a different result if there had been a referendum on it. After going through several referendums I do not know.

[*Translation*]

**The Deputy Speaker:** As no other hon. member wishes to speak and the motion was not selected as a votable item, the hour provided for the consideration of Private Members' Business has now expired and, pursuant to Standing Order 96 (1), this item is dropped from the Order Paper.

[*English*]

It being more or less seven o'clock, this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.51 p.m.)

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