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Tuesday, May 31, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, May 31, 1994

The House met at 10 a.m.

Prayers

[English]

POINTS OF ORDER

VOTES AND PROCEEDINGS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I rise on a point of order. When Bill C-18 was reported to this House from the Senate the note in *Votes and Proceedings* for that day, I believe it was a week ago Wednesday, indicated that the message had been received from the Senate informing this House that the Senate had passed Bill C-18 with amendments. The amendments were not printed as part of the text of *Votes and Proceedings* and I am concerned that it is very difficult for members to have to order a sessional paper in order to see the text of these amendments.

In our own House when there are amendments moved at the report stage of a bill the text of the amendments, of course, appears in *Votes and Proceedings* as part of the minutes of the day. I suggest that while many may regard the proceedings in the Senate as irrelevant and unimportant, in this particular case they have some importance for this House and it would be convenient if members were able to read the text of the amendments in *Votes and Proceedings*. Otherwise members have to go through some difficulty to obtain copies.

My own committee has approved changes in the way that *Votes and Proceedings* is prepared, designed to save money and eliminate duplication of printing. The Senate amendments are not printed in any other House documentation and I do not know whether Your Honour has ever tried to get minutes of the Senate. I have tried to subscribe for the five or six years that I have been in this place, and I cannot get them delivered on a regular basis.

They are very difficult to obtain and I could send a staff member to the distribution office to get a copy but that seems needless trouble every day. That is what I am expected now to do; at least that is the only way I seem to be able to obtain the minutes of the Senate.

In the absence of a printed record I suggest that it would be entirely appropriate to have Senate amendments printed in the *Votes and Proceedings* and I would ask Your Honour to direct the amendments to Bill C-18 be printed as a correction to the *Votes and Proceedings* for the day on which the matter was reported so that they will be recorded then and for the future in our proceedings so we can see what amendments the Senate makes to Commons bills when it decides in its wisdom to make changes.

I know there are many members who feel it inappropriate for the Senate to make changes to Commons bills, but the fact is that it does happen from time to time and we do have to tolerate this inconvenience. I do think it ought to be brought to our attention in our *Votes and Proceedings* when a message is received from the Senate indicating that there is such a change.

The Speaker: The hon. member's point is, of course, well taken and your Speaker will look into the matter and come back to the House with this information.

We will now proceed to routine business of the day.

ROUTINE PROCEEDINGS

(1010)

[English]

YUKON FIRST NATIONS LANDS SETTLEMENT ACT

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-33, an act to approve, give effect to and declare valid land claims agreements entered into between Her Majesty the Queen in right of Canada, the Government of the Yukon Territory and certain First Nations in the Yukon Territory, to provide for approving, giving effect to and declaring valid other land claims agreements entered into after this act comes into force, and to make consequential amendments to other acts.

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

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[Translation]

PETITIONS

ABUSE IN THE MEDIA

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, the petition I am tabling this morning requests that either the

Routine Proceedings

government or a government agency control all forms of abuse in the media.

[English]

These petitioners request that abuse, be it physical, regarding language or otherwise, be controlled. They believe that it is not necessary to have different forms of abuse of television, radio or written media in order to entertain or to inform.

The abuse depicted is often counteracting their efforts to raise their families as they feel they ought to be raised. Therefore they ask that the government intervene.

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QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following question will be answered today: No. 34.

[Text]

Question No. 34—**Mr. Mayfield:**

With respect to the Canadian Ranger program, (a) how many participants are there in each province and territory, (b) how much funding was provided to the program, per province, for the years 1992, 1993 and 1994, (c) is the recruitment for the program under way in all provinces; if not, why not, and in which provinces is it not taking place?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): (a) At the end of 1993, there were 3,210 members of the Canadian Rangers serving in the following provinces and territories:

- (i) British Columbia 650
- (ii) Alberta 30
- (iii) Manitoba 20
- (iv) Ontario 50
- (v) Quebec 345
- (vi) Newfoundland and Labrador 965
- (vii) Northwest Territories 875
- (viii) Yukon Territory 275

(b) The amounts in the following chart were allocated in the fiscal years indicated to the Canadian Rangers' parent area headquarters.

Year	Pay	Operations and Maintenance	TOTAL
Canadian forces northern area: responsible for the Northwest and Yukon territories, Manitoba, Alberta and, until September 1993, the Ungava Peninsula.			
1991/92 *	\$515,294	\$608,949	\$1,124,243
1992/93 *	\$709,018	\$881,274	\$1,590,292
1993/94 **	\$879,400	\$866,600	\$1,746,000
1994/95 **	\$924,400	\$765,200	\$1,689,600

Land force atlantic area: (formerly maritime command to 1992): responsible for Newfoundland and Labrador, and until September 1993, the Quebec lower north shore.

1991/92 *	\$478,143	\$372,791	\$850,934
1992/93 *	\$712,798	\$616,923	\$1,329,721
1993/94 **	\$1,321,700	\$766,700	\$2,088,400
1994/95 **	The apportionment of allocated funds is in the process of being developed.		\$1,219,800

Land force western area: (formerly maritime Pacific command until 1992): responsible for British Columbia.

1991/92 *	\$164,692	\$41,931	\$206,623
1992/93 *	\$381,918	\$139,585	\$521,503
1993/94 **	\$794,800	\$165,000	\$959,800
1994/95 **	The apportionment of allocated funds is in the process of being developed.		\$962,000

Land force Quebec area.

1994/95 **	The apportionment of allocated funds is in the process of being developed.		\$612,000
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Land force central area: responsible for Ontario.

1994/95 **	The apportionment of allocated funds is in the process of being developed.		\$518,000
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Note: * = actual expenditures; ** = allocated funds

(c) (i) No.

(ii) The role of the Canadian Rangers is to provide a military presence in those sparsely settled northern, coastal and isolated areas of Canada where it is neither convenient nor economical to station other components of the Canadian forces. Therefore, the Canadian forces has decided not to organize Canadian Rangers units in the provinces which have an adequate military presence.

(iii) Provinces without Canadian Rangers units are Nova Scotia, New Brunswick, Prince Edward Island, and Saskatchewan.

[English]

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

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 7 could be made an Order for Return, the return would be tabled immediately.

The Deputy Speaker: Is it the pleasure of the House that Question No. 7 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

Government Orders

[Text]

Question No. 7—**Mr. Strahl:**

What is the transfer policy of the Correctional Service of Canada in a case when a prison guard has been found to have been victimized by an inmate and, with regard to employee Edward Tyson of Abbotsford, British Columbia (a) what mechanisms exist for a hearing on his case (b) what avenues are available to apply for compensation, should a hearing determine in his favour?

Return tabled.

[English]

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

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUDGET IMPLEMENTATION ACT

Hon. Douglas Peters (for the Minister of Finance) moved that Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, be read the third time and passed.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I welcome the chance to urge members to support Bill C-17, the 1994 budget implementation act.

I would like to begin by saying that Bill C-17 which revamps the unemployment insurance entitlements taken in isolation would be considered a very tough bill because during a very difficult period of our economy when people are unemployed, when one takes an unemployment insurance act and reviews and revamps it, there could be people exposed to added suffering. This bill also deals with restraining parliamentary wages, public service wages and cutbacks in transportation costs. If the bill is taken in light of an overall budget strategy I believe sincerely that Canadians would understand exactly where we are coming from.

(1015)

Our number one priority in meeting the objective of putting Canadians back to work is to ensure the fiscal framework of the country is restored to a healthy position. The very difficult deficit and debt the country is burdened with today put an incredible strain on our tax burden. They affect our ability to raise capital in the country. This means governments compete for capital with small and medium sized entrepreneurs.

In order to create a total environment for business recovery we have to deal with very tough legislation like revamping our unemployment insurance system. I am proud to be part of a government that had the courage in the budget to meet the problem head on.

We also heard the reduction in the unemployment insurance premium cost would be a very important benefit to small and medium sized business persons. Many of them have said a reduction in that cost would spur them on to making decisions that would put people back to work.

In a survey that was announced last night—and it was on “Canada AM” this morning—of about 1,000 businesses across Canada, two out of three said that in the near future they would be hiring again or employing people again. This certainly gives the government side a feeling of hope that the strategic plan of the Minister of Finance to revitalize the economy is working.

I repeat that Bill C-17 in isolation is something that is very tough in itself, but we must look at the other factors in the strategy the Minister of Finance has put forward. We have all been working on the strategy for the last few months. It is important for Canadians to hear about some of the things we have been doing on all sides of the House.

Another piece of the strategy was access to capital for small and medium sized businesses. I have repeated this message many times in the House, but I believe as a member of Parliament that one of the single most important factors is giving hope to small and medium sized entrepreneurs. The men and women who have the energy and the creativity to spark the economy need access to capital. They told us that over the last two or three years banks had been very tough in accessing credit to them.

Yesterday the Minister of Industry dismissed the study that was somehow leaked from some department and indicated that the banks were not being difficult in accessing capital to small business. The Minister of Industry said yesterday in question period that the study did not reflect what he or other members of Parliament had been hearing.

For two and a half months in the industry committee members of the Bloc Quebecois, members of the Reform Party and government members have been hearing witness after witness from the small business community talking about their experiences with banks. We have also heard from the bank leadership and other financial leadership. They actually admitted that there was room for improvement in their bank policy direction.

(1020)

It is important for all Canadians to realize that is another factor in the overall budget strategy we are debating today. It is an important component as well. To take a bill like Bill C-17 and

Government Orders

revamp the unemployment insurance entitlements without considering the other component pieces is not right.

All members have been working very hard on the report on access to capital. Hopefully it will be presented to Parliament by the end of June and some of the recommendations will find their way into a revised approach to regulating the financial institutions and the way they deal with small and medium sized businesses.

While I am on the specific area of access to capital, it is interesting that we are discovering in committee many new opportunities to access capital for small businesses that will become apparent to the 900,000 entrepreneurs that are trying to re-spark the economy across Canada.

The insurance companies, the mutual funds, the stock exchanges and all other financial instruments have suddenly discovered in the last six to nine months that the real future or the real action in terms of the new economy, especially the knowledge based economy, will be with the small and medium sized business sectors.

I am optimistic that all kinds of capital will be available in the not too distant future for people with good business plans and good ideas who have the courage to take risks and achieve.

Another aspect of the budget strategy linked to the Bill C-17 review or revamping of the unemployment insurance entitlement is that we have reviewed in committee what has been going on with the goods and services tax. The issue of the GST has not gone away. As the government we are not running away from that issue. We know what Canadians think about the GST. It is a complex, inefficient tax, especially for the business community across Canada. It has added to the cost of doing business or the paper burden, an issue we cannot run away from.

The whole tax review issue is part of the budget strategy. It is being handled in the finance committee. That is something we are coming to terms with. It is a lot more difficult actually than the access to capital issue. We can put our fingers on access to capital in an easier way but dealing with reform of a tax act is very tough, very difficult. We are meeting that challenge. Hopefully by the fall we will have some recommendations in that area.

Another area also linked to the budget strategy concerns the reduction of paper burden. Committees in the Department of Industry and the Department of Finance are dealing with ways in which we can reduce the paper burden of business in the country.

When we put together all factors in the equation Bill C-17 starts to make some sense. As I said, in isolation it is a very tough bill. I recognize members of the Bloc Quebecois are nodding that it is a tough bill. We recognize we cannot look at revamping unemployment insurance entitlement in isolation. If we dealt with the bill in isolation obviously the criticism would be well founded. It is very difficult in a time when people are

unemployed to put pressure on unemployment insurance benefits. We have to look at it in the context of a total strategy. We have to look at it in the context of trying to put the fiscal framework of the country in order. When Canadians see it in the context of an overall plan they will be a bit more understanding of what we are trying to achieve.

(1025)

During this very difficult time of reviewing the fiscal framework of the country and trying to regain some stability and confidence we have also had to deal with the Bloc Quebecois. We as members of Parliament came to the nation's boardroom. We were elected to Parliament to build the country, to make the environment of Canada better. I have been an elected member of Parliament for six years but I have worked on the Hill since 1980. I had the privilege of working for someone who I believe was one of the greatest prime ministers the country ever had, Prime Minister Trudeau.

I see Bloc members getting excited already. They recognize that if Trudeau were here they would not even exist. He would not even give them the time of day because he would not stomach the fact that people would be in the nation's boardroom trying to destroy it. It is very difficult to sit down with people, whether they are business people or educators, who do not understand the country. The people in this room are supposed to be building Canada, yet they are here trying to destroy it.

It is a real mystery for us to try to comprehend why they would want to become part of an organization. Usually when one joins an organization, whether it is a community group, a hockey team, a school or some other kind of a club, one comes to that group of men and women to try to make it better. The logic of having an organization where people sign on to destroy it is difficult for me to comprehend. It is nothing personal. In my mind it is very difficult to understand.

The point I was trying to make is that we are dealing with an economic strategy aimed at putting people back to work in every riding of the country: in all the ridings of Quebec and all the ridings of Alberta. It is very difficult to do so when saddled with a group of men and women sowing seeds of dissension and doing their level best to destroy economic confidence in the country.

They stand in the House of Commons to criticize revamping the unemployment insurance system. It is the role of the opposition to constructively criticize what we are doing on this side of the House. We welcome it. I have been a member of the opposition. I believe in its right and the responsibility to stand to criticize the flaws in a particular piece of legislation being put forward.

(1030)

It is totally disgusting that there is a group which is not really constructively criticizing. If those members were constructively criticizing for the benefit of all Canadians they would stop

Government Orders

trying to dismember and dismantle the country. That is a very difficult thing for me to cope with.

I can accept an amendment or a recommendation to improve a bill but if they were really sincere about building this country then why not put away this destructive anti-Canada action which has been going on. As the Prime Minister said in Montreal last night, it is starting to affect in a profound way the markets and their attitude toward Canada.

Maybe I am being a little too strong when I say profound. Canada is a very strong country in its own right, but it does have a psychological effect on investors. When there is a group which is trying to dismember Quebec why would anyone from the private sector want to invest billions of dollars in the Quebec marketplace? They would have to think twice. I am not saying that people will not do it, but I am saying it is a very tough decision. The Bloc Quebecois is making it very tough to rekindle the whole country.

This is nothing personal, but members opposite would have to agree it is a highly unusual approach to come to an organization for the purpose of destroying and dismantling it. What they cannot seem to get through their thought process is that they are hurting their own constituents. Speaking as one member of Parliament, this ultimately has to affect not just my constituents, but all constituents, the men and women right across Canada.

Getting back to Bill C-17, we as a government are taking a very difficult step in revamping the unemployment insurance system. We are asking parliamentarians to cut back. We are freezing the public service wages. Those are tough steps, especially on unemployment insurance.

We have to look at it in the context of an overall strategy. I have mentioned access to capital. I have mentioned the tax review situation. I also have to mention what the minister of human resources is doing beyond his reviewing the unemployment insurance system.

The minister is putting so much emphasis on retraining, with very special sensitivity toward young men and women with the youth corps. That is a tremendous first step for helping people who are finishing school. Even though it is not a large number of young people, it is a tremendous pilot project. If we can figure out a way to help young people who do not have any experience, and help them during that bridge period between graduation and getting into the workforce, that in itself is a very important first step.

If we can refine that youth corps it could be the model project not only for a national government effort but also a more extensive one at the provincial and municipal levels in the future. That in itself is a very useful, important and positive initiative which has happened in the last six months.

(1035)

Another thing we have to remember is that we only took over the government seven months ago. Quite frankly we have done an awful lot in a very short time. Turning around the fiscal framework mess which we inherited is not an easy task. It takes a concerted effort by all members of Parliament and we need a very tight focus but I am beginning to sense that the market is coming back.

Another initiative I want to talk about is linked to this whole budget strategy and putting Canadians back to work. It has to do with our effort of encouraging young business men and women to get into the export field. I would like to talk for just a couple of minutes about an experience I had during the last parliamentary recess.

I had the privilege of working with the private sector group Inter Canada Far East Trade Centre in Markham, Ontario. They are experts in helping small and medium sized businesses get access to China. Last January I met with this group and they asked me if I would join them in taking a group of young business men and women to Beijing in May.

As members know, during the campaign we said we were going to put a very special emphasis on the Asia-Pacific region, that we were going to make sure we gave very special support to the small and medium sized business sector in helping them trade in that market.

Therefore I obliged and took up the offer to co-chair a mission to Beijing which left on May 17. I had the support of the member of Parliament from North Bay, the member of Parliament for Vaudreuil, the member of Parliament for Vancouver East, and also the member of Parliament for Durham. We went with the Inter-Canada group and 100 men and women from small and medium sized businesses. We were there for 10 days.

About 80 per cent of those men and women had never had any export experience; they had never gone abroad on a mission. North America is the natural market for Canadian business men and women. But they had the courage to go and they spent their own money on the trip. About 80 per cent of those young men and women came back with either signed deals or signed letters of intent.

I say this in the context of our national budget strategy because, I would venture to say there are 100,000 to 200,000 jobs in China for Canadians. There are jobs in China for every sector of our economy. I have been on many missions around the world since 1980. I went on missions in the private sector when I worked with Magna, in the auto parts business. I have never seen anything like what is happening in China right now. The opportunities to put Canadians back to work are beyond the imagination.

Government Orders

I know I cannot display it, but I am holding in my hands the book *Co-operation Projects for Foreign Investment in the Liaoning Province*. It is one of the smaller provinces in China, 40 million people in the one province. We went up to Shen Yang City which is the economic capital of Liaoning province. They invited us to come back in October with a second group from small and medium sized businesses. There are 1,000 opportunities for joint ventures with Canadian companies in this book alone. If we do not get out there these opportunities are going to go to our American, German and French friends because they are all over there.

(1040)

The Prime Minister's strategy on China was right on. They love Canadians. We have a great reputation because of Dr. Bethune and former Prime Minister Pierre Trudeau whose name is gold over there. If we went over there and as members of Parliament encouraged small and medium sized businesses to go to China we would have all kinds of opportunity to put our people back to work.

Some members might ask: "What about human rights?" That is a fair question when talking about China because of its history. Interestingly enough they are very sensitive to that issue and we talked about human rights. I know some members might dismiss it but I learned something on my trip to China. If you have not been there you should not criticize until you know what is going on.

This was the first time I had been there. The 140 men and women on our mission were approachable because of their value system and caring style. We were asked questions about our country, about our educational system, our social service system, how we look after the disadvantaged in our community. Not only were they businessmen and women, they were also educators and social workers who explained what goes on in our country. That might represent the best way for us to make change in the value system of that country.

I chatted with Premier Rae when he was over there and he shared my view. I have to get a little dig in at the premier. He was over there with the multinationals, the large Canadian corporations whereas our contingent was the small and medium sized businesses. It is interesting that Premier Rae was with eight or ten of them—and I am not putting them down; they are very important to our economy. However, when this government made a commitment to help small and medium sized businesses during the last campaign as is well stated in the red book, our trip to China was further concrete testimony that we are not going to walk away from that.

In closing I encourage all members of Parliament to look at the opportunities which exist in China to help put those unemployed men and women in their ridings back to work or to help small businesses expand.

I notice the Bloc members once again with their sarcastic smiles. It is interesting. I have listened in this House for five months now and I have not heard one constructive idea from the finance critic of the opposition party. Not one constructive idea. Not once did I hear him say anything good about what we have done in this budget as an overall strategy. Not once have I heard him stand up and say: "I love Canada".

This is the nation's boardroom; it is not the Quebec legislative assembly. This is Canada and this is what you should be doing here. You should be building Canada. Constituents not just in my city but right across the country are fed up with you people coming to this Parliament of Canada and doing nothing. Then when we put forward constructive ideas to help put your constituents back to work and not just ours, you sit there with your smug, sarcastic smiles.

(1045)

The Deputy Speaker: The ostensible point of order is the question about addressing remarks to the Speaker precisely to avoid the kind of thing that is going on right now. Second, I would remind the hon. parliamentary secretary that his comments at the moment do not appear to me to relate very closely to the bill at hand.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I take your point. Every now and again I become so emotional about my country.

An hon. member: Don't apologize.

Mr. Mills (Broadview—Greenwood): When I have to sit in the nation's boardroom with people who are trying to destroy it, from time to time my emotion gets the better of me. I find this hypocrisy distasteful at times. At any rate, I want to get back to the bill.

Bill C-17 was a tough decision made by the government to revamp unemployment insurance. It was not done in isolation. It was done in the context of a very good strategy put forward by the Minister of Finance and the minister of state for finance who I have the privilege of sitting next to in this Parliament.

When we look at the work we are doing on access to capital, the work we are doing on tax reform, pushing small business to go abroad, and when we see the opportunities that are out there, if we all work together, then within very short order we could really get Canadians feeling good about themselves again. The best way to get them to feel good about themselves is putting them back to work.

I believe that we as a government are on the right path.

[Translation]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, the day Bill C-17 is passed will be a sad day in Canadian history. Let me say to my hon. colleague who just spoke that it will be a sad day because of this bill which has the support of his government and, for the most part, of the Reform Party.

Government Orders

Unlike my hon. colleague who spoke before me, I would hope that my comments will be guided by intelligence rather than emotion. You will understand, however, if occasionally I do get emotional. It seems to be much easier to attempt to discredit members of the Bloc Québécois who were democratically elected by Quebecers than it is to rationalize Bill C-17, an outrage for this party and for this government, which calls itself liberal but will soon have to find a new name, much like the Progressives became the Progressive Conservatives.

Before moving on to the heart of my presentation, I would like to focus on one point that has been troubling me ever since my hon. colleagues began talking about the instability that the Bloc Québécois is creating with its sovereignty plans. Those responsible for the demise of Meech are sitting on the other side of this House. They are the ones responsible for the movement that has grown in Quebec, although neither I nor many of my colleagues felt that Meech would be the agreement to settle Canada's fate once and for all and to clearly satisfy Quebecers. It is a certainty.

However, Meech was an attempt, an open door, and that is why even sovereigntists could not reject it. Those responsible for the death of Meech and for creating permanent instability are not sitting on this side of the House, but rather on the other side.

(1050)

Instability was a problem during all those years when French Canadian Quebecers were withdrawn, docile and poor.

Getting back to my prepared text—

The Deputy Speaker: Excuse me, Madam, there is a point of order.

Mr. Gérard Asselin (Charlevoix): Mr. Speaker, would you please call the hon. member to order. If he wants to comment, he should be polite enough to listen and comment after the hon. member has finished her speech. Good manners also apply here in the House.

An hon. member: We are as well-mannered as you.

The Deputy Speaker: Let me say that there was a motion from a member in the previous Parliament on a subject which I think affected members more than any other, namely the lack of public respect because we did some things here that the public found awful. I see your point and I hope that your colleagues opposite will respect your point as well.

[*English*]

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I think you have addressed most of this. The member knows that it is not uncommon for members from time to time after they have given a long speech to walk out into the lobby. As Canadians should know, we have a television monitor there so I was

listening to the hon. member's remarks. I was not being rude to the member.

The record would show that I have listened to many speeches of members of the Bloc Québécois in an effort to understand where they are coming from as they try to destroy the country.

The Deputy Speaker: I will say this in English. If I understood the point, and I was speaking momentarily with counsel at the table, the member was not criticizing the parliamentary secretary. He was criticizing another member in the House for interrupting the speech of the member who had the floor. I do not think the parliamentary secretary was in anybody's mind to be criticized.

We have had this discussion before. The parliamentary secretary, with respect, will remember the low repute that Parliament went into in the last Parliament. He and I were both here. As I said in French, the reason they did is because our constituents thought we behaved improperly in this place.

Therefore, I hope that all new members in this Parliament will give each other more respect than we gave each other in the last Parliament.

[*Translation*]

Mrs. Lalonde: Thank you, Mr. Speaker.

I repeat that the day Bill C-17 passes will be a sad day in Canadian history. Of course, it is much easier for the party in power to talk about anything but this bill, because this bill shows a bias to attack the unemployed, welfare recipients and public servants and carefully avoids touching the wealthy, family trusts and tax shelters.

We agree that something absolutely must be done about the deficit, but we disagree when those opposite attack only the unemployed, the poor and public servants, as we see in this bill. It attacks unemployment insurance and social assistance at a time when unemployment is extremely high, when few Canadians feel their jobs are safe, even and I might say especially small and medium-sized business owners because of recent incidents that have come to my knowledge, incidents that happened not in faraway places but in my own riding, where small businesses have gone bankrupt. I know that a great many small businesses are having a very hard time right now. I will address this issue as well.

(1055)

The Liberal government decision to cut as much as it has in the unemployment insurance program is an historic one on the part of people who cloak themselves in the Canadian unity flag and claim to be promoting national unity. If they have done their homework and taken a good look at what they are doing, then they should know how much of an impact these cuts to

Government Orders

unemployment insurance will have on the various regions of Quebec and Canada over the next two years.

I have quoted these statistics on several occasions in this House, Mr. Speaker, but they are at the heart of this bill. In fiscal years 1995–96 and 1996–97, cuts in that area alone will total \$630 million in Atlantic Canada and \$735 million in Quebec. Is that what Canadians have to hope for?

This means that together Atlantic Canada and Quebec will bear 60 per cent of the cuts, while only one third of the total population of Canada lives in these two regions. The situation is even worse in the case of Atlantic Canada. That region alone bears 26 per cent of the cuts, with only 8.5 per cent of the population.

Besides the Bloc Québécois, who has risen in this House and denounced loudly the fact that the Maritime or Atlantic provinces are made to pay the largest share? The other side may refuse to hear, but we did point this out. We have not heard the hon. members from Western Canada complain about how hard Maritime workers were hit either. We, from the Bloc Québécois, are the ones who have made this regional disparity public. It was no big secret and it should not be, but the information had to be leaked out just the same. Then, the government was forced to provide explanations.

I am pointing out for the first time in this House the extent to which the Maritimes and Quebec are indeed targeted by these cuts. Why is that? Just because they raise UI eligibility requirements from 10 to 12 weeks. Is the effect achieved a surprise? No, Mr. Speaker. If we in this House could show the very nice charts compiled by Employment and Immigration Canada, the people watching us would see that the great majority of UI recipients with short periods of employment are in Quebec and the Atlantic provinces. It is known fact.

More surprisingly, it is even a known fact that the number of recipients with 8 to 19 weeks of insurable employment fell from 610,000 in 1975 to 250,000 in 1990.

(1100)

This means that when we “improved” unemployment insurance, recipients generally had a short period of employment behind them. Since that time, however, the number of unemployed people with a long history of employment has increased. That is no reason to reduce benefits for those unable to find longer-term jobs in their local economy, as I will demonstrate.

In a document based on the data available, Employment and Immigration Canada tried to predict how many people would be affected by the fact that, in these regions where seasonal employment is very important, the minimum number of weeks of work required to qualify for UI will be increased from 10 to 12. So how many Canadians will be affected by this provision, according to Employment and Immigration Canada’s forecasts

which are likely very conservative. Forty-four thousand people. Where are these 44,000 people? Newfoundland, 16,000; Prince Edward Island, 2,960; Nova Scotia, 3,575; New Brunswick, 11,535; Quebec, 8,000.

Of course, some may find it strange that people cannot find longer-term jobs. It may be strange that the East has a different economic structure but history explains it. However, so far, Canada’s unemployment insurance has taken these different economic structures into account. And I could go on, Mr. Speaker. How many will be affected in Ontario? In all of Ontario, how many will be affected? That is an interesting question. We could hold a lottery with that. According to Employment and Immigration Canada’s estimates, 305.

How many will be affected in Manitoba? Two hundred and five. This is 205 too many. In Saskatchewan? Zero. Alberta is also a winner: zero. In British Columbia? Eight hundred and fifteen.

These figures are telling. Why have UI cuts been made in this fashion? The government wilfully targeted those who live in an economy based on seasonal employment and who try to survive by doing odd jobs. These are economies where, unlike in Ontario, there are fewer good jobs, that is permanent jobs. This is the truth. Perhaps those who drafted this legislation do not realize that it is not out of laziness, carelessness or contempt that a very large number of Canadians have short-term jobs which, from time to time, force them to rely on UI benefits, never knowing if they will be able to find another job the following year. Well, now these people know; they know that they will not be able to work next year.

According to this very interesting study, the number of those people who will eventually have to go on welfare is not known. Yet, social assistance estimates for provinces are established on that basis.

(1105)

There are two other types of cuts which will particularly affect people who use up their UI benefits. Again, the big losers will be those living in eastern provinces.

Some, including members of this House, may laugh. Let me tell them what Alain Dubuc wrote. Mr. Dubuc is an editorial writer in *La Presse*, an economist by training, and he is certainly not a spokesperson for community groups. He wrote: “Axworthy is making a mistake—”, the expression hon. minister is missing because this is a quote, “—because he is cutting before helping. I too deplore the fact that so many people, in Quebec and in Canada, have to rely on that program. But it is a mistake to think that we will succeed by depriving them of UI benefits, without programs and a policy to give them hope of finding work—”. We can talk about hope but in reality there is more

Government Orders

despair than hope for these people, and this is something which can also trigger instability.

This morning we were told that the UN is starting to make a parallel between the resurgence of trouble in the world and the rise of poverty. Those who enjoy job security for five years or who, in some cases, are sheltered from financial setbacks forever cannot imagine, from the comfort of their homes, that there are people who depend solely on UI benefits or welfare, whose lives are in the hands of a civil servant who will decide if they are entitled to UI benefits and for how long, people who keep submitting their resumes and hoping for training programs that are not available.

The truth is not what we are hearing here today, that Parliament should ensure that all Canadians have access to training. The truth is that there are a great many people waiting to take part in training programs which are not accessible to them. That is the truth. We are in the middle of a psychodrama here with, on one side, all of the lazy people who do not want training and, on the other side, the Liberal government acting like a saviour and saying: "First, we will reduce you to poverty and then we will urge you to get some training and go back to work".

To think like that, you cannot be living in the real world. You must, however, have a vision of what development and hope should be. As far as I am concerned, this bill deals a severe blow to the Atlantic provinces. The vast majority of the people in Atlantic Canada voted for the Liberals. And with no warning whatsoever, from what we can tell, they will now end up with an economy in worse shape than ever, because the infrastructure programs also included in the budget will not begin to offset the economic impact of cuts to the unemployment insurance program.

The Atlantic provinces stand to lose \$630 million. This shortfall of \$630 million will not be offset by the Groundfish Adjustment Program. This is a very sad day indeed, because it seems to me that ideology is taking precedence over the real needs of ordinary people. The government is proceeding with cuts without having a real employment policy.

(1110)

An hon. member opposite said the Bloc Quebecois never made a single constructive proposal. Well, from the very beginning, in committee and in the House, we mentioned the need for a genuine job creation policy. In Quebec, we call that a full employment policy, a pro-active employment policy.

In the committee on which I sit, I had to make a big fuss before they would invite someone who is an expert, not on mini-measures, mini-reforms and mini-programs but on the kind of pro-active employment policy that involves a large number of components and instruments and whose chief characteristic is the basic and abiding concern of the government for job creation; not employment created at the cost of productivity but an

employment policy that would require taking a closer look at all the measures taken by the government, in the light of the need to deal with unemployment.

Last night I read a very interesting document by one of the advisors on the task force of the Minister of Human Resources Development. It started by stating that, in Canada, governments have not been concerned about employment. Incidentally, the same advisor was deputy minister at Employment and Immigration Canada for a number of years. I think that is an interesting point. And I think he underestimates an aspect that we in Quebec have developed, perhaps because we were hit harder by the first recession, and I am referring to the need for consultation between companies, workers represented by their labour organizations, regional interest groups and governments. Consultation has to be learned, and let me tell you, from what I have seen of the government opposite, it has yet to realize that consultation is necessary.

I wish, and I consider this another constructive proposal, that the government in its search for a job creation policy would realize that consultation is essential. What does Bill C-17 do? It starts by destroying the trust that is a necessary part of the consultation process. The government starts by saying: Cut unemployment insurance, and cut in the Maritimes and Quebec, before our social reform and before we consult people, and freeze public service compensation before starting a genuine discussion but do not touch corporations, the tax treatment of the rich, tax shelters or trusts. And then they say: Let us consult!

There are words to describe this, but they would be unparliamentary.

Oh, and another thing, Mr. Speaker, I want to say I am very disappointed that we did not have an opportunity to discuss the amendments one by one in the House. And I also want to mention a point that is very important, and I am referring to the negative impact on the economy. I will be brief, since my colleagues will get back to this later on.

I wanted to say that the money that will not go to the provinces is money that was used to pay for basic necessities, including the rent. This means small landlords will be affected because it will be harder to collect the rent. The money was used to pay for food and for all those basic necessities that are often produced locally and are in fact part of the economy of each community, of my riding, of your riding and of the regions. It is money that will not go into the economy. It affects the most vulnerable members of our society. It affects those who already have no security in their lives. It affects those who often make seemingly irrational decisions. It affects people on welfare who, once a month, receive a cheque many members here would spend in less than a week-end, and people who depend on their unemployment insurance cheque, but do not know how long they will keep on getting it.

Government Orders

(1115)

The number of people who may have to rely on unemployment insurance is growing. I met one of them this week, he is not young, although many young people are affected too. He is a teacher with 20 years of experience, who has never enjoyed job security and is now unemployed in spite of having 23 years of schooling. He is extremely angry because when you are unemployed you feel as if society has no respect for human beings.

Right now, how many people are in the same situation? Do not tell me that the budget as a whole gives Canadians hope for the future. In what way, may I ask? First they cut, and then they ask us to believe them.

My colleague opposite who, a while ago, mentioned instability, reminds me of a pyromaniac who starts a fire and then bemoans the fact that it is burning. With its measures, this government is not rekindling hope for all those who live in a precarious situation, a situation many know nothing about, a situation so precarious that they end up with no self-respect, that they cannot have a family of their own, and that they do not dare look at people straight in the eyes. Unemployment insurance is a lifeline, and when it is taken away, you drop quite a few notches.

People come to my riding office, in a panic, because their UI benefits are about to end and they may have to go on welfare. They feel as if they were falling into a big black hole. Obviously, we try to encourage them, but what is there to tell them except that the situation is extremely tough and that there are few opportunities?

One wonders what kind of social and economic model forms the basis of this bill. By reducing the payments from 57 to 55 per cent for 85 per cent of the unemployed, and by reducing the number of weeks ever closer to half a year, we are moving towards the American model. Whether we like or not, this is a fact. The truth is that the Canadian unemployment insurance program resembles more and more the American one.

A few days ago, a member from the opposite side was saying: "Even with today's globalization, a country remains the master of its social and economic organization". In reality, the Liberals are pursuing the policies of the Conservatives. Or, putting it another way, the Conservatives, while in power, followed a Liberal policy. Everybody is following the policy of the McDonald report.

I remind members that the McDonald report was produced by a commission chaired by Mr. McDonald who was appointed by Mr. Trudeau. The Conservatives implemented its recommendations and now the Liberals are implementing the last part, the one concerning income security.

We cannot ignore the facts and keep on saying that the new Canadian jobs will be provided by China.

(1120)

The pretext, heard several times in this Chamber, was that we have to give small and medium-sized businesses a chance. On that point I would like to say to my colleagues opposite that they are stretching the truth a bit. First, I should point out that we were the first, before January, to say that UI premiums should not increase. They were at \$3 and they should have stayed at \$3. We had proposed to freeze premiums. The government did not listen to us. It increased them. Now, it is bragging about the fact that it will lower them to \$3 next January. And it adds—again stretching the truth—that this will create 40,000 jobs.

The fact of the matter is that by raising premiums to \$3.07, the government has made it more difficult to create jobs this year. With Bill C-17, it should at least have had the decency to reduce the UI premium rate to \$3 immediately, if this move could have created jobs.

There are other ways to continue funding unemployment insurance without reducing the benefits of the least fortunate and creating in the process social and economic problems for those regions hardest hit. There are countries that have found alternative solutions. For example, why will the government not consider increasing the average industrial wage through contributions? Such a move would help to fund UI by getting large companies, even those with few blue-collar workers, to contribute without the government having to resort once again to lowering the benefits of the least fortunate and, in the process, creating additional social burdens.

When a government drives people onto welfare and then is forced to invest money supposedly to convince them to leave it behind, then its policies are illogical. Such policies cannot, ultimately, create jobs.

This bill which unfortunately will be adopted shortly is a total disaster. I would like to think that my hon. colleagues will be convinced by our comments directed to all of Canada and to all Canadians of the importance of equity and job creation in Canada.

The government claims to be concerned about child poverty. However, child poverty begins with poverty in the home. Thousands of people are being forced into poverty and, later on, the government will shed crocodile tears regarding their sad fate.

Before concluding my remarks, I would like to point out that one of the many provisions in this bill has not been given a sufficiently high profile—not that we have not tried to focus on it—is the total discretion enjoyed by the minister as far as pilot projects are concerned. Allow me to explain myself.

Pursuant to this bill, when the minister designates a region to be the focus of a pilot project, he alone can decide whether the provisions will not apply to a particular group of citizens, to whom no recourse is available.

Government Orders

(1125)

One could even wonder if that is not “unconstitutional” under the Charter. The minister selects pilot projects and, because of this, legislation, the application of which is usually general, no longer applies to a prescribed group.

Of course, we can argue that the idea is always to improve on the existing legislation. But the fact of the matter is that it is not the case. It is not. Various conditions may be added that do not apply to other employees, as was recently the case in the adjustment program for ground fishermen.

So, this measure in itself would have required that we take a closer look at it and ask ourselves if Canada really wanted to introduce such a discretionary measure, and give a minister—incidentally, a minister whose department is so large that one cannot help but wonder if, as in the case of the British Empire, the sun never sets on it, and how the minister can keep up his fences—that much power, without any possibility for ordinary citizens, except perhaps through constitutional remedies not provided for by the act, to protect otherwise recognized rights.

As you know, in the context of unemployment insurance, there is always a tribunal where, among other parties, workers are represented. I would have much more to say, from the bottom of my heart, on this bill which affects all Canadians, a bill that divides Canada, a bill that abandons Atlantic provinces. We will discuss the adjustment program for groundfisheries, but you are not going to come and tell me that this program alone will revitalize the economy of that region. As I said earlier, Atlantic Canada and Quebec are hard hit, savagely hit, while this government blows its own trumpet, boasts, brags about being a national unity government.

Yet, among the political parties represented in this House, only the Bloc called attention to this problem. I am pointing this out because I noticed it and I would like the hon. members opposite to notice it as well. They are of course bound by ministerial discretion. The Reform Party failed to do its job as the national party that it claims to be. Let me assure you however that our vision in the Bloc is not to destroy Canada.

We have tried to find our place within this Canada and the response we got was “no”. So, yes, we want to leave this confederation, but not destroy Canada, quite the contrary. All our action in this place, whether on cultural, social and even economic issues, is fundamentally constructive. Yes, we want to leave Canada, but we want our future friendly neighbour to be a strong one as well.

[English]

Mr. Ray Speaker (Lethbridge): Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-17, the budget implementation act. In my remarks I will attempt to give an overview of the Reform Party's position or, more accurately, positions on the assortment of measures that constitute Bill C-17 and explain why we will be voting against the bill on third reading.

I will comment on the objections Reform has with certain aspects of the bill, but I will also give praise where praise is due. In fact, many of the measures contained in Bill C-17 are supported by the Reform Party.

Before getting into Bill C-17 I would like to take this one last opportunity to speak of the government's budget and to the concerns my party has repeatedly expressed in the weeks and months since the budget was presented to this House of Commons. Those ideas we feel have not been heard as they should and have fallen somewhat on deaf ears.

(1130)

I would like to make four points with regard to the budget as I see what has happened in this assembly since February 22. First of all, it is very clear that the government does not have a concrete deficit reduction plan. We find that most of the cuts were done in a haphazard way. There is no an over-arching direction given to those cuts. Most of the cuts are merely a combination of what we call Conservative policies and were a continuation of thrusts that were set prior to the government taking over in the fall of 1993.

Cuts to such programs as unemployment insurance which were so eloquently talked about a few moments ago and the defence policy were taken before any comprehensive foreign policy review or a social policy review were put in place. It was ad hoc in nature at best.

The target that the government has set for itself, what is called the 3 per cent solution, which is supposed to be based on the Maastricht treaty is an aberration of that treaty and not an accurate reflection. It does not measure what is called the net debt as it is in the Maastricht treaty. The Maastricht treaty talks about all of the net debt of a country. In the formula presented here by the government, provincial and municipal debts are not taken into consideration in seeing the difficulties we face as a country in terms of expending money and revenue sources that are available to us.

The actions of the government are not a true reflection of what I would call a meaningful Maastricht treaty 3 per cent policy. I feel there is a gap between what should be done and what is being done by the government.

Government Orders

Second, we feel the economic assumptions that were placed before us have already been thrown off course. As the Prime Minister noted yesterday, the Quebec situation is creating uncertainty and the higher rates of interest in the budget have not been factored in. Interest rates have climbed significantly higher than projected with no end in sight. Certainly the prospects for interest rate declines are out of the question given recent bond downgrades and the Quebec question that is before us in the months ahead.

Most reputable economic firms have downgraded their growth projections after noting the interest rate increases. The growth in revenues that are so necessary to the Liberal plan are in jeopardy. Unemployment is staying stubbornly high and with downgrades in growth projections this key projection also appears to be in jeopardy. The Liberals seem to be making as little progress in job creation as they have made with deficit reduction.

We raise the question, as we have done over and over again as the Reform Party: When will the Liberals realize that in our current situation only meaningful deficit reduction will lead to long term job creation in our nation? That message is clear and becoming more clear each day.

The third point I wish to make is that the second phase of the deficit reduction plan is in jeopardy as it will be overridden by larger political concerns. With the looming Quebec election and the possibility—we hope not—of a victory of the PQ, the political environment for further cuts and serious deficit reduction is seriously in doubt.

The active work of the Bloc in the House and out on the hustings to major changes in the UI system is a bad omen for future deficit reduction. How will the federal government be able to achieve significant savings when every move to do so will be used by the separatists, as they have done in the House already, as further fuel for their fire?

(1135)

The apparent refusal of the government to clearly lay the groundwork for the separatist debate now can only mean that significant resources that are needed for deficit reduction may be diverted to fight battles with Quebec separatists. That is unfortunate.

If I may make a comment on what the previous speaker from the Bloc said, when the separatists say they are not here to break up the country, the inferences and the actions of that party have already started a turmoil within our economic community. They are reflected in the future lives of not only businesses but individuals, and certainly in the overall public responsibility that we have in the House of Commons.

Reformers have a plan. We are currently developing a comprehensive deficit reduction plan which looks at each department of government with a view to comprehensive cuts and reductions that we know will result in economic confidence and growth. What actions are contemplated and what will we do in

the months ahead? First of all, we will have a department by department review to determine expenditure excesses and the elimination of certain functions that government can no longer afford.

Second, the comprehensive plan will be further developed over the summer and will play an integral role in the Reform legislative agenda for this fall. Third, the comprehensive plan will be presented in detail to the Minister of Finance during the pre-budget consultations also scheduled for the fall. I give full credit to the minister and the government for setting up those consultations. They are a first and the government deserves accolades for taking such action.

Fifth, this plan will be ready for any crisis that may take place in our national finances. It will also function as the Reform platform for suggestions of future government reductions and future government initiatives that lie ahead as a responsibility in this House.

With those few comments about the budget, I would like to turn back to Bill C-17, the budget implementation act. The bill contains many measures which, as I have said, the Reform Party supports. A number of the principles that underlay changes contained in Bill C-17 are compatible with Reform policy, yet we cannot support the bill and will vote against it at the conclusion of the third reading debate.

Let me explain why Reform is voting against Bill C-17 despite supporting much of its content. There are two reasons: the omnibus nature of the bill and the lack of an overall plan or vision of where these changes will lead. Let me first talk about the omnibus bill.

The Oxford dictionary defines omnibus as follows: "serving several objects at once; comprising of several items". What we have before us today is an omnibus bill composed of five distinct pieces of legislation which bear little relationship to one another. This approach is not new and I am sure members have witnessed it many times in the House. Certainly I have in the provincial legislature of Alberta.

Today I am reminded of an event that is somewhat similar as this. Some 12 or 13 years ago the government of the day of which the Prime Minister and a number of his colleagues were members tried to pass another omnibus bill. The loyal opposition fought back the only way it could, by refusing to report for the vote. As a result, the bells rang for days until the government finally agreed to break the bill up to allow members the opportunity to represent their constituents.

The problem with omnibus legislation is that there is no way for an individual member to sort out the wheat from the chaff. One must either hold one's nose and vote in favour, which I suspect a good many of my colleagues on the opposite side will do when we come to the voting stage, particularly those from the east, or members will vote no, thereby risking the defeat of some of the measures that they believe are good, sensible, progressive pieces of legislation.

Government Orders

(1140)

Of course that is the purpose of omnibus legislation, to allow a government to hide a number of lemons among the Cadillacs. It is a procedural tactic employed to prevent members of Parliament from effectively representing their constituents, a tactic that deprives them of the opportunity to exercise their direction in choosing which policies they support and which policies they oppose.

In the case of Bill C-17, the use of this tactic forced the Reform Party to play politics somewhat, to engage in procedural games in order to represent its constituency. The only way we could express our support for some of the clauses in Bill C-17 while simultaneously expressing our opposition to other parts of the bill, notably the clause granting borrowing authority to the Canadian Broadcasting Corporation, was to table a series of report stage amendments.

This allowed us to break up the bill for the purposes of debate. It also produced a situation in which members of the Reform Party were forced to vote against their own amendments. I know a lot of members were concerned about it and raised that question. However, it was the only way we were able to set up a circumstance where we could vote on individual items in the bill and then be able to express our constituents' will.

The second point I wish to make is with regard to lack of a plan. That is the second reason the Reform Party opposes Bill C-17. While we view many of the measures contained within as a good first step and while we support the general principle and the direction of some of these changes, we are troubled by the absence of any overall vision in Bill C-17. It is similar to the vision we witnessed in the budget as a whole where there was not a vision that was seeking some kind of a plan or a future or an identifiable objective for the country as a whole.

I would like to look at the parts of Bill C-17. It consists of five parts as the House well knows. First, public sector compensation; second, reductions in the Canada assistance plan and the public utility income tax transfers; third, the reduction in transportation subsidies; fourth, CBC borrowing authority; and fifth, the item that is being well aired and vented in this assembly, unemployment insurance and the actions taken thereon.

Let me deal with each one. The first one is public sector compensation. The Reform Party supports the government's move to extend public sector wage freezes for an additional two years. While we are troubled by some of the inequities that arise from the freezing of pay increments within salary grades, we are prepared to support this in recognition of the government's difficult fiscal situation.

Some people have tried to portray the Reform Party as public servant bashers. This is absolutely unfair. The reason we support the continuation of the public sector wage freeze is because of the recognition that in difficult times, and these are difficult times, everyone must make sacrifices. While it is true that many in the public service have not had a raise in a number of years, the fairness of the wage freeze becomes apparent when we compare what has occurred in the private sector in this last recession.

We need only ask the tens of thousands of private sector employees who have been victimized by corporate downsizing, those who have been laid off as businesses struggled to meet the demands of globalization. We should ask these people if they would have accepted a salary freeze in return for job security. I am sure the answer would have been: "Yes, I am prepared to do that".

However, most of those people were laid off and are out looking for other ways to support their families, their mortgages and their responsibilities. In fact, a considerable number of private sector workers have gone even beyond just salary freezes. They have gone to salary rollbacks in order to save their jobs.

This is not to be seen as a positive development but rather as an acknowledgement that if Canadians are to meet the increasing demands of the global markets then everybody, employer and employee, must be prepared to sacrifice in this partnership that is a responsibility of all of us.

(1145)

With an equally formidable problem facing the government in the form of our massive debt, Reformers do not see it as too much to ask that the public servants, who according to a recent study conducted by the Canadian Federation of Independent Businesses are paid 14 per cent more than those people in the private sector with comparable jobs, accept the extension of a salary freeze.

We in the Reform Party, in acknowledgement of this difficult fiscal situation, have tried as well within our own party and our own caucus to demonstrate some leadership in this area by taking a voluntary 10 per cent to 15 per cent salary reduction. We are not asking the public service to do anything that we are not prepared by example to do ourselves.

However, while we support the government's action in this area, we also believe that this alone will do very little to bring the government's deficit under control. It is my guess that the government had no idea where to cut or how to deal with the priorities, and it saw the salary freeze of the public service as an easy target and that target was placed before us in the budget.

Government Orders

The next areas I would like to deal with concern the reductions in the Canada assistance plan and the public utilities income tax transfers.

First of all, while we support reductions to the Canada assistance plan, transfers to the provincial governments, we believe that the corollary of this is that the federal government where it has a responsibility must give the provinces more freedom in adjusting to the lower level of funding. They cannot make ground rules that cannot be lived with within their economic means. If we cut funds from the provinces, then we must also change the level of responsibility in order that adjustments can be made at the local provincial level.

If we look back when the Canada assistance plan was created, the federal government used its fiscal powers to intrude into an area that was exclusively provincial jurisdiction. It agreed at that time to pay 50 per cent of costs if in return the provinces agreed to certain national standards. That was the deal. Since both levels of government were happy with this cost shared agreement there was no problem. What we have to do is look ahead and see what happened.

However, after continuous cutbacks of Canada assistance program transfers the federal contribution, for example, in Ontario today is just 29 per cent, about half of what it was in the first commitment that the federal government made. Yet the federal government at the same time insists on the provinces maintaining certain national standards. The government cannot have it both ways. There must be a change in planning, policy and attitude.

If the federal government wants to continue to have the say in the field of welfare, a field exclusive to provincial jurisdiction, then it on the other hand must be prepared to pay its full share. That is not what I am talking about here today, but that is the option that should be open to the government.

We in the Reform Party recognize that the federal government simply cannot afford to maintain such a level of funding. That is why we support a cap on the Canada assistance program. However, as the quid pro quo we are prepared to allow the provinces the freedom which I have talked about that they need to experiment in creating sustainable and efficient income support programs.

My concern with the government's cuts to the Canada assistance program is that they have been made in isolation, with no consideration of the consequences that these measures will have on other aspects of Canada's income security system. This measure does not move the country closer to a permanent solution to our financial crisis; it only offloads the debt from one level of government to the other. We cannot afford to do that in our nation. It is unfair.

(1150)

As a senior government we have to take a parental responsibility and understand that we cannot unload the debt on our children, that we have to deal with the circumstance here in this assembly as adult, parental, responsible persons in charge of the program across this nation.

We must remember in doing this that there is only one taxpayer and if we keep loading it down from one government level to another that taxpayer is going to be suffocated in this transfer of funding responsibility.

I would like to now talk about the reductions in the transportation subsidies. The Reform supports the principle of reducing transportation subsidies but we question the wisdom of making these cuts in isolation from other measures which would address the various serious transportation problems facing the country.

Supporting reductions in the grain transportation subsidies is not an easy thing for me to do. I am a grain farmer and many of the voters who sent the Reform Party to Ottawa have benefited from the Crow rates. However, we must be realists. I realize that the federal government simply cannot afford to continue subsidizing western and Atlantic transportation costs at their current level. Last year alone federal subsidies for the Crow benefit totalled \$720 million.

Unlike the government the Reform Party does have a plan. The Reform approach is to eliminate transportation subsidies and redirect the funds to the Reform Party's proposed comprehensive safety net programs which will defend Canada's food producers against matters over which they have very little control.

In order to create a genuinely competitive transportation environment we will deregulate the rail transportation system and will consider privatizing the Canadian national rolling stock.

Unlike the Liberal government's insensitive, across the board approach to reducing transportation subsidies, the Reform policy is a balanced one which provides support to those who truly need it while laying the foundations for an efficient and market driven transportation system that will carry Canadians into the 21st century.

The next subject I would like to deal with is CBC borrowing, the borrowing authority that is given in this bill. It is the first borrowing authority to be provided to that crown corporation by the government through legislation.

I want to say very clearly that the Reform Party is strongly opposed to the provisions in Bill C-17 that would amend the Broadcasting Act to allow borrowing by the Canadian Broadcasting Corporation. CBC representatives have told us that this \$25 million would be used for a purpose that would provide a more business like flexibility to the organization. We in the Reform Party see this as nothing more than a back door way of

Government Orders

providing the CBC with additional funding. Rather than coming through the front door as a subsidy or a grant from government it is another way it can access funds outside of the purview of the House of Commons. That is not correct.

On a more fundamental basis, Reform feels it is time to re-examine the purpose and the mandate of the Canadian Broadcasting Corporation. First, in this new age of satellite dishes and information highways, of cable TV and pay per view, is it realistic to expect the CBC to retain a sizeable viewing audience? By the CBC's own admission this audience has already declined to just 13.3 per cent of viewing share. It has diminished significantly.

Second, is it fair to allow the CBC to straddle the line between market player and crown corporation? While some have called on the CBC to act like any other private sector business, this is not possible. In the private sector you have to earn a profit or you die.

(1155)

The CBC does not have to confront this discipline of the marketplace. It does not matter if it loses staggering sums of money. At the present time as Canadians we are subsidizing it. Many Canadians do not realize that \$1.1 billion is going directly out of the public purse to subsidize the Canadian Broadcasting Corporation. That is the way it is. The government has always been there to bail it out when necessary.

We are in a period of time when this is a legitimate question. How can a private network like CTV be expected to compete against a company which has billions of dollars of government money behind it? This question must be addressed.

Communication and technology are so different today than ever before. People who did not have access to television or radio at one time in our history today have that access. Anywhere in the world you can project television, anywhere in the world you can project radio or communication systems. We do not require a subsidized organization to meet that communication demand that was there at one time.

I recall my stint at the University of Alberta where one of my colleagues, the Right Hon. Joe Clark, and other colleagues I spent time with debated this issue. At that time I supported the Canadian Broadcasting Corporation on the basis that there were places in Canada unable to receive this communication of television or radio and we needed the corporation for that purpose. I supported it at that time. That reason is gone today. We have to look at the Canadian Broadcasting Corporation running on its own two feet on a non-subsidized basis from the Government of Canada.

The last item I would like to deal with is the unemployment insurance question which has been discussed in this assembly. The Reform Party supports the direction the Liberal government

has taken in the principles it has embraced in the changes to the unemployment insurance plan.

First, Reform congratulates the Liberal government for reducing the unemployment insurance premium rates. It has long been the Reform Party's position that the most effective job creation tool available to government is to reduce the tax burden of individuals and of businesses.

Second, Reform fully supports changes designed to improve the link between work history and unemployment insurance benefits. These changes move the unemployment insurance plan back toward a true insurance program, as it was intended to be in the first place. As I will argue later, many of the other policy goals UI is currently serving would be better accomplished through other government programs.

Third, Reform supports changes to the qualifying period, the benefit rate and the benefit period, all of which reduce some of the program's disincentives to work. While we have some concern about changes making it easier to allow voluntary quits to collect benefits, the general direction of the changes is to encourage people to find employment, whether it is self-employment or employment with another individual or another business firm.

In another area, while Reform is glad to see the Liberals abandon the principle of universality by moving to a two tier benefit structure which targets those most in need, we believe that such means tested criteria are not suitable for an insurance program. Such goals should be met through other government programs.

While we in the Reform Party support these actions in and of themselves we are disappointed that they were not part of a comprehensive review program, the comprehensive social review program that is currently going on. We feel that as with the rest of Bill C-17, the changes proposed in the bill are indiscriminate, ad hoc measures taken with little or no consideration as to the impact these changes will have on the broader network of Canadian social programs.

(1200)

The government seems to have forgotten that the income security system of our country is not a crazy quilt of piecemeal programs, all existing independent of the other. Rather it is an intricate series of interdependent programs consciously designed to complement and strengthen one another to meet a broad range of needs faced by Canadians in their daily lives.

In the last portion of my speech I will address the vision of the Reform Party of the unemployment insurance program and its proper place within the broader family of programs that constitute Canada's social safety net. It is instructive to look at the government's approach to UI reform, for it is representative of

Government Orders

the government's overall approach to the budget: ill planned, disjointed and demonstrating little sense of an overall objective or goal.

I was struck during the finance subcommittee hearings on Bill C-17 by the confusion and the concern of witnesses surrounding one small provision of the bill, that dealing with allowing the government to experiment with pilot projects. Group after group denounced the provision.

Some union briefs portrayed it as a back door thought to institute workfare or to supply business with cheaper labour. Others asked what criteria were being used to monitor the success of the pilots or even whether there were any guidelines on what qualified for consideration as a pilot project. A number asked what right the government had to appropriate moneys from the UI fund, moneys paid 100 per cent by employers and employees to develop programs that seemingly had little to do with providing insurance to those who had lost their jobs and were needing support on a temporary basis.

The confusion became so persuasive that the hon. parliamentary secretary for finance felt it necessary to have a clarification of the criteria for pilot projects and how they would be funded read into the record of our meetings.

While I am not completely satisfied with the government's assurances, the principle of the pilot project does not trouble me very greatly. Reform has always supported the idea of experimenting with new and innovative ways of updating and improving our social programs. What troubles me is the reason for all of the confusion in the first place.

There was no consultation into these provisions and we witnessed that very clearly in each committee meeting. Where was the input of the people who were to be directly affected by these somewhat innovative measures? There was none. None of the business or labour organizations appearing before the subcommittee had been consulted on what the experimental initiatives should be.

It was a top down exercise controlled by bureaucrats and departmental officials rather than from the bottom up involving the program's true stakeholders, the employers and the employees who fund the UI program. That was a major neglect of government in this process.

What were all the witnesses appearing before the subcommittee really saying to us? They asked whose program it is. The question from them was a good one. After all, unemployment insurance is completely self-financing. The government theoretically contributes nothing to UI, neither toward the payment of benefits nor toward the cost of administration. Yet it still controls the program.

Much of what ails the UI program, the \$6 billion debt, the inefficiencies and the allegations of abuse, stems from the simple fact that the original purpose of UI has been compromised by politicians and by bureaucrats who distorted the program to perform a number of functions for which the UI program was never intended and which it is relatively ineffective in performing.

Let us look back to the 1930s and 1940s, which is far in one sense but not so far in another sense depending how old one is, when the concept of unemployment insurance was first originated. In those years people had in mind that it should be a pure insurance program, one that would provide temporary income support to unemployed individuals and would entitle contributors to benefits commensurate with their contributions.

(1205)

Unemployment insurance, if we look at it today, is far from that ideal. Over time changes have been introduced which created inequities based on where one lived and caused a disproportionate share of benefits to flow to workers engaged in seasonal industries, to those who live in high unemployment regions and to those who live in areas with a relatively weak attachment to the workforce.

I look back at the Forget commission 1985 report. In the report it was argued that the program's provisions for regionally extended benefits amounted to an income supplemental program rather than an insurance program. It was noted that in 1985, nine years ago, the program's original objectives were off track. What has led to this drift of first principles? A conclusion was reached in the Forget commission report:

The innumerable modifications to the program over the years were political compromises. A review of the history of the unemployment insurance program reveals that the major influences on this policy since 1940 have been the result not of negotiations between the employer and the employee interest but rather of political and bureaucratic interventions.

It is government that caused the distortions, not those really paying the bills.

We in the Reform Party believe that ownership of the unemployment insurance program must be given back to the people who founded it and are the stakeholders in that plan: the employers and the employees. The case of the unemployment insurance is the extreme example of the phenomenon alluded to earlier of the federal government continually trying to have its cake and eat it at the same time.

We have seen this in other areas of social assistance where the government freezes its contributions to the Canada assistance plan yet insists on continuing to have a say in how the program is being run. We have seen this in the area of health where the federal component of health care funding has eroded to the point where it is now in the neighbourhood of or on average 22 per cent of health care spending. Yet the federal government insists

Government Orders

at the same time it has the right to tell the provinces how medicare should be run.

We have said in the House in question period and through other mediums that the whole format should be changed so that the provinces can react to their own individual needs and circumstances under the economic situation that may prevail in their respective areas of the country.

In the case of unemployment insurance the government does not pay a full share of the cost. It pays none of the costs. Yet it legislates changes which amount to expropriating moneys paid to the contributors, arbitrarily transferring them into certain categories of contributors at the expense of other categories of workers, or to experimental pilot projects as I mentioned a few moments ago.

It is unfair. It is inefficient. It certainly should not continue. This program needs review like every other social program that is the responsibility of this assembly.

The federal government must decide whether it is in or whether it is out. If it wants to continue controlling the principles and the administration of UI programs, and if it wants to continue using UI to perform other social policy objectives, it has a moral obligation to become a full partner in terms of funding the programs.

If the federal government is not willing to assume its share of financing it should relinquish ownership of the programs to employers and employees, the stakeholders who are paying for and should be benefiting from unemployment insurance.

(1210)

In conclusion, the Reform Party's position is that government should return UI to its original function as a true insurance program and allow employer and employee groups to administer the program. This is not a new idea. Nor is it a radical idea, as I listened to the variety of groups that made presentations to us. It is an approach which both employer and employee groups appearing before the finance committee supported. These grass-roots groups supported the concept the Forget commission recommended to the government of that day.

We should listen to those representations and to what is being said by the private sector. It is time for government to trust others in terms of responsibility, to trust the provinces in terms of meeting some of our economic goals, and to work in partnership. We cannot do it alone. Nor can we take away the funds from those who carry out legislated responsibilities for us, such as provinces, such as municipalities, such as the unemployment commission, and so on. We have a grave responsibility.

I appreciate the time I have had to spend on Bill C-17. As I said earlier even though the Reform Party supports a number of initiatives, because of the omnibus nature of the bill and because we feel the bill and the budget have not presented to us as

Canadians and as legislators a good vision we have an obligation to vote against Bill C-17 at third reading.

The Deputy Speaker: We will now revert to 20-minute speeches.

[Translation]

Ms. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am happy to be able to say a few words today on this important legislative measure.

When this government came to office late last year, the economy was stagnant and the public purse was burdened by a deficit exceeding \$40 billion. The government reacted, especially in the recent budget, by opting for a balanced solution to turn the economy around, reduce the deficit and introduce social reform.

Our goal is to substantially reduce the deficit in the current fiscal year while promoting an economic recovery.

[English]

The bill we are discussing today, the budget implementation act, 1994, represents some measures the government believes it must take if we are to remain optimistic about the economic future of Canada.

We believe immediate measures are necessary to reduce the deficit. It imposes severe constraints on economic recovery and growth. It imposes severe threats to programs that are important to all of us as Canadians: unemployment insurance, social programs and health services among others.

It is fair to say that all Canadians realize we cannot blindly spend our way out of the financial problems facing us but rather we must do better with what we have. They and we realize that government leadership to create the climate for job generation is an important factor in balancing our books.

With that in mind, I would like to focus particularly on measures affecting Canadians who work for the Public Service of Canada, the RCMP or the Department of National Defence.

Bill C-17 extends the public service wage freeze currently in effect for a further two years. It suspends pay increment increases for a two-year period and enables payments to be made to full time employees of national defence who are retiring under a civilian reduction program.

Solving our fiscal problem required taking more restraint measures in operating budgets. Public service salaries account for a major portion of federal expenditures. The total compensation cost of the government including the military and the RCMP amounts to some \$19 billion. Any measure to control the deficit must therefore take these costs into account. Freezing salaries and pay increments will contribute \$1.5 billion in savings over the next three years.

Government Orders

(1215)

We know the debt and deficit problem will not be solved only by cuts to the public service. The entire cost of operating the Government of Canada is \$20 billion out of total government expenditures of approximately \$168 billion. The compensation cost of the public service employees who run that government is \$12 billion, considerably less than 10 per cent of the budget of Canada.

Given this morning's clippings, I would like to comment on the report of the C.D. Howe Institute. It has identified further cuts to public service wages and government operating costs as a major candidate for government reductions. I must admit I am confused. Not long ago the Conference Board of Canada was telling Canadians that a freeze on public sector wages at the federal level would have a dampening effect of 1.5 per cent on economic recovery that would be even further intensified if the example was followed by provincial governments and the sectors at other levels.

As I said, we realize the debt and deficit problem cannot be resolved only by cuts to the public service. Therefore we have implemented many other cuts in an attempt to achieve the deficit target we have set for ourselves.

Many have questioned why pay increments were suspended in addition to the wage freeze. The answer quite simply is fairness. Increments were frozen because it is important that all public service employees be treated equally in this difficult time. It did not seem to us to be fair that some people working for the public service were seeing their salaries rise while others were not.

[*Translation*]

I know very well that some consider these measures to be severe, but it is important to place them in their proper context. The government is committed to maintaining job security for its employees. In its opinion, extending the salary freeze and suspending pay increments are better ways to control public spending that forced leave, wage reductions and layoffs. In addition, this approach will minimize the impact on our ability to offer quality services to Canadians.

[*English*]

I recognize there is concern over potential job losses. While there have been layoffs and wage rollbacks in the private sector and in other public areas, our government is committed to maintaining a high level of job security in the public service. Despite these measures, our government is taking a number of steps to rebuild a positive and constructive relationship with the public service.

We believe that our best allies in controlling government expenditures while maintaining the delivery of quality services to the people of Canada are the people who work for the Government of Canada. That is why in the budget we committed

to undertake an efficiency review in co-operation with the unions. Any efficiency savings in government operations identified through this process will be used to shorten the period of the wage and increment freeze.

These discussions have begun and are addressing longstanding concerns of our employees, such as contracting for service and the use of temporary employees from outside the government. Already we have been able to show that under the previous government while departments were being downsized, while Canadians were being told that costs were being reduced in this manner, the cost of contracting actually increased at a rate 43 per cent higher than other government expenditures.

The efficiency review is not limited to these two areas, although they are certainly a prime concern to our employees. We are prepared to consider any area of government spending that the unions, our employees, our managers, or indeed members of this House of Commons believe should be looked at in terms of their efficiency in delivering quality services to Canadians.

(1220)

This is a new process and naturally enough, there is some apprehension on both sides as to how successful it will be. A great deal of time and effort is needed on both sides to ensure that a relationship of trust is built up so that we can work together on this.

In addition to a close examination of contracting as part of the efficiency review, the President of the Treasury Board has asked a committee of Parliament to undertake a full review of contracting and to prepare a report to the House. Throughout government as well, deputy ministers have been asked to work closely with the unions representing their employees and indeed with their employees at all levels to find the necessary means of meeting their operating cost reductions.

I believe that by working together we will be able to identify those savings that will not affect the delivery of services to Canadians but will allow the period of the wage and increment freeze to be shortened. It will allow us to assure Canadians that we are working to get the best possible value for the dollars they pay in taxes.

This is the first opportunity employee representatives have had to work with the government, to work with their employer, to help manage the difficult economic situation we face and the changes it necessarily entails.

The unions have correctly made the point that the pay increment freeze will affect proportionately more women than men employees. At the same time I should indicate that for our lowest paid employees earning under \$30,000 proportionately more women than men have benefited from reclassifications and promotions which have improved their earnings, even during the period of the wage freeze. Nonetheless it is the case that approximately two-thirds of employees at the lowest salary

Government Orders

levels are women. It is of course at these levels that a wage freeze has the greatest impact.

That is one reason I am proud to say the President of the Treasury Board has already initiated discussions with the two largest unions representing those employees in female dominated categories of work to explore ways of resolving the pay equity issue. For many years outstanding pay equity complaints have been making only slow and painful progress through the human rights tribunal process. We would like, if at all possible, to work with the representatives of the employees to settle these complaints by negotiation, thereby improving the economic status of more than 60,000 employees in female dominated groups in the public service.

For the first time, public service unions were involved in prebudget consultations, as were many other Canadians. We realize the period of time for these consultations was short. We realize the amount of impact they could have on the budget was limited because of that. We will in fact be conducting those consultations much earlier in the process for the 1995-96 budget.

Many proposals made to us in these consultations by the public service unions and by others were implemented in this budget or are being reviewed for possible implementation in the 1995-96 budget. It is worth mentioning a few.

Corporate profits transferred out of Canada that were not previously subject to taxation will now be subject to taxation in Canada. The capital gains tax exemption is being removed. Tax deductions for business meals and entertainment have been cut to 50 per cent. Operating budgets were reduced to reflect our government's red book commitment to reduce spending on contracting for professional services.

As far as items proposed by our unions and by others to be reviewed for possible inclusion in the next budget, among them I include such things as RRSPs and their role in providing for the future of Canadians, and the taxation of family trusts.

(1225)

The other message we got very loudly and clearly from the unions representing government employees was do not roll back wages, do not enforce unpaid leave, do not lay off. That is why this government has renewed its commitment to the workforce adjustment policy.

This policy was negotiated with the unions and has been in effect. The previous government threatened to legislate this policy out of existence. We have said quite clearly that we are committed to the workforce adjustment policy. Changes we might want and changes the unions might want are now being

negotiated. Any changes will be subject to agreement at the bargaining table.

This government recognizes and values the important role members of the public service play in the governance of the nation. Without them, no law, no policy, no program we approve in this Parliament can be implemented. They keep our food, our skies and our borders safe. They perform needed research, provide rescue operations at sea and deliver pension cheques to millions of Canadian seniors.

Our government intends to restore the relationship of mutual trust with the public service. Both unions and managers will be involved in the broadest possible dialogue on matters of concern to them as our employees and as our partners in delivering quality, efficient and cost-effective services to Canadians.

In closing, I would like to emphasize that this government recognizes these measures are difficult but are necessary as part of a number of measures to control public spending. They are necessary to maintain both employment security for our employees and quality service for Canadians.

Recovery must start somewhere and these measures are only part of that recovery. If we are to meet our objective of a deficit which is no more than 3 per cent of GDP by 1996-97 then all Canadians, public service employees and ourselves included will have to realize that our future prosperity depends on the action we take today.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I am very surprised to hear the hon. member who just spoke touting the benefits of such a direct, sneaky attack in one of its first pieces of legislation; it is sneaky because the Liberal Party never talked about it or discussed it in the election campaign.

She is taking a completely different line than the Liberal members took when they were here in the opposition and the Conservative government attacked federal public servants and the whole federal policy and administrative machine through legislation.

Suddenly, they only see benefits in a measure announced by the Minister of Finance. That measure is devoid of content or any long-term vision; it just sets up 22 committees to study this and that, but when it comes to public servants, they are hit hard. Their salaries are frozen much more drastically than under the Conservatives, because pay increments are also frozen. This means that someone who works at a certain level, gains experience, wins a competition and advances to a new position keeps the same salary, even if the level changes. That is incredible.

Government Orders

So what does this mean for the lowest-paid people who enter the public service? They want to rise in the public service. They apply for new positions, but if they obtain one, their salary is frozen. That was not the case when the previous government froze public servants' salaries.

So the lowest-paid people in the public service are penalized. I am surprised to hear the hon. member praise such dictatorial action taken against public servants.

(1230)

I ask the hon. member who just spoke if it was one of your election promises. During the election campaign, you never talked about attacking the public service. But it is typical of the Liberal Party to do the opposite when it takes power.

We will remember the wage freeze in the Trudeau years, against Stanfield. He promised that he would never freeze salaries, but Stanfield, during the election campaign, wanted to freeze them. Six months later, the Liberals froze salaries.

What is really going on? The Conservative and Liberal policies are exactly the same. In fact, the Liberal policy is even worse in this case, in terms of thrust and dictatorship over the public service with the salary freeze, the total lack of negotiations and the denial of the right to strike. What good is the right to negotiate if it is denied before even beginning and if new rules are imposed by orders in council?

You referred to possible discussions concerning women in the public service, because they are the most discriminated against by this measure, but you are prepared to discuss after the fact. You allude to consultations after saying: "This is it: salaries are frozen and programs are cut. Do your share". I ask the hon. member: Why is the sacrifice which you are asking from civil servants and unemployed people so great—we are talking billions of dollars, here—when you do not ask the rich to make a sacrifice too?

You are considering looking into tax havens. We all know that 16 billion dollars are hidden in tax havens every year; this represents hundreds and hundreds of millions! But no! You would rather protect the rich, who finance your party as well as the Conservative Party. You should have denounced this situation as soon as you took office; you should have told these people that they would have to pay taxes like everyone else. Why do you not go after these people? Make them do their share, with their hundreds of millions!

They are not doing it! It is easy to force the unemployed, the poor and the civil servants to do their share. This is what is not logical in the hon. member's argument. What is her government doing about tax havens, family trusts, and rich families who resort to lobbying? It was mentioned in an article that Prime Minister Mulroney had been the victim of the lobby representing rich families. The same is true in the case of the current

Prime Minister: He is a victim of the same lobbying by rich families.

Why do these people have the right to carry over their family trusts, right down to the youngest survivor? In 1972, the act provided that 21 years later, in 1991, an evaluation would be made of family trusts, so that the rich were going to pay taxes like everyone else. Yet, this review is now being postponed and you are responsible for that situation.

I remember that, when you formed the opposition, you questioned that for a long time. So, I ask the hon. member: Was the salary freeze in the public service, including the pay increments, an election promise you made after denouncing such a measure when you were in the opposition?

Is this a permanent denial of the right to negotiate, and when will you also make the rich pay?

Ms. Catterall: Mr. Speaker, I am not at all surprised that the hon. member remembers so well what happened during the last Parliament and especially the salary freeze introduced in this House by the government he, his leader and many several other members of his party were part of. At that time, I would have liked to hear the hon. member say what he just said.

I would like to correct some of the statements the hon. member made. I am sure it was a mistake and that he did not intend to misinform public servants, but he did say that public servants would not get a salary increase even if they accepted a new position. That is not true.

(1235)

I do not mind if the hon. member takes part in this debate, but I want him to stick to the truth. I want to remind him that it was the government which he, his leader and many members of the Bloc were part of that maintained the tax exemption for family trusts for another generation. It was not a decision made by this government, but we are trying to find a way to right the wrongs for which the previous government is responsible.

Of course, my government and I are not happy about the tough measures we have to take, but these decisions have to be made if we want to give our employees the assurance that they will not lose their job or see their salary decrease. We know this is a tough measure for civil servants to accept, but it is also necessary for their job security.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, today I welcome this opportunity to speak to Bill C-17.

This bill is almost symbolic, because in it the government turns its back systematically on its political commitments, a government that was elected on a promise that it would put Canada back to work and that has now reversed its position. It decided that it is was back to the old routine, that nothing had

Government Orders

changed, although it promised something quite different during the election campaign.

Instead of proposing a strategy to promote employment, it has proposed the very opposite. Let me explain.

First of all, the number of weeks worked to be entitled to unemployment insurance has been increased. Instead of ten weeks of work to be eligible for employment insurance, people now need twelve weeks. In the Magdalen Islands, for instance, 43 per cent of the people who are on unemployment insurance cannot find work for more than 10 weeks. Today, I imagine the voters who elected the Liberal candidate in Bonaventure—Îles-de-la-Madeleine must feel betrayed, because the 43 per cent who worked only the minimum number of weeks will now have to go on welfare.

There was no consideration for the seasonal aspect of the economy in the Maritimes and especially in the Magdalen Islands. Even worse, the government is doing the exact opposite of what it promised during the election campaign, so it is also a matter of political ethics, and perhaps that is the worst aspect of Bill C-17. The bill could be seen as a symbol of the ineffectiveness of this government and of the way it has started to mislead the people during its first mandate and its first six months in Parliament.

And the same holds true for the reduction in weeks of benefits. Speaking on behalf of the Bloc Québécois, the hon. member for Mercier explained how this bill would have a negative impact on all parts of the Maritimes, not only on the people affected by unemployment insurance cuts who will now have to go on welfare, but also on the small businesses that depend on the money these people spend.

I find it very hard to understand why members from the Maritimes who were elected by their constituents to provide a different kind of government have chosen to remain silent today and are not rising in the House to call their government to order and to say this does not make sense and it cannot send this kind of message. The unemployed are getting the following signal: the government is first going to make it harder to be eligible for unemployment insurance benefits, and then they will introduce social reform.

(1240)

This could explain in part the comment by Wood Gundy in an investor's guide which says that in the defence sector the government has finally decided to use restraint, but that the measures announced so far impact only on a small part of the economy. This means that instead of a real employment strategy we are given a series of smaller decisions taken to respond to fiscal pressures, to soothe lenders. The original solutions that

voters expected to put Canada and Quebec back to work have not been forthcoming.

Another thing which was clear and simple, and that we proposed in an amendment rejected by the Liberal government, was a lowering of premiums paid by employers. In the fall of 1993, immediately after the election, the government pulled one over on us and increased the premiums to \$3.07. Then, for Bill C-17, it made a wonderful announcement. In a press release dated March 16 the minister says: "One of the measures is the lowering of unemployment insurance premiums, which will decrease the cost of job creation".

This lowering to \$3 is scheduled for 1995. Tell me, do you know any unemployed who have long term jobs? I would like to know them. We must create jobs now, not just next year. It is not next year, or the year after or just before the next elections. The economy needs to be revived now. Wood Gundy said something I find very apt about the budget: "The government is hoping for a cyclical recovery of the economy to revive job creation". What it means is that the government machine is on automatic. What the government said is: "We do not have the means, we do not have the guts to make fundamental changes, and we do not have any clear idea of what we want in terms of job creation". So we have a piecemeal approach, we have measures that allow us to wait for a recovery. I am sure that every day, every month end, the ministers wonder whether the unemployment rate will finally go down a little, so they can use it as an argument. None of their actions has any impact. The automatic pilot is on, and we are waiting to see if the economy will recover somewhere.

Moreover, they are killing consumer confidence for those who could help the economy recover, namely UI recipients—who are also consumers—and civil servants whose wages are frozen.

Only a few months after being elected, this government told people: "We do not trust you. We will not enter into bargaining with you on behalf of others, since we would not be able to agree, anyway". It said that, just after the elections, to the Public Service Alliance of Canada which had told its members to vote for the Liberal Party in order to bring about changes. This government is devoid of political honesty and sends the message that, once elected, it does not have to honour its commitments. It is pure rubbish, of course. The way the Liberal government betrayed its campaign promises, especially with Bill C-17, will come back to haunt it.

Allow me to give you a little inkling of what this government is really like. During the election campaign, we were told that it would cut waste, tighten up the public purse, and manage everything as best as possible.

And then, it tries to put one over on us with this bill, giving borrowing authority to the CBC, a corporation which, in the past, has not always been the best of managers, and in fact, has often spent money unwisely and is still doing so. As we know, it offered \$28 million for the TV rights to the next Olympic Games, whereas TVA had offered \$10 million, while claiming that it had made no profit. Can you imagine the taxpayers' money being used to broadcast a world event for three weeks?

Government Orders

People in my riding find it totally unacceptable to spend \$28 million that way, when the entire network of CBC regional stations has been closed down, and to see that the Liberal government has never said a word to reverse that decision. This kind of attitude is a slap in the face of people who are entitled to regional services. The government is taking advantage of an omnibus bill to put one over on us quickly as far as borrowing authority is concerned, without requiring the corporation to account in any way for the use of these funds.

(1245)

Even when I give my children an allowance, I ask them to tell me a little how they plan to use the money. In some cases the government lends money and asks for an accounting, while in this instance, it is giving the corporation a \$25 million margin to manoeuvre, without asking it for any kind of accounting. This is another example of how this government behaves: as if it had been in power for eight years and was totally incapable of coming up with any fresh ideas or solutions to problems. The fact is that this government is only beginning its mandate. In its first few months in office, it has introduced a bill which systematically reneges on the commitments made during the election campaign.

I want to come back briefly to the issue of employer premiums. On the one hand, the government creates a nice, politically correct program such as the Infrastructure Program which allows it to announce in various locations available seasonal, temporary jobs. On the other hand, it introduces a measure which is not as glamorous as the Infrastructure Program, but which would allow those who create the most jobs, namely small and medium-sized businesses, to be active and give some confidence back to people. So what does the government do? It tells businesses to wait until 1995 for the premium level to be brought back to \$3 per \$100. In other words, it is sending out a message that job creation is not such a priority after all, that the machinery of government will lumber on, that the unemployment rate will fall one day and that jobs will ultimately be created.

Basically, this is typical of a government that has decided not to honour the promise it has made during the election campaign to give priority to job creation, to put the people of Quebec and Canada back to work, especially young people. Take for example the 4,000 engineers in Quebec who are out of work. Would it not be possible to develop some aggressive job-creation programs to provide work for these people?

I would say that, as far as job creation is concerned, this government does not make the grade. It is a failure. During the summer holiday just a few weeks away, wherever we go, if we visit campgrounds or attend any number of functions, people are going to tell us: "You politicians are all the same. You make election promises you never keep". That about sums up what

this government, a government that wanted to give people hope, has accomplished.

I derive great pride from the fact that, for various reasons, the people of Quebec have decided that this government did not have what it took in terms of commitment, I mean the necessary level of credibility to honour its commitments. In that respect, we can be pretty proud of ourselves in Quebec. The people have voted for a party capable of representing them in the opposition, to make itself heard and state clearly what commitments have to be fulfilled in Quebec. There is nothing in Bill C-17 to give people hope.

When you tell people in need of a job: "The first thing we are going to do for you is to require that you work more weeks to qualify", you kill their confidence in the economy and contribute to maintaining the negative dynamics by which fear is fostered.

Bill C-17 was a golden opportunity for the government to put its cards on the table. Such a bill could have been used to address problems like tax havens and family trusts. Where in this bill are there measures affecting well-off people who could make a significant difference in terms of creating jobs? They have not been called on to help create jobs.

(1250)

In fact, this bill is somewhat reminiscent of the budget as a whole. The Liberal government prepared a budget that was a little lazy. It could have taken advantage of the momentum created by its election to bring together all segments of Canadian society, including employers, unions and social groups, and ask them in December 1993: "What shall we do to stimulate employment?", to clearly show we must join forces on this.

Their budget consultation process was a bit of a sham because they did the opposite of what the people told them to do. They decided to throw out the old files prepared by the bureaucrats and to recycle the Campbell material into the Martin material. They continued to act like before without really stimulating employment.

I think this government relies way too much on the four-year mandate that lies ahead, telling itself: "We will hand out the usual goodies at the end of our mandate to ensure that we get re-elected". But they forget that their mandate is not to win the election but to offer good government, to ensure that Canadians have jobs that they like and that they can do something with it.

I would also like to let you know that some people asked this morning: "How can the people opposite—that is, Bloc members—criticize such a bill when what they want is to break up Canada?"

Instead of scaremongering, I can tell you that in proposing our amendments to Bill C-17, we tried to defend the interests of Quebecers. When we say that increasing the number of weeks of work required to qualify for UI goes against common sense, you

Government Orders

can be sure that in my region, in the Lower St. Lawrence, the Gaspé and the islands, everyone understands what it means.

This bill does not bring into question Canada's structure but rather the efficiency of this government. It offers a number of little recipes, of mini-measures, that did not convey to anybody the message that the first budget of the Liberal government would really emphasize job creation. They decided to give a little to everyone and tried to get by on a traditional economic recovery.

Although these people call themselves experts and say they are concerned about the economy, I think there is a lack of vision. They did not see that North America and the entire Western world are currently undergoing deep structural changes and that such measures will not provide Quebec and Canada with the tools they need to hold their own in the new global economy.

I think that Bill C-17 is unacceptable. I am thinking especially of members who represent ridings in eastern Canada. Personally, if I were a member from the Maritimes and I voted for this bill, I think that I would find the coming summer, fall and winter very long, because after the summer when a few seasonal jobs are available, people will face the fall and winter and, if they did not work the minimum number of weeks, they will end up on welfare. They will have less to spend on consumer goods and this will affect the whole economy of eastern Canada.

If this had been presented by a Conservative government, we would have said that they were keeping their commitments, people elected them for that, we may agree or not, but they would be doing what was expected of them. But this is presented by a government that said it would be different, a different kind of government that would change things and take a different approach to the economy and make job creation a priority. And nowhere do we find any of these things there.

All we find, and I think that I will conclude with this, is a budget whose only purpose is to make some lenders feel secure and it does not even achieve this result.

(1255)

The people who lend money to Canada now did not applaud this budget; they just said that they thought the real Liberal budget would come next year. There was no Liberal budget, it is the same as the Conservatives'. The message given to the senior federal public service is that things are all right and that we will continue as before; with this government, we will continue to pass on our good figures, our good results, and our vision of development, whereas the people who were elected, especially the 200 or so new members, whatever their party, certainly came

here to manage Canada differently from the way it was run in the past and to make Canadians feel that changes were being made.

If they said that they would tackle unemployment head on, it would have had a small effect on inflation, but I think that the people would have been prepared to accept it because they have suffered so much from the negative consequences of unemployment. A whole generation was sacrificed. When you look at the résumé of someone who is 25, 30 or 35 years old, you see that they worked on a project for three months, then were unemployed for six months, worked on another small project for two months and then were jobless for a year. That generation will not have the skills needed to take over when the time comes.

Bill C-17 is important for the government, because it will be judged by it. The people in our communities will not say that Bill C-17 is a bad piece of legislation. Instead, they will say that the Liberal government does not keep its promises or its commitments and that it has absolutely no credibility. The people will easily come to those conclusions, because they can expect nothing concrete to come out of these measures, nothing that would prove that economic recovery is on the way.

We will eventually achieve economic recovery if the government decides to launch initiatives that bring all stakeholders to focus clearly on one priority, job creation. By telling small employers that, in 1994, they will get \$3.07 for every \$100, the government is sending them the message that they need not put so much emphasis on job creation, because it is not giving them the flexibility they need to create more jobs.

All of the provisions included in Bill C-17, whether it is the increase in the number of insurable weeks to become eligible for UI benefits, the reduction in the weeks of benefit, the salary freeze for civil servants, or the unaccountable borrowing authority given to the CBC, send out a very clear message to Canadians, which is that the current government has decided not to honour its commitments, but instead to watch the economy from the sidelines rather than play an active role in this area.

[English]

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I very much appreciated the remarks of my colleague opposite and I listened to them with great attention. I certainly appreciate the sincerity with which he made many of his points and I think all of us on all sides of the House are very conscious of the fact that any changes to unemployment insurance have to be done with great care and forethought. Certainly to extend the number of weeks of eligibility for unemployment insurance is to bring a certain amount of hardship to some people.

I would like to ask my hon. colleague if he feels that unemployment insurance as a concept is something sacrosanct, that can never be touched, that can never be reformed. We really

Government Orders

do have to look broadly across the social services in Canada which I think he will acknowledge we are having difficulty as a country affording.

In that context, if he is going to answer yes to that would he then take the concept of unemployment insurance and go the other way? Would he reduce the number of work weeks in his area for eligibility and if so how can we pay for that?

[*Translation*]

Mr. Crête: I thank the hon. member for the relevance of his question. It is indeed a timely one.

(1300)

I think that unemployment insurance is a tool which Canadians devised to avoid a repetition of a crisis such as the Depression in the thirties. At the time, there was no social safety net and people were no longer able to consume goods. Consequently, the whole economy came tumbling down. In a sense, the scenario is the same with Bill C-17. The government has decided to limit the spending power of UI recipients and the consequences of this decision will be similar, albeit less severe, to those in the thirties, during the Depression. There will be reduced consumption which, in turn, will mean even less jobs, thereby adversely affecting economic recovery.

Generally speaking, I think that the unemployment insurance issue must be considered in the context of an active employment policy. First, the government should announce that employment will be a priority. Second, it should develop an appropriate strategy. An important aspect of such an initiative—and something which we have been doing in Quebec for 20 years now—is to consult the various stakeholders to make employment a priority.

I believe it is very important, in such an exercise, to respect the effectiveness of local officials. In other words, if we try to implement the same employment policy right across Canada, we will experience the same problems as we did with the Bank of Canada trying to control the value of our dollar. Indeed, the Bank of Canada controlled the dollar based on the overheating economy of Ontario, while other parts of the country were not experiencing that activity. This had the effect, in those regions, of killing economic recovery.

The same thing will happen with employment if we think we can develop an employment policy applicable throughout the country. Because of the issues of mobility and of different types of workers, I think that, at least in each of the main regions, and possibly in most provinces—and that has long been one of Quebec's claims—the whole issue of employment should be managed in an integrated fashion, from the training provided to people to the way that we deal with people who are unemployed and who are looking for jobs. We should be able to bring all these aspects together, and also avoid spending money, as we are doing at the manpower level, where governments are wasting \$250 million each year only because of the double structure.

If this decentralization were to occur in all parts of Canada, we would have annual savings of \$1 billion which, instead of being spent on the structure, would be directly spent on providing training activities through programs allowing people to find jobs.

So, concerning the question of whether unemployment insurance is something that can never be touched, I believe it is a tool. In my mind, unemployment insurance should instead be an employment insurance allowing people who have the ability to work to effectively do so and, if they worked for 15 or 20 weeks before their employment came to an end, they would be able to earn money with, for example, social, community or government employers, but they should not be exploited. If these people were trained as technicians, for example, and would deserve a salary of \$10 an hour, we should be able to offer them something through the insurance which they would earn and which would correspond to that amount, even if it were only be a part-time job.

So, some changes are possible in that area. I think that unemployment insurance is a tool, but it should be integrated into a structure, into an active employment policy so as to make it work. Countries where this works have given a very clear direction to these things.

[*English*]

Hon. Roger Simmons (Burin—St. George's): Mr. Speaker, I am pleased to rise in support of Bill C-17, the budget implementation act, because the bill seeks to legislate a number of measures announced by the minister in his budget in February. The bill reflects the widely shared conclusions reached by many Canadians from all walks of life who participated in the prebudget conferences. They agreed at that time and I believe we agree in this House that action is needed on three major, closely linked challenges.

(1305)

First, Canadians want the government to create job opportunities and to take action to restore the country's economic viability. Second, Canadians have called on government to address the deficit problem. Third, they point out, as they did in those prebudget conferences, the urgent need to reform Canada's social security programs, including unemployment insurance, so that these programs better serve those who are in need while remaining affordable for a nation with a growing debt. These are three important challenges: job creation, deficit reduction and the reform of social programs so that they can better serve the needs of Canadians.

On that last point, when we gave the enabling legislation in this House with respect to the reform of social programs, I said at that particular time when this issue was under debate at least that reforming social programs ought not to be a code word for dismantling, for gutting social programs. I am careful to say at all times when I talk about this that it must be an effort which

Government Orders

improves, better tailors those programs for a new time, not an excuse for gutting those programs.

There are people in need. There are people who depend on those programs. That is why I am proud to live in Canada. We were told this week once again that we live by internationally accepted criteria in the best country in the world. That comes as no surprise to us; even those who are working hard to leave the country must grudgingly acknowledge that.

The budget addresses all three of those important elements or areas. There are initiatives to create jobs, including the \$6 billion shared cost infrastructure program which is now well under way. In so far as Newfoundland is concerned, the first phase was announced a month or so ago. The second phase will be announced tomorrow, a number of other projects that will help stimulate the economy and some short and medium term job creation.

The budget also contains important support for technological innovation and for the small business sector, a subject dear to the heart of my good friend from Broadview—Greenwood.

There is also important action in this bill, in this budget, to reduce the deficit primarily through cuts in government spending. Gross fiscal savings including the savings announced in previous budget secured by this legislation total \$28.6 billion over the next three fiscal years. Net savings in that period total \$20.4 billion. These measures will help to shrink the deficit from \$45.7 billion in the year just ending to \$39.7 billion in 1994–95, and to \$32.7 billion the year after; \$13 billion savings in two years.

I say to my good friend from Yellowhead, whom I am always delighted to see in this Chamber, it is important that the choice is not seen as being between jobs and the deficit. It is not one or the other. We would be irresponsible as parliamentarians if we saw it as one or the other, as if we said put the whole job need on hold for five years until we get the deficit under control, or put the deficit issue under control for five years until we get the job situation properly addressed. It is not that simple. Life does not stand still for people who have to buy the groceries, nor does life stand still in terms of accruing interest on our indebtedness as a country.

We have to juggle those two very difficult balls at one time. That is the challenge. The country is full of experts there who will tell you how to create jobs, who will tell you how to reduce the deficit. The crunch comes when you ask them to hold both balls in the air at the same time. Whatever the rhetoric of various members in this House, including mine, I do not believe there is a single soul in this chamber who believes that we can put one of those issues on hold while we solve the other. That would be

irresponsible and I do not think Canadians sent us here to be irresponsible.

(1310)

The measures announced in this budget last February will, of course, be supplemented with further initiatives next year as we reform major spending programs. We are taking some action now and will take some more in the future to ensure the deficit continues to decline steeply.

The budget also takes some measures to provide stable, sustainable funding for Canada's social safety net. This funding will provide a secure and constructive environment for both individual Canadians and policy makers at all levels of government as we embark on the process of reform and renewal that is currently under way. This legislation, Bill C-17, addresses two areas of spending in this regard: transfers to the provinces and changes to the UI program. I want to spend a moment on each of those.

First, the matter of unemployment insurance, a matter that is dear to my heart because it is dear to the hearts of my constituents who, through no fault of their own, have gone through the following traumatic situation in the last few years.

I say to my friend from Okanagan—Shuswap that when I first came here in November, 1979 my riding had a rate of unemployment which was the same as that in Alberta, the province of my friend from Yellowhead. It was 3.8 per cent in November, 1979. The riding of Burin—St. George's with its deep sea and inshore year round fishery, unaffected by ice conditions which have an impact on other parts of the island of Newfoundland, has always had a basic 11.5 month fishery, never a 12 month fishery. We believe strongly in certain things in Newfoundland and one of the things we believe in is the 12 days of Christmas. We take that time off for a great celebration of a great Christian festival and for a great party. In Newfoundland these two issues are not mutually exclusive.

It is an 11.5 month fishery. It never was a 12 month fishery. I would oppose it from ever becoming a 12 month fishery for the above reasons. It has degenerated, through no fault of the hard working people whose ancestors came to that coast 500 years ago. It is certainly not laziness or what we call in Newfoundland being a hangashore, one who stays ashore rather than go fishing. We have a very provocative and descriptive term for a lazy person in Newfoundland; he or she is called a hangashore and by definition that is somebody who will not go fishing. In Newfoundland work is fish, basically. That is why 17,000 people in my riding, until the recent catastrophes in the fishery, have traditionally earned their living either in the fishing boat or in the fish plant.

I was saying to my friends from Alberta and British Columbia across the aisle that in 1979 the rate of unemployment in my

Government Orders

riding was 3.8 per cent, the same as in Alberta, the province at that time with the fastest growing economy in Canada and the lowest unemployment rate in Canada. My riding was identical.

Today I could not even put a figure on it. Is it 40, is it 50, is it 60, is it 70 per cent? It depends on what you do with all those people who through no fault of their own are not in the boats today, not in the plants today, drawing a compensation package as a result of the moratorium.

This UI issue is very dear to my heart because it does affect some of those people. Contrary to public popular opinion in Ontario, I would say to my friend from Bramalea—Gore—Malton, all the people down there are not on the the fisheries compensation package. Many people in Newfoundland ply their trade in terms of forestry and in terms of seasonal construction activity, in terms of mining, in terms of tourism, and so on. These are impacted by unemployment insurance changes as well.

These changes being proposed through this bill are designed to achieve a couple of things. The first is to encourage the private sector to create jobs. We believe firmly in this party that government cannot be the employer of last resort. We believe that government can help create the climate, but it is private industry, including the small business sector, which must create the jobs. My hon. friend from Okanagan—Shuswap agrees. He and I agree on many things and this is one of them. It is the private sector. That is one of the objectives.

(1315)

The second is to increase the fairness of the system by increasing benefits to low income recipients with dependents. To help create jobs, the bill rolls back the UI premium for 1995 and 1996 to \$3. We believe and we hope this payroll tax relief will encourage business to create jobs.

By the end of 1996 the government expects that there will be 40,000 more jobs in the economy than would be the case if premiums had been allowed to rise to the levels required by the previous legislation.

Those rollbacks have to be accomplished in a way that supports deficit reduction. With this in mind, the legislation proposes measures to reduce UI expenditures by \$725 million in this fiscal year and a further \$2.4 billion annually thereafter.

I submit that these rollbacks in expenditures are being done in a way that is fair so that persons in areas with high unemployment will still be eligible for more benefits with less work activity than people in other regions of the country.

Our package of UI reforms promotes fairness in other respects. It increases the benefit for low income claimants with dependents. As well, the benefit of the doubt will be given to

claimants who quit voluntarily. I have to say that this is an issue that I had a lot of difficulty with when the former administration brought in that change, about letting the axe fall when people quit or were fired because it put employees at the mercy of the employer in a way that they never should have been. This redresses that issue in a way with which I am comfortable.

Let me come to the Canada assistance plan. To help create a positive, co-operative climate for social security reform, the government is providing a two-year period of predictability and modest growth in social security transfers under the Canada assistance plan and established programs financing.

This means that in 1994–95 there will be no new restraint measures applied to either CAP or EPF transfers. The legislation before us today will place a ceiling on subsequent CAP transfers to the provinces, so they do not exceed the current year's levels. This ceiling will remain in place next year pending social security reform the following year.

EPF financing is not affected by this legislation. However, the existing restraint will be maintained. The process of social security reform has a goal of central interest to all Canadians, no matter where they live, to renew and revitalize Canada's social security system over the next couple of years. We will preserve protection for those in need. We will improve incentives to work and we must ensure that the social safety net remains affordable.

Bill C-17 is a key part of the government's agenda, an agenda that includes job creation, deficit reduction and renewal, and reform of our social safety net. Our mandate for this agenda comes from the people of Canada who entrusted us last October to set a new course. We, the Prime Minister and his team, are keeping faith with that trust by listening to what Canadians told us last year.

The recent budget was an important step, an early step, a big step, but just one step in making our agenda a reality. That budget reflects clearly the input we received from Canadians as do the measures in this legislation. That is why I am hopeful that members on all sides of the House will see fit to want to identify with what I believe are a handful of good initiatives, not the whole nine yards. We are not there yet. If we, through the infrastructure program, the youth corps and otherwise can see the jobs generated that we have projected, we will create just a little less misery for people out there, including young people.

(1320)

If we are going to achieve our goals in terms of deficit reduction to get it under \$40 billion, to have these \$13 billion in savings over the next couple of years, that will go a long way to reducing the drain on our capacity, the drain we are paying out in interest charges, and be able to take that and redirect it to more job creation, to more social program underwriting.

Government Orders

Third, if we can, over the next couple of years, reform the social safety net in a way that does it credit to Canadians, in a way that meets the needs of those who are in need, while at the same time crafting it in a way that is affordable for us as a country with severe financial restraint facing us everywhere we turn.

Nobody in this Chamber, whatever their partisan platform during the election past, whatever their particular political ideology, can be against putting those young people back to work, putting people of all ages into productive labour activity. Nobody can argue with our goal of bringing down the deficit to free up dollars for use elsewhere. Nobody can disagree with what this party has said and stood by for many decades, that there is a group of people out there who have need for social programs through disability, through age, through other circumstance, through no fault of their own particularly, have need for those programs.

There but for the grace of God go I, go you. Again I repeat I am proud to live in a country that has that kind of social safety net for people in those circumstances.

For all of those reasons I hope members of the House would find it in their hearts to support with a heart and a half Bill C-17.

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, I wonder if the member could assist us a little bit in understanding the relationship between these UI changes that are taking place in this bill and the plans that the government has for social security reform.

Mr. Simmons: Mr. Speaker, I want to thank my good friend from Windsor—St. Clair for her question.

The important thing to keep in mind is that what we are doing here, and I wanted to emphasize this during my remarks, is but a first step, an important and integrated first step.

I take my hat off to my friend the Minister of Finance. If anybody ever came well qualified for this job it has to be him, not only in terms of his paper credentials and his commitment to public life but in terms of the preparation that he did, the leg work he did across the country in the two or three years leading up to the election.

He together with the Prime Minister have such an amazing grasp of the problem, it is no surprise that his first budget and Bill C-17 which flows from it give us the beginnings of a coherent, sensible is the term, approach to addressing some of the problems we face.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I want to ask my colleague who is more experienced in the House than I—he has been here at least one term longer—whether he could comment on some of the major points that the

official opposition is making. Yesterday I indicated that in spite of the fact that they had condemned the omnibus bill, they had concentrated almost specifically on unemployment insurance.

(1325)

At the same time, I wonder if he would be kind enough to give some commentary with respect to the major points that have been made by the Reform Party. I said yesterday, and I repeat it again today, that if Canadians believe some of the reductions that have taken place with regard to unemployment are severe, if the Reform Party had been initiating those they would have been Draconian and dramatic and hurt a great deal.

Mr. Simmons: Mr. Speaker, my friend from St. Boniface is at his very best when he decides to put the cat among the pigeons.

He did that so well at one point early in the election. I heard him one morning early as I was driving out to begin my campaign schedule for that particular day. It was just a week into the campaign I recall. I felt so good about what he said that I sent off to him a missile, which I am sure he will remember. I think I guaranteed I will be in his memoirs one day. It is not the first time he has put the cat among the pigeons.

I have never been shy in telling my friends in the Reform Party on what points we disagree and on what points we agree. I wanted to have a moment ago a nice positive sounding speech because I wanted to appeal to the better judgment of people like my friends from Elk Island, Surrey North and Wetaskiwin and so on. I wanted to appeal to their better judgment that whatever the partisan differences here, this bill is a good bill.

Now that my friend has put the cat among the pigeons, now that he has called my bluff as it were, I have to say directly what I said by inference. Those who think that you can put job creation aside until we solve the deficit problem are smoking something different than I am smoking. They are dreaming in Technicolor. You cannot put the country on hold. You cannot say to those people, as the former Prime Minister, the lady from Vancouver Centre at the time, said in the opening gaff of her campaign last October: “We’re going to wait until the year 2000 to deal with job creation”. You remember that famous statement. We cannot do that.

I say to my friends in the Reform Party and to the Bloc and any people in this party who happen to be of that particular view that we cannot, as a government, as a group of people’s representative, say to people: “Put your aspirations on hold, run up your grocery bill for 10 years until we get the deficit under control”.

By the same token we cannot say: “Let’s have all jobs, jobs, jobs and ignore the deficit”. That is why I have said there has to be a balanced approach. Often I hear the simplistic rhetoric that says: “What are you doing about the deficit today?” The answer is: “About the same as we are doing about the job creation today”. We are doing it hand in hand. The day you find us doing more about the deficit than job creation, more about the deficit

Government Orders

than the social security net, is a day you have the formula out of balance.

To answer my friend from St. Boniface, if I disagree with some of the people in the Reform Party, since he mentioned them, it is on that question of balance. I know the member does not want to hear this, but he is going to hear it anyway, and I am going to do it very quickly because my time is up. I say to them, if you talk to them as really free voters rather than as part of a monolithic host which they like to pretend sometimes, you will find that in their heart of hearts—yes, they all have hearts, Mr. Speaker, I can tell you that—they really like those people, those Canadians, to have some work. They are not really as Scrooge-like as they sound from time to time.

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, I rise in the House to offer a few comments on Bill C-17, confining my remarks mostly to the Canadian Broadcasting Corporation.

My colleague from Lethbridge spoke eloquently on the measures we support in Bill C-17 and outlined the steps we would take to put our country's economic house in order.

(1330)

It has been said countless times in this House since January and it bears repeating, that Canada has a spending problem and not a revenue problem. Canada's debt is rising and will continue to rise at a significant rate as long as federal governments keep trying to push through omnibus bills like Bill C-17, the budget implementation act. By this time next year Canada's debt load will be approaching \$550 billion. The debt is growing by \$1,473 per second. That means every man, woman and child in this country is in hock for over \$20,000.

The fact that this federal government is pushing through omnibus Bill C-17 which includes authorizing the Canadian Broadcasting Corporation to borrow money shows its lack of regard for the taxpayers of this country. I submit that the CBC is an ill-run crown corporation and should undergo a thorough review. It is a bottomless money pit. Taxpayers are sick and tired of having to support what seems to be a planned to lose failure.

Bill C-17 will give the CBC the authority to borrow \$25 million so it can operate with more businesslike flexibility. This is akin to not only letting the fox into the chicken house but also to locking the door and throwing away the key.

I am very sceptical when the government assumes that borrowing \$25 million would achieve more efficient management practices. Companies are in the business to offer services, sell products and to make money, not to borrow to go even deeper into the red. The Canadian taxpayer is already on the hook for \$1.1 billion per year for the operation of the CBC. If this crown corporation cannot achieve more businesslike flexibility with \$1.1 billion in appropriations from Canadian taxpay-

ers, what possible good will come of another \$25 million of borrowed money?

The track record of crown corporations is not good. They are endless black holes where the money goes in rarely to be seen again. The federal government should not be competing with the private sector, especially when the private sector is doing the job. Recent history is littered with examples of defunct, broken down crown corporations.

Peter Foster, who penned the book *Self-serve: How Petrocan Pumped Canadians Dry*, has followed the Petro-Canada fiasco very closely. He calculates that Petro-Canada has amassed a total debt of over \$15 billion which of course is on the backs of the Canadian taxpayer.

Another debacle of the federal government is its involvement in the Hibernia project. Admittedly Hibernia was initiated by the former government, but it was a former Liberal government that caused the Petro-Canada fiasco. The government has an 8.5 per cent stake in the Hibernia project which has cost taxpayers about \$3 billion in loans and grants. Just last week it was confirmed that Hibernia has a cost overrun of \$1 billion.

When will the meddling stop? When will the federal government learn that crown corporations are generally a detriment to the Canadian taxpayer? It seems few lessons have been learned for the near future.

Like most crown corporations the CBC is not like a private sector business and is incapable of acting as such. The CBC has no shareholders or customers in the normal sense to answer to. There is little will to strive for efficiency because there is no bottom line to meet. Bill C-17 will further ensure that the CBC will be able to operate without worrying about such minor things as turning a profit and generating revenue.

Government members keep harping about their red book: "Read the red book. It is in the red book. We are keeping our promises". That is often the type of rhetoric we hear from across the floor, but it appears the federal government has not quite been keeping its promises. The red book states that the Liberals will "exercise unwavering discipline in controlling federal spending and will re-order current spending priorities to make sure that maximum return is obtained on each investment".

(1335)

Bill C-17 goes against what the Liberals promised to Canadians via the red book. There is no unwavering discipline in controlling federal spending. In fact, the portion of Bill C-17 dealing with the CBC states that the CBC may be allowed to borrow an amount even greater than \$25 million, with parliamentary approval. What is to stop the government allowing to lend \$50 million, \$150 million, or even more to the Canadian Broadcasting Corporation? If the CBC is to become a viable enterprise it must stop trying to borrow its way to prosperity.

Government Orders

A recent estimate places the CBC at a \$180 million shortfall over the next four years. The CBC currently has a \$45 million deficit and an operating budget of over \$1 billion. Any private business facing this kind of debt with the intent of borrowing more money would most certainly be out of business. However, it seems crown corporations act on a different philosophy, a philosophy of spending with no regard for how great the cost.

Allowing a company to accumulate further indebtedness at public expense from the overburdened taxpayers' point of view is just not right. This type of action is not conducive to cost effectiveness and is taking us down an ill-fated road.

Arguments have emanated from across the floor that the CBC is a tradition chock full of Canadian heritage and culture. That argument rings somewhat hollow, especially if we consider how many Canadians appear to be interested in tuning into the CBC.

CRTC chairman Keith Spicer recently scolded CBC executives for ignoring viewers, politicians and pundits who feel the CBC has lost touch with its audience. Mr. Spicer told the CBC executives at a licence renewal hearing that: "You're just going to batten down the hatches and bulldog forward and do what you damn well please". Spicer continued: "It's not just good enough to blindly defend every last brick, every single amplifier, every last job, or every last budget dollar for its own sake to refuse to admit that CBC can and must change".

Perhaps the change referred to is to begin privatizing the CBC. Fewer and fewer Canadians are tuning in to CBC programming which proves that the CBC must change. Only 15 per cent of television viewers watched the CBC's English network for some part of the day in the 1990-91 season. Two years later only 13.5 per cent were tuning in. Between the hours of seven and eleven, known as prime time, which is any network's bread and butter, only 15.8 per cent of viewers were watching CBC in the 1990-91 season. The percentage dropped to 13.6 per cent two years later.

These facts beg the question why are Canadian taxpayers forced to pay for something which is obviously of little interest to the majority of Canadians? The spend, spend, spend mentality of this government must stop.

Last week during the debate of Bill C-17 a government member stated that the \$25 million borrowing authority this bill would grant the CBC is a relatively small amount. Canadians are tired of hearing such rhetoric from their elected representatives.

The reason our national debt will approach the \$550 billion next year is because previous governments and now the present government continue to look at \$25 million as a drop in the bucket. Well \$25 million is not a drop in the bucket and until the

government realizes this Canada's debt problem will in all eventuality continue to grow and grow at an alarming rate.

(1340)

The \$1.1 billion subsidy to the CBC cannot continue. To begin allowing the CBC to borrow huge amounts of money is something we cannot support. We are supporting four of the five sections into which we have broken down Bill C-17, but we do not support the CBC borrowing authority.

Mr. Speaker, I will be sharing my allotted time with another member from my caucus.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I have a couple of short comments and then a question for the hon. member.

I listened to his comments quite closely with respect to the CBC. It brings a lot of things home to me because I spent many years at the corporation.

Implicit in his remarks is the privatization of the CBC. In suggesting that, the hon. member really does not understand what public broadcasting is all about. The private networks are not interested in a lot of the things done by the CBC. The CBC carries programs like "Man Alive", "Marketplace", "The Fifth Estate" and "Meeting Place" which is the religious broadcast on television on Sundays. There is also its entire radio service.

Private broadcasters are not interested in programs of that kind for two reasons. One is that they are not that cost effective for commercial organizations. They do not draw the kinds of audiences that programs with all the violence and sex do. It is not fair to public broadcasting or Canadians to lump public broadcasting in with commercial broadcasting. They are very, very different. It is like comparing a bakery with a farm machinery company; they just do not match.

It is unfair to CBC employees when the hon. member suggests there is no bottom line at the CBC. If the hon. member had made those remarks in 1970, the year I joined the CBC, I think he would have been pretty well right. The CBC could be accused of some very serious profligate spending in 1970 but that is not the case now. Sure, you are going to find some fat, but there is no comparison to 20 or 25 years ago. Therefore, to suggest there is no bottom line is just not true.

My question has to do with the borrowing aspect of Bill C-17. Maybe \$25 million is a lot of money, maybe it is not. But as long as the borrowing is consistent with the means, that is the budget the CBC has, I do not see the concern, as long as it fits in with the budget. Why is that concern there? It is not adding to the budget; it is just one more expense item with respect to the budget.

Government Orders

Mr. Breitzkreuz (Yellowhead): Mr. Speaker, I thank the member for his observations.

It has to be a concern because even the projection down the road is that the CBC does not have the capacity to balance its budget. To lend it more money exacerbates the problem and certainly does nothing to resolve it.

This country's private network runs pretty close to the taxpayer subsidized CBC. They both have newscasts, long newscasts. Both have public affairs programs. They both have Canadian content and all kinds of other content. There is not too much difference in how they are run, except one is on the backs of the taxpayers and the other is on the free enterprise system.

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, before my main comments, I would like to say to the absent hon. member for Yellowhead and members of his caucus that none of them were in Windsor, Ontario in December 1990 when our CBC station went dark and 10,000 people went out onto the streets to protest this action by the CBC.

(1345)

The CBC is the only cultural instrument in Canada with the capability to unify us and to inform people from the great city of Windsor in southwestern Ontario, the greatest city in the southwest, about people from for instance Yellowhead, a place that I am sure many people had never heard of. Certainly I was not aware of it until I came to the House.

In December 1990, 10,000 people streamed out on to the banks of the Detroit River and looked at a most incredible skyline, a skyline that imposed itself on us every day and reminded us of the American presence, a skyline that clearly reminded us that our specifically Canadian culture in Windsor was always in danger of being overshadowed by that tremendous country right there where we can almost touch it.

That country is so close we can go there for lunch and still make it back in an hour. With that country standing there with all its cultural instruments ready to bring to bear upon us and with people in the House starting to talk about doing things that would devastate the CBC, the single greatest unifying cultural instrument in this country, I say there is something wrong.

If members of the party opposite had been elected in Windsor and were talking in the House on behalf of the constituents of Windsor, they would have to go against their party line. The people of Windsor, Ontario, the people of southwestern Ontario in general, do not want to see the wings of the CBC clipped any more. They do not want to see any further erosion of our cultural institutions.

I remind members of the House that there is a hidden agenda over there. That hidden agenda, in my view and in the view of many people on this side of the House, is that members opposite want to rid this country, by arguing the bottom line, of our wonderful cultural institutions, our arts, our great writers and things like CBC radio and television that unify us and make us different from the people over the river, as we say in Windsor.

I am not here to talk about that today; I just felt the urge. I am actually here to talk about changes to the unemployment insurance scheme announced in the February 22, 1994 budget, specifically in contrast to unemployment insurance changes that were brought in under the previous government. I do not need to tell any of us here that the government's first priority is to get Canadians back to work. Changes to the unemployment insurance program are but one of our urgent pledges to create jobs.

As a result of the unemployment insurance measures introduced under Bill C-17, the 1995 unemployment insurance premium rate will be lowered by 30 cents. This is 30 cents lower than would have been the case without these changes. In 1996 the budget measures I am talking about will mean premium relief of at least 25 cents.

In comparison, when the last major changes to the unemployment insurance program under Bill C-21 were put in place in 1990, the unemployment insurance premium rate had just been increased by 30 cents. That was not the last premium rate increase. Since 1989 premium payments by both employers and workers have doubled. For example, the maximum amount of employee contributions increased from \$614 a year to \$1,245. The maximum amount of employer contributions increased from \$859 a year to over \$1,700.

The measures introduced in the budget were necessary to reverse the trend of continually escalating premium costs for both employers and workers. The premium rollback means that there will be 40,000 more jobs in the economy than would have existed if the premium had been allowed to rise, that is 40,000 more Canadians contributing to the prosperity of our country and, incidentally, paying taxes.

(1350)

In terms of premium payers the rollback means an employer with 100 employees will see a reduction in payroll taxes of up to \$30,000 over the next two years. Over the same period employees will benefit by saving up to \$235. Since the reduction in payroll taxes will result in a lower cost to employers to employ people, it will have the added benefit of lowering Canadian production costs, encouraging exports and making domestic products more competitive.

Government Orders

Premium rollbacks will also create an environment for employment growth, but premium reduction alone is not enough to give us an effective UI program for the 1990s. That is why we are proposing other measures to create a new climate which gives greater recognition to long term work records.

We know that almost half of the Canadians claiming benefits have worked for 40 weeks or longer before making a claim. We know that they have a long and a strong attachment to the economy through the workplace. In keeping with this reality the proposed changes strengthen the link between work history and unemployment insurance eligibility.

The provisions call for raising the minimum length of time an employee would have to work to be eligible for unemployment insurance benefit only from 10 weeks to 12 weeks. We are also proposing a new formula to calculate benefits, a formula that takes greater account of the amount of weeks worked while still being sensitive to regional rates of unemployment.

I am certain my hon. colleagues do not need to be reminded of the regional differences that persist in employment opportunities. With those differences in mind, we are proposing a formula that continues to link extra benefits to the level of unemployment in a claimant's particular region. The unemployed in high unemployment areas will be eligible for up to 20 more weeks of benefits than claimants with similar work histories in the most robust regional economies in Canada. In fact the Atlantic provinces as a whole will receive \$970 in unemployment insurance per capita and Quebec will receive \$730 per capita compared to \$675 per capita for all of Canada.

Another proposal would find greater unemployment insurance benefits to claimants who have low incomes and dependants. Under current rules people who claim unemployment insurance receive a benefit rate of 57 per cent no matter what their circumstances. The proposed changes would mean that the benefit rate would be increased to 60 per cent for unemployed workers who had low incomes equal to or less than \$390 per week and were supporting dependants: children, an aged parent or other dependant. The benefit rate for all claimants would be 55 per cent.

This is an important change since Canada, one of the wealthiest industrialized nations, has about 1.2 million children living in poverty. The proposal for greater assistance to low income UI claimants with dependants will help these children, those most in need and their mothers, many of whom are raising children in poverty as single parents.

Approximately 240,000 claimants will gain from the enhanced benefit rate. Most UI recipients go from unemployment

insurance to a job. Two-thirds of all unemployment insurance recipients will not be affected by the reduction in the duration of benefits. Under the current schedule of benefits three-quarters of all recipients do not use all the benefits to which they are entitled.

We cannot overlook the fact that the proposed changes to the unemployment insurance system will have an impact on some Canadians. The government has taken that impact into account. It has been addressed through other job creation initiatives such as the infrastructure program, the youth services corps and the youth internship program. I hasten to point out that all these programs have been launched. They are already creating jobs not just in Windsor but elsewhere in the country.

When people lose their jobs programs such as claimant re-employment services help unemployment insurance claimants to return to stable, long term work as soon as possible. Our department is currently preparing to provide assistance to those most affected by the changes in Bill C-17.

The budget also included \$18 million in new funds for strategic initiatives. While these are not unemployment insurance moneys, the funds coming from the consolidated revenue fund, the strategic initiatives will allow the government to work with provinces in dealing with some of the impacts of the unemployment insurance changes.

(1355)

Joint strategic initiatives with provinces and territories and private and non-governmental organizations will be a key part of the social security reform process. These funds represent investments in people that will continue to pay off over the years to come. The strategic initiatives offer a means of finding more effective ways of dealing with some of the problems faced by the current system. Initiatives which assisted the unemployed will in turn help to reduce the deficit in the unemployment insurance account and to maintain its fiscal integrity.

The Department of Fisheries and Oceans, together with the human resources department, is assisting Atlantic Canadians to deal with the collapse of the groundfish industry through the \$1.9 billion Atlantic groundfish strategy. We are offering help to those who want new careers outside the fishing industry.

Instead of continuing passive income support, the groundfish strategy offers a broad range of career development programs and services to address adjustments facing fishers and fish plant workers. These include financial and employment counselling, education and training in trades for those under 25 years of age, assistance in relocating to a new job, self-employment incentives, employment training for workers 25 to 49 years of age, work experience in green projects, job creation and community

S. O. 31

service for those close to retirement as well as those who wish to accept early retirement options if they are over the age of 55 years.

It is estimated that about 30,000 persons in the Atlantic provinces and Quebec, 13,000 fisherpersons and 17,000 plant workers, will be initially eligible for assistance under the new strategy. All individuals meeting the criteria will be entitled to a minimum of two years of assistance. Depending on the individual's length of time in the fishery they could receive up to five years of assistance.

Following the passage of Bill C-113 Canadians expressed concern about the fairness of some measures in the Unemployment Insurance Act. The government listened to those concerns, and the proposals in Bill C-17 correct the inequities of the voluntary quit and misconduct provisions. For example, we propose that a period of suspension not be treated as loss of employment due to misconduct. That means that time worked prior to a suspension would still count if the claimant applies for unemployment insurance benefits at some time following the suspension.

Similarly, a leave of absence would no longer be considered a voluntary separation from work. A worker returning to work would not at some later date be penalized for the leave of absence and would still be eligible for unemployment insurance benefits.

We are also proposing that eligibility rules be made more flexible for workers who leave a job that was about to be terminated anyway. When a claimant quits employment for just cause, the claimant will always receive the benefit of the doubt when the information from the employer and employee is balanced. We propose the legislation be amended to give the claimant the benefit of the doubt regarding just cause.

Bill C-17 also enables the testing of new approaches to the operation of the unemployment insurance program to ease the administrative burdens currently imposed on employers, claimants and the government.

An example of such a pilot project would be measures to reduce the information requirements of the record of employment for employers. The complexity of the record of employment has long been a bone of contention for employers. Changes to the procedure would lead to improved equity, increased accuracy in payments and better service.

A second example of a potential administrative pilot project is electronic filing of claims by employers or claimants. The pilot project will examine the possible service and cost benefits of filing electronically.

In summary, these proposed changes are an important first step in the overall reform of our system. The changes to the UI program are interim in the sense that UI is only one part of the

process of comprehensive reform of the social security system already under way. In the meantime, however, these changes will move us toward revitalized programs to deal with the changing labour market, programs that help people to find sustainable employment while at the same time support those unable to work.

The Speaker: Order. It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

PEACEKEEPING

Mr. Gar Knutson (Elgin—Norfolk): Mr. Speaker, I would like to inform the House that in the very near future nine members of the Elgin Regiment will be headed to the former Yugoslavia for peacekeeping duties in this most unfortunate part of the world.

It should be remembered that these nine young men are part of Canada's volunteer, part time militia. As such they interrupt their jobs and family lives in order to serve their country at great risk to themselves. They will be following in the tradition of the Elgin Regiment that goes back for more than 125 years.

I am sure all members in this House wish all our members of the armed forces serving in former Yugoslavia the best of luck and safety while carrying out their important humanitarian duties.

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[Translation]

THE LATE RAYMOND GRAVEL

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, on May 18, Quebec and the people of Beauport—Montmorency—Orléans lost a man of great merit.

Raymond Gravel, former MNA for the Parti Québécois in Limoilou—Beauport from 1976 to 1984, died of cancer on that day. Mr. Gravel was unassuming and always ready to listen to his constituents. Born to a working-class family, through dedication and hard work he became a prominent member of the Quebec National Assembly in the first sovereigntist government in Quebec.

On behalf of the Bloc Québécois and the people of Quebec, we wish to extend our sincere condolences to his wife Juliette and the family. We can assure them that the political struggle for the sovereignty of Quebec, of which Mr. Gravel was a part, will continue. Goodbye, Raymond!

S. O. 31

[English]

THE LATE WALTER DUFEK

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, on May 15 of this year Walter Dufek, a resident of Etobicoke, Ontario, passed away after a valiant fight with cancer. Mr. Dufek was a fighter in every sense of the word, having fought against the Nazis in World War II and after the war against communist control of Czechoslovakia.

His efforts were recognized in many ways. He received the Polish Gold Cross of Merit; a letter of special award from the Unity of Canada; and he was recognized by Friends of the Simon Wiesenthal Centre for Holocaust Studies.

In his final months he was deeply concerned that the freedom we enjoy in Canada, the country he immigrated to in 1951, must be guarded and not taken for granted.

Mr. Dufek said we must be alert, even in a democracy, of coercive governments that use the tyranny of taxation and the liberalization of the criminal justice system to give too many rights to criminals while ignoring the victims.

In memory of Colonel Walter Dufek, a true patriot, an outstanding Canadian.

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IGLOOLIK ISUMA PRODUCTIONS

Mr. Jack Iyerak Anawak (Nunatsiak): Mr. Speaker, in 1990 Zacharias Kunuk, Paul Qulitak and Norman Cohn founded Igloolik Isuma Productions, Canada's first Inuit owned independent video production company.

Only four years old, the company won this year's Bell Canada award for outstanding achievement in video art. It won this award for its Nunavut series, 13 programs depicting Inuit life in Igloolik in 1945.

The actors are local people, real people doing real things in real life. The series shows Inuit history and culture as told and lived by Inuit, and therein lies its power.

I was in Igloolik last summer for part of the filming and spent some time talking to Zacharias. He is a young man of extraordinary vision and talent. His professionalism and dedication are something to be admired.

I congratulate Igloolik Isuma on its tremendous achievement and wish it continued success.

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ETHANOL

Mr. Rex Crawford (Kent): Mr. Speaker, I congratulate Liberal delegates at the Ottawa convention earlier this month who approved all resolutions boosting ethanol production. It is

great to see grassroots Liberals showing this leadership, but it should come as no surprise.

In 1991 the leader of the opposition and now our Prime Minister called on the Conservative government to introduce legislation supporting ethanol.

The historic ethanol plant announced for southern Ontario, the eighth largest in North America, will add \$2.7 billion to Ontario's economy over 12 years. Even the city of Sarnia bid on the plant.

The U.S. is already planning 49 new ethanol plants.

Tens of thousands of area residents have signed petitions and written letters to our Prime Minister urging federal involvement in the Ontario plant.

Grassroot Canadians and Liberal delegates alike know we have a government for the people, not for the bureaucrats. The people are for ethanol.

* * *

(1405)

MULTIPLE SCLEROSIS

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, today is the last day of Multiple Sclerosis Awareness Month.

An estimated 50,000 Canadians suffer from MS. It is the most common disease of the central nervous system affecting young adults in their prime. Twice as many women as men suffer from MS. It is usually progressive and leads to numbness, loss of balance, tremors and even paralysis.

The Multiple Sclerosis Society of Canada was founded in 1948 to help those affected by the disease. Today it has a Canada-wide membership of approximately 26,000. The society promotes and supports MS research and services for people with MS as well as their families. This is accomplished through charitable donations to the society and fund raising events such as the Carnation Campaign which took place this past month.

I wish to congratulate the volunteers and staff of the Multiple Sclerosis Society of Canada for a successful month and to encourage all Canadians to lend support to Multiple Sclerosis Month and to the Carnation Campaign.

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[Translation]

TRIBUTE TO AQEPA

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, as part of National Access Awareness Week, today we wish to draw the attention of the House to the twenty-fifth anniversary of AQEPA, the Association du Québec pour enfants avec problèmes auditifs.

S. O. 31

Founded in 1969 by André and Louise Rochette, the association now has more than 1,000 members. I also would like to draw the attention of the House to the exceptional work done within this organization by Denis Lazure, ex-minister of the Parti québécois, who also sponsored the bill to create the Office des personnes handicapées.

Over the years, AQEPA has managed to regroup parents of hearing-impaired children, to teach them and the other parties concerned, to promote the integration of children in the school environment, to raise funds and to increase public awareness.

We can be proud of these initiatives which our society needs very badly, and we believe it is important to encourage organizations that are dedicated to improving the quality of life of the disabled.

* * *

[English]

NATIONAL ACCESS AWARENESS WEEK

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, yesterday marked the beginning of the seventh annual National Access Awareness Week. This week is important in raising awareness and making Canadians more sensitive to disability issues. This year's theme is "Choices and Challenges".

In celebration of National Access Awareness Week it is imperative that we provide individuals with disabilities equality of opportunity. This means governments must rethink the way we provide benefits to the disabled. Presently persons with disabilities find themselves in a catch-22 position. Many want to work and yet once they find employment we remove the support that allowed them to get a job in the first place.

If we want to ensure that persons with disabilities are net contributors to our society we must remove the barriers that impede their abilities.

* * *

CANADIAN WHEAT BOARD

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, the Canadian Wheat Board is western Canada's single desk selling agency for the export sale of wheat and barley.

The Canadian Wheat Board has served the interests of western Canadian farmers superbly over the years and continues to do so.

In addition, it provides an unparalleled level of customer service to all the millers and bakers and noodle makers around the world who are the ultimate consumers of our product.

The Canadian Wheat Board is one of the great Canadian success stories in international trade.

WORLD NO TOBACCO DAY

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, Canadians are proud their government announced its largest ever anti-smoking drive on the eve of World No Tobacco Day.

If current trends are not reversed smoking will claim the lives of 10 million citizens of the world each year within three decades. In Canada alone 38,000 citizens die each year from smoking related illnesses, the equivalent of a third of most MPs ridings' population.

The challenge to the world is to create a smoke free society. Harmonization of cigarette prices by means of taxation should be part of an international anti-smoking strategy.

Canada has long been a world leader in this area of public health policy. Effective public policy begins with the will of individual citizens.

For non-smokers this day is an opportunity to reaffirm their will not to smoke. For smokers this day is an opportunity for a new beginning to free themselves from the prison of addiction.

* * *

(1410)

EMPLOYMENT

Mr. Peter Adams (Peterborough): Mr. Speaker, in October past Canadians elected this government with a mandate to create employment. Infrastructure announcements are now flowing steadily. This is helping create employment, a promise we made to Canadians.

I would like to thank the minister for his hard work in ensuring the success of this program.

There are, however, other indicators that we are on the road to recovery. A recent survey by an employment agency indicates that unemployed individuals have a better opportunity of finding employment this summer than they have had in the past four years. This agency also states that one-quarter of Canadian companies plan on increasing staff in the next three months.

I am very encouraged that this will not only help in large urban centres but will have a significant influence on employment in smaller cities such as Peterborough.

This is encouraging news for many Canadians who have been waiting desperately to rejoin the workforce and contribute their work skills to this great nation.

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[Translation]

LANGUAGE RIGHTS

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would like to correct what was said by the Deputy Prime Minister, who stated in the House yesterday that the Bloc Québécois had voted

against equal rights for the francophone and anglophone communities of New Brunswick. As usual, the Deputy Prime Minister distorts reality instead of answering questions.

Here are the facts: on December 11, 1992, the Bloc Quebecois asked the unanimous consent of the House for a motion acknowledging those rights to be voted on in a dignified manner, not rushed through to avoid making waves. We suggested having the vote the same day and publicly reaffirmed our support, but we did not obtain the requisite unanimous consent.

On February 1, 1993, when there was an official vote on this motion, the eight members of the Bloc who were present all voted for the motion.

Mr. Speaker, the truth must be told.

* * *

[*English*]

BILL C-7

Mr. Grant Hill (MacLeod): Mr. Speaker, physicians and other scientists in Canada are very concerned about the government's proposed legislation, Bill C-7.

Criminal law must be very clear and concise because of the serious penalties for breaking the law. However, this legislation is vague and broad. Through provisions for as yet unnamed substances to be added to the schedule of controlled drugs, health professionals dealing with innovative active chemical ingredients may be liable to serious legal penalties which are not clarified in the act.

Furthermore, by intertwining criminal law with regulatory law, regulatory inspectors effectively acquire criminal search and seizure powers.

Physicians and other scientists support attempts to better control the non-medical use of drugs. I call on the government to put forward serious amendments to Bill C-7. We must ensure that physicians are not hamstrung by bad legislation in their attempts to provide quality health care to Canadians.

* * *

PARTNERSHIP WALK

Ms. Marlene Catterall (Ottawa West): Mr. Speaker, on Sunday, May 29 I had the privilege of attending, along with my colleague from Ottawa South who was the guest of honour, an event that was truly a tribute to our country's commitment to creating opportunities for people in the developing world.

Sixty thousand Canadians in 10 cities across this country participated in the 10th anniversary of Partnership Walk as sponsors and walkers in a tremendous show of support for all the people of our global village. Partnership Walk is an initiative of the Aga Khan Foundation to create an understanding about development and show the world that Canadians do indeed care about improving the lives of those in developing countries.

S. O. 31

This year's project was especially interesting, being about women in development. Women for as little as \$5 or \$10 loans are starting businesses and raising themselves and their children out of poverty.

My congratulations to all the volunteers who helped make this year's Partnership Walk happen.

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WORLD NO TOBACCO DAY

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, today is World No Tobacco Day.

This annual event is sponsored by the World Health Organization to focus attention on the devastating consequences of tobacco use. Smoking is responsible for some three million deaths each year around the world, 40,000 deaths in Canada alone.

This year's theme is "The Media and Tobacco: Getting the Message Across". The Canadian media has been responsible for alerting and educating the public to the health hazards of tobacco.

I congratulate it and urge it to continue its role as advocate. I would like to urge those Canadians who smoke to think about stopping.

Health Canada in partnership with the National Clearing-house on Tobacco and Health has compiled an inventory of smoking cessation programs. I would be prepared to provide a copy of this resource to anyone who feels they need assistance in quitting or the groups active in this field.

(1415)

Today is the day to say no to tobacco.

* * *

SALMON FISHERY

Mr. Nelson Riis (Kamloops): Mr. Speaker, I regret to say it now appears that a war between Canada and the United States over Pacific coast salmon stocks is inevitable unless immediate action is taken.

Negotiations have been made impossible. While Canada has a clear position regarding the renewal of the Pacific salmon treaty, the United States seems to have an Alaska position, a Washington State position, an Oregon position, a California position, a commercial fishery position, a native fishery position, a sports fishery position. In other words, Americans simply do not have their act together.

While negotiators blame each other for the impasse and the federal and provincial ministers hurl threats at their American counterparts, the reality is the Pacific coast salmon stocks are now at risk.

Oral Questions

Planned retaliation by both Canadian and United States fishing fleets means disastrous overfishing of the salmon stocks and the possible repeat of what has happened with the east coast fishery.

We cannot sit back and watch this fishery disaster unfold. It is time our Prime Minister called on the President of the United States to intervene in this crisis if a full scale salmon war is to be averted.

maintain these trusts allows a wealthy Canadian family to save an average of \$10 million each year are indeed correct, and how can he allow them to continue enjoying this kind of perk when, at the same time, he is imposing heavy burdens on the unemployed and on the disadvantaged?

[English]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, when we took office, having opposed the previous government and the way it was treating family trusts, we found that the information we were being provided was inadequate.

As a result of that and because we really wanted this to be a public debate we referred it to the finance committee in order that Canadians have an opportunity to have that debate.

I would also remind the Leader of the Opposition that in 1987 he was a member of the previous cabinet. In 1987 the previous government was going to do something about it and that is when it began to react to lobbyists, when he was a member of that cabinet.

(1420)

[Translation]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, for the sake of this discussion, it should be pointed out that we have the Liberals to thank for this marvellous tax shelter which they introduced in 1972 for a period of 21 years. It was slated to expire in 1993 and it was the Conservatives who extended it. What the wealthy families wanted was time, and they got plenty of it thanks to the Minister of Finance who came to their defence.

How can the Minister of Finance expect to be a credible defender of family trusts when on April 19, 1993, he rose in this House to vote against the Conservatives' decision to extend the perks enjoyed by wealthy families? What possible reason can the minister give for his complete about-face which will deprive the government of hundreds of millions of dollars each year in tax revenues?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the best way to stop abuse is by being open. Why is the Leader of the Opposition afraid of a public debate before the finance committee on which his party will be represented? We are not afraid of a debate. We are not afraid of providing the Canadian public with information and I can only wonder why the Leader of the Opposition continues to say that we are dodging this issue. What about his record as a minister in the Mulroney government when it caved in to pressure from lobbyists?

ORAL QUESTIONS PERIOD

[Translation]

FAMILY TRUSTS

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, a Canadian Press dispatch reports that a lobby group representing the interests of wealthy Canadian families, the Canadian Association for Family Enterprise, apparently persuaded the former government last year to extend family trusts, a form of tax shelter.

My question is for the Minister of Finance. Having left family trusts untouched in his budget, can the minister tell us if he too caved in to the pressure from these same lobbyists, after having strongly condemned himself the Conservatives' decision in 1993 to extend this form of abuse which allows wealthy families to shelter hundreds of millions of dollars from taxes each year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we stated very clearly in our budget that the issue of family trusts was one of considerable concern to us and, in order for information to be made truly public, it was our intention—and it still is—to refer the matter to the finance committee, which is what we intend to do.

Regarding this lobby group which put pressure on the government, I must admit that I know nothing about it because it did not put any pressure on us. Their target was the previous government, at a time when the Leader of the Opposition was a member of Cabinet.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, just a technical reminder, but I resigned from the Conservative cabinet in May 1990 and this decision was made in 1993.

I get the feeling that many Canadian and Quebec taxpayers are fed up with the evasive answers of the minister, who seems content to refer the matter to a committee. While the committees sit, the wealthy line their pockets and the poor pay!

Can the Minister of Finance confirm if the figures published today by Canadian Press and showing that his decision to

GOVERNMENT FINANCES

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, a study published yesterday by the C.D. Howe Institute concludes after a thorough analysis that the Liberals' budget strategy is inadequate for reaching their goal of lowering the federal deficit to 3 per cent of GDP.

My question is for the Minister of Finance. How does the Minister of Finance react to this study, which totally calls into question his budgetary and fiscal objectives and again singles out his inability to properly control the government's finances?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, like the hon. member, I have not had time to read the report which just came out this morning. I have read summaries.

It says that it is dangerous to let the deficit and debt go out of control and we agree. That is why our goal is to reduce it to 3 per cent of the gross domestic product in three years. It says that public-sector salaries must be controlled and we agree. That is why, under the leadership of the Minister responsible for Public Service Renewal, we are really examining all government spending. Although I have not read the report, I must say that we fully agree with the conclusions on the effects of the debt and the deficit.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, the institute's report indeed says that the measures in the finance minister's budget are all totally inadequate and totally ineffective for reducing the deficit.

I ask the Minister of Finance if, instead of taking a wait-and-see attitude to the disastrous situation of the Canadian government's finances, he does not agree that he must urgently eliminate duplication and inefficiency and immediately eliminate outrageous tax evasions such as family trusts. It is not social programs that should be attacked in the cowardly way you are attacking them.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, one reason we referred the whole issue of family trusts to the finance committee is that the Bloc Quebecois's finance critic suggested it. Unfortunately, we followed his advice.

[English]

I would say something else. It is quite interesting that the Bloc Quebecois which claims to have some degree of compassion—it has not demonstrated it so far—cites the C.D. Howe report which came out this morning but has not cited the report that came out on the tremendous causes of the relationship between unemployment and the deficit that came out last week, the study by Diane Bellemare.

Oral Questions

Why is it that the Bloc Quebecois is prepared to talk about deficit but refuses to talk about unemployment?

* * *

(1425)

PROVINCE OF QUEBEC

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

An hon. member: Oh, new tie, new haircut, new suit.

Some hon. members: Oh, oh.

The Speaker: Order. The hon. member for Calgary Southwest.

Mr. Manning: Yesterday in Montreal the Prime Minister acknowledged that uncertainty concerning Canada's future is having adverse effects on the economy. In addition to growing uncertainty about the government's ability to manage the deficit and the debt, there is this increasing uncertainty caused by the debate over Quebec sovereignty.

Rather than just acknowledging or complaining about this uncertainty, does the government have any vigorous new initiatives to propose to reduce these uncertainties concerning Canada's future?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the most suitable reply—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): —is to ask the leader of the Reform Party to help this Parliament to be a good Parliament, to offer a good government.

The people of Quebec know very well, as they read last weekend as we all did with joy, that of all the countries in the world the United Nations said that the best place to live is Canada. That is the best argument.

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

Yesterday the Prime Minister also said that if the Quebec people were asked a clear question on separation in a referendum, using words and terms which clearly speak of separation, they would not support the separatist option.

Does the Prime Minister have in mind the wording of the question which he would like the Quebec people to answer?

Some hon. members: Oh, oh.

The Speaker: Order. I would point out the question is hypothetical. Perhaps the hon. member could rephrase his question.

Mr. Manning: Mr. Speaker, I am simply referring to words that the Prime Minister used yesterday in Montreal. He said that the wording of the question was all important. If the question is worded right, Quebecers would make the right decision. Could he tell us in his judgment—

Oral Questions

Some hon. members: No, no.

The Speaker: Order. I thank hon. members for the advice they are giving me, but I will make up my mind. The question is hypothetical. Perhaps the hon. member could go on to his final supplementary.

Mr. Manning: Mr. Speaker, the only way to ensure that any question on Quebec sovereignty is put to Quebec electors in the form that the Prime Minister desires is for a federalist government to put the question.

Is the Prime Minister therefore suggesting that his government or the current Quebec government should put the question, Canada or separation, to Quebecers in a referendum perhaps in conjunction with the next provincial election?

Right Hon. Jean Chrétien (Prime Minister): I think, Mr. Speaker, this question is a bit more suitable than the previous one.

The best way for Quebecers to have economic stability and to make sure that the rest of the country does not pay a price for political instability, is for the Quebec people to vote for the Liberal Party in the next provincial election so that we will dispose of the problem. This is the best option.

(1430)

As for Mr. Parizeau, I hope he will never form a government. However, if he were to form a government, he should take the advice of the Leader of the Opposition and not try to cheat but be very honest and tell Quebecers, as the Leader of the Opposition said to the people in Washington, that they are separatists. If they say so, the Quebec people will remain in Canada.

* * *

[Translation]

INDIAN AFFAIRS

Mr. Michel Gauthier (Roberval): Mr. Speaker, work was continuing this morning in "The Pines" in Oka, in spite of the fact that this action had been declared illegal by Minister Sirros of the Quebec government. Tension has just risen one notch in Oka.

Can the Prime Minister tell us whether the government has instructed lawyer Michel Robert to make the stopping of illegal work in The Pines a precondition to any negotiations?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if indeed work is continuing at this time, I think Minister Sirros stated clearly the law was to be enforced and that is also our position.

As for lawyer Michel Robert and Justice Paul, they have been instructed to undertake negotiations as soon as possible. Only, for negotiations to be held, all the parties must be at the table.

And I hope that everyone will agree that it is in the interest of all concerned to sit around the table and look for a solution to this problem.

In any case, the Oka territory is not a reserve under federal jurisdiction; it falls under provincial jurisdiction. If the law is broken, it is up to the Attorney General and the provincial police to take the necessary steps.

Mr. Michel Gauthier (Roberval): Mr. Speaker, Chief Jerry Peltier made payment of the \$3 million demanded from the government by his group in December 1993 a precondition of any discussion with the government's negotiator.

My question is for the Prime Minister. Does the government intend to respond positively to this demand for \$3 million, since its negotiator has referred the matter directly to it?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer is no. What we have on the table is the expansion of the cemetery, approximately doubling the size. We have agreed to do this with the town of Oka.

We have people in there now working with Mr. Peltier on restructuring the debt. He inherited \$600,000 to \$700,000 of legal bills through different hearings of cases that took place in the past. Some he incurred but I think he inherited the bulk.

We have agreed on the seignior, that we would discuss a structure, the solution to which would not be implemented until long after we are gone from the House of Commons because it is a long process. We are talking about housing north of 344, not south of 344. That is independent and I expressed that to my friend over there this morning.

We are talking about a committee to work on housing with four from the membership, three appointed by the council, and some money for renovations. We are definitely not prepared to put up \$3 million. I said that in the scrum this morning and I will say that today. That is not on the table.

* * *

INFRASTRUCTURE

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

On May 11 the minister said there was no money remaining for the highway 416 expansion. Yet two days later he reversed his position and committed approximately \$60 million to the project.

While most would agree with improving highway 416, all infrastructure funds have already been allocated in Ontario. Where is the additional \$60 million coming from?

Oral Questions

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, there is not within the allocations that have been made sufficient take-up to take all the money. I expect there will be other opportunities for reallocation. In that situation we certainly are committed to proceeding with the highway 416 project. It will be up to the province to bring forward a proposal within the Canada–Ontario infrastructure works program to do so.

(1435)

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, I have a supplementary question.

The Canada–Ontario infrastructure program specifically states that all programs are to be initiated by the municipalities and, moreover, that all projects are to be financed equally by the municipality, the province and the federal government.

Why has the minister committed funding to a project that is clearly outside the restrictions of his own program in the case of highway 416?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, there are different agreements in each province. There are many projects in different provinces initiated by the provinces. We did allow for that possibility, not entirely the municipalities.

It would take an amendment to the agreement which the Ontario government would have to propose in order to provide this. It would be completely in accordance with the goals, the objectives and the criteria of the infrastructure works program which is quite successful right across the country. If the Ontario government wants to do it, we are prepared to be there with it.

* * *

*[Translation]***NATIONAL FORUM ON HEALTH**

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Prime Minister, who claimed that the National Forum on Health would give us the opportunity to discuss the precarious situation of the health–care system and enable us to find solutions to the existing problems. We have learned that the forum might be postponed.

Can the Prime Minister confirm that the National Forum on Health will be postponed as a result of the criticisms expressed by the provinces, which were excluded from this consultation process, although they are mainly responsible for health care?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we had many consultations. The Minister of Health had consultations with the provinces and, at one point, the ministers even established a committee of five ministers to make sugges-

tions to her. She received these suggestions and included them in her proposal for next month.

All of a sudden, the provinces came up with other suggestions. Since we are a very flexible government, we said that we would look at their other suggestions. If, unfortunately, a few extra weeks are needed before we hold the conference, we are ready to delay it because we were elected for five years and we will not complain about another five weeks.

However, I would like to point out that the Minister of Health held consultations. She received a report prepared by five ministers. I think she accepted all of their requests, and they then asked for other things. Of course, we will look at what they want, but I am not ready to blame the Minister of Health. On the contrary, I wish to commend her for listening to the provinces and including their studies in her proposal. All of a sudden, they found her too flexible and asked for more concessions. I am certain that she will study their requests and, if they are reasonable, she will accept them.

Mrs. Pauline Picard (Drummond): Mr. Speaker, does the Prime Minister confirm that the federal government, whose goal is to centralize, directly harms the provinces by trying to impose national standards while withdrawing financially?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, frankly, it is a word I have been hearing in this House since 1963. Every time members want to speak against the federal government, they say it wants to centralize, when there has been such a major decentralization that Canada has become one of the most decentralized countries, like Switzerland. But we are still willing to look at suggestions. We have a national health act passed by this Parliament, which requires us to offer free, universal and publicly administered health–care services so that we do not have hospitals for the rich and other hospitals for the poor. That is the goal we will continue to pursue with the conference on health that I will chair.

* * *

*[English]***CORRECTIONAL SERVICE CANADA**

Mr. Randy White (Fraser Valley West): Mr. Speaker, my question is for the Solicitor General.

I have in my possession lists of prisoners in federal penitentiaries that are receiving old age security, Canada pension plan and GST rebates. Among these lists are murderers, rapists and thieves that get room and board, education and recreational facilities in addition to old age security.

These are better benefits than many senior citizens are receiving. Could the Solicitor General explain to Canadians, in particular the senior citizens of our country, why in the world the government treats criminals better than our senior citizens?

Oral Questions

(1440)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, this issue is one that I am looking at in the context of updating and improving our parole and correctional system.

In the meantime, contrary to the suggestions of the Reform Party, I do not think our senior citizens would like to be put in prison.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I would like to say that one stupid answer deserves another stupid question, but I will not do that.

The Speaker: Order. I would ask the hon. member to put his supplementary question.

Mr. White (Fraser Valley West): Mr. Speaker, in the investigation and research the Solicitor General is doing I would like to ask if the Solicitor General would act and stand in the House today to eliminate this entitlement, or at least charge them for the meals they receive, their racquetball usage, the swimming pool or tennis court usage, or their room usage.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, again I repeat this is an issue I am looking at in connection with the tightening up of the parole and correctional system.

I also want to say the hon. member has proven that while I do not attempt to give stupid answers it does not prevent me from receiving stupid questions.

The Speaker: Perhaps hon. members could refrain from using adjectives which might inflame one another.

* * *

[Translation]

RIGHT TO EDUCATION IN FRENCH

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Prime Minister. Yesterday, the Deputy Prime Minister justified the decision of the Kingston city council to block the construction of a French-language high school by stating, and I quote:

—city council decided to oppose the relocation of the school. The proposed site was only steps away from a dangerous toxic waste treatment site—

Yet, a verification reveals that this dangerous toxic waste treatment site simply does not exist.

Does the Prime Minister endorse the statement made by the Deputy Prime Minister, who justified the decision of the Kingston city council by using reasons which, as we now know, do not exist?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the Kingston Roman Catholic Separate School Board unanimously supported the idea of building a school in an appropriate location, but the proposed site is deemed inadequate by the municipality.

Based on the information I received, that location is used as a dump.

An hon. member: That is not true!

Right Hon. Jean Chrétien (Prime Minister): Listen. I am saying that the school board is in favour of building a French-language school. They want to find the best possible site. They are considering two or three locations. This is an issue which concerns Kingston city officials and the Department of Education in Toronto. It is not a federal issue.

I want to emphasize that I asked if there was any objection to building a French-language school in Kingston. I was told: Absolutely not! We want such a school as soon as possible and in the best possible location.

I was given the assurance that a site would be found very soon.

(1445)

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the site already exists, but they want to change the zoning to allow a company to build a treatment plant, instead of the school. Those are the facts which should have been told to the Prime Minister. Mr. Speaker, francophones have paid \$4.2 million; yes, \$4.2 million!

Will the Prime Minister personally take action to ensure that francophones in this country are treated fairly?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I am deeply moved to see Bloc Quebecois members care about francophones outside Quebec, considering that they want to isolate them completely by promoting Quebec's separation.

I am prepared to pledge that a French-language school will soon be built in Kingston.

* * *

[English]

FISHERIES

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Prime Minister.

Just two weeks ago in a rare expression of unanimity, this House passed legislation enabling Canada to take enforcement action against flags of convenience and stateless vessels pilfering our fish stocks just outside the 200-mile limit.

Oral Questions

On Friday cabinet approved regulations that are in effect today which give force to this law. Does the Prime Minister believe these measures will be effective in dealing with this problem? When does the government intend to use these powers to rid our continental shelf of these high seas pirates?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the regulations were proclaimed and are in force today.

After a quick check all ships under flags of convenience or pirate ships have left the area because they do not want to face the wrath of my excellent minister of fisheries.

* * *

FEDERAL GRANTS

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, my question is for the Minister of Finance.

Over the weekend, the Alberta Chamber of Commerce held its annual meeting in Red Deer. One of the proposals put forward at that meeting was that the Alberta and federal governments should refrain from making any new grants or loan guarantees to business. This proposal should really come as no surprise to anyone who has followed the pathetic tales of Gainers or NovoTel, to name just two examples of public money gone bad in Alberta.

Is the minister prepared to accept the Alberta Chamber of Commerce's suggestion to refrain from making any new grants or loan guarantees to business?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, as the member knows the entire question of grants and subsidies to business is under review. We have severely cut back already. A number of the regional agencies have gone to loans and no more grants.

The member however will also recognize that the way the federal government carries its accounts a number of matters appear under grants or subsidies to business which of course involve agriculture and transportation or certain corporations having to do with access to foreign markets.

The basic concept that the government should get out of the way and let business do its job, which is to create jobs, provided this country essentially has a structure that will let them do so is one we share.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, I appreciate the minister's answer.

I would suggest that the minister grab on the suggestion from the Alberta Chamber of Commerce strongly. Chamber members themselves have stated they want a level playing field and government handouts often distort competition rather than help

business. I would like the minister to guarantee that he will look at the suggestion from the Alberta Chamber of Commerce.

(1450)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we most certainly will look at the suggestion from the Alberta Chamber of Commerce. We have already met. As the minister for western diversification can say, he has already brought in a great deal of that philosophy for example in terms of the way he is dealing with small business.

I do share that philosophy. However I would simply ask the member to understand when he talks about a level playing field, that level playing field we have to establish is not one which simply exists within Canada but one which exists in Canada vis-à-vis the rest of the world. We want to make sure Canadian companies are not penalized when they compete with the markets in the rest of the world. We are going to make sure that happens.

* * *

[Translation]

HEPATITIS C

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, my question is directed to the Minister of Health.

We have repeatedly asked the minister in the House whether she intends to act responsibly and make arrangements to inform people infected with Hepatitis C of their condition and the risk of transmitting the disease to others. The minister tends to evade the issue while the lives of thousands of Canadians are in danger.

Has the minister finally realized that her first duty is to inform people who may have been infected in order to slow down the development of the disease and stop its transmission?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I always take my responsibilities very seriously, but the government has several partners. I have to work with the Red Cross and the provincial governments, and we each have to do our share.

Regarding the hon. member's question, this issue is mainly a matter of provincial jurisdiction. Does the hon. member for the Bloc Québécois really want me to take the responsibility for telling the provinces what they should do? On all other issues, the Bloc québécois says: "Do not interfere in matters that come under provincial jurisdiction, and we even intend to leave this country to make sure that will not happen".

That being said, I will continue to work with all the parties concerned.

Oral Questions

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, the minister lets the provinces take the blame, and meanwhile, the lives of thousands of people are at stake.

When will the minister realize that the problem is at this level, that it must be solved at this level and that she is responsible for doing so?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, they change their tune when it suits them.

I can inform the House that hepatitis has been found in the blood supply since the 1940s. In 1990, a way was found to test blood for Hepatitis C. Since that time, all prospective donors are tested. Although many people give blood, it was found that, in a given year, the number of people who tested positive for Hepatitis C was 0.3 per cent.

* * *

[English]

FISHERIES

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

It would appear we are poised on the brink of a salmon war on Canada's west coast. I would like to know what steps the government has taken to ensure that Canada's salmon stocks are not decimated by this action.

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for Delta for his question and his concern and that of the hon. member for Kamloops who spoke earlier on this subject.

(1455)

I want to assure the House that Canada is not poised on the edge of a salmon war. We will not conduct a fishery as a free for all nor will we pursue a catch and kill policy. We will fish unilaterally and only because we are not able to make a bilateral arrangement with the United States.

We do not doubt the will or the intent of the U.S. administration to make an arrangement with us, but we doubt the ability of the U.S. administration to pull Alaska, Washington, Oregon and California together around one sound game plan. Our choices in those circumstances are to acquiesce and have Washington run our fishery, or to stand up and be counted in the interest of Canadian fishermen and that is what we will do.

Mr. John Cummins (Delta): Mr. Speaker, unilateral action by Canada and unilateral action by the United States equals a fish war and a fish war is the ultimate step.

What happens if Canada's fish stocks are being decimated by this action and where do we go from there? How will we advance Canada's position on this issue?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I must say again there is no intent, nor will there be a wanton decimation of Canada's fish stocks.

Indeed all parties in the British Columbia legislature, the New Democratic Party, the Reform Party, the Liberal Party and the Socred Party as well, have unanimously passed a motion supporting the position of the Government of Canada vis-à-vis the United States. There is sound and very solid support throughout the industry in British Columbia for the tough posture we are taking.

We are not going to throw away or destroy our own resource but equally we are not going to throw away or destroy our own fishermen and our own industry. Canada will fish aggressively but we remain ready, willing and able, indeed anxious at any time to sign a sensible and sound conservation based bilateral fish arrangement.

* * *

GAMBLING

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, my question is for the Minister of Justice.

The federal government has jurisdiction with respect to gaming on the Great Lakes. American authorities have recently approved such activity on certain Great Lakes cruise ships.

Will the minister encourage Canadian tourism and job creation by allowing gambling on Great Lakes cruise ships operating in Canadian waters?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the hon. member knows the Criminal Code of Canada deals with gambling by providing for blanket prohibition and then allowing it by exceptions specifically in relation to the provinces.

The provinces are allowed to operate lottery schemes. They are allowed to be the operators of casinos with table games and slot machines. There is no provision in the Criminal Code at present to allow the federal government to operate or to licence casinos directly for gambling.

I must tell the hon. member there is no plan at present to amend the gambling provisions of the code to provide for additional exceptions, such as the private operation of casinos as he suggests. In order to do such a thing at least two requirements would have to be met. First we would have to negotiate with the provinces for an agreement to that effect. Second, we would have to deal with the provisions of the coasting trade act which has regulations that would pertain to any such arrangement.

If the hon. member cared to pursue in detail any aspect of this question, I would be happy to meet with him for that purpose.

[Translation]

ANTI-SMOKING ADVERTISING

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, my question is for the Minister of Health.

The government is about to launch a \$185 million program over three years to combat tobacco product use. Out of this amount, \$55 million will be spent on an anti-smoking ad blitz. Can the Minister of Health confirm that the government intends to spend \$55 million on an anti-smoking ad campaign, when studies have clearly shown that previous campaigns have only had a minimum impact on cigarette use, especially among teenagers?

[English]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I am pleased to stand today and speak to the tobacco reduction strategy.

The numbers that have been presented have been a tentative outline of some of the things we might consider. We are and continue to work with anti-smoking groups, groups such as the cancer society, and provincial governments to ensure that these dollars are effectively used and that they do stamp out smoking. One of the particularly good things about this strategy is that it is being funded by a surtax on the profits of large tobacco manufacturers.

* * *

(1500)

ROYAL CANADIAN MOUNTED POLICE

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, my question is for the Solicitor General.

Rod Stamler, a former assistant commissioner of the RCMP has alleged that the Mulroney government interfered with RCMP investigations into political corruption within the federal government.

Mr. Stamler has detailed these and other serious allegations in a recently published book and during public appearances on radio and television.

What action is the Solicitor General taking to look into these very serious allegations?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, first of all I am going to read the book that the allegations are based on which have been reported in the press.

In the meantime if anyone has any direct evidence of wrongdoing on which the police should act I think it should be brought to the attention of the proper authorities.

Speaker's Ruling

POINTS OF ORDER

VOTES AND PROCEEDINGS—SPEAKER'S RULING

The Speaker: My colleagues, I have notice of two points of order today. Before I take these points of order I want to make a ruling on a matter that came up.

Earlier today the Parliamentary Secretary to the Leader of the Government in the House of Commons raised a point of order regarding the decision not to print in *Votes and Proceedings* the full text of the Senate amendments to Bill C-18, an act to suspend the operation of the Electoral Boundaries Readjustment Act.

The hon. member raised a valid point in explaining the difficulties in obtaining the text of these amendments from sources other than House of Commons publications.

Procedural Services may have interpreted too broadly a recent decision of the Board of Internal Economy and the Standing Committee on Procedure and House Affairs to no longer print in *Votes and Proceedings* the text that daily appears in other parliamentary publications.

While the reason behind this decision was to realize reductions in printing costs and eliminate the duplication of printing, after due consideration it would seem appropriate to return to the previous practice of printing the full text in *Votes and Proceedings* of Senate messages, including those concerning amendments to bills.

[Translation]

Perhaps the Standing Committee on Procedure and House Affairs should review this practice as part of its on-going mandate. Accordingly, the full text of the Senate amendments to Bill C-18 will be printed as a corrigendum in today's *Votes and Proceedings*.

[English]

I will now hear a point of order from the member for Calgary Southeast.

OFFICIAL REPORT

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I would like to correct the record. During the debate on Bill C-26 on Friday, May 27, 1994 I said that I would bring forward a motion to the Standing Committee on Canadian Heritage to reduce the National Library's appropriation by the amount that the director general of corporate policy and planning stated the bill would save the Library.

The figure that I mentioned was \$300,000. The correct figure is approximately \$100,000.

The Speaker: It is on the record but it is not a point of order. It would be a point of information to the House and it could be done by other means.

I will listen to a point of order from the member for Frontenac.

Government Orders

[Translation]

FIRST REPORT OF THE COMMITTEE ON THE ENVIRONMENT AND
SUSTAINABLE DEVELOPMENT

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, yesterday afternoon, around this time, the member for Davenport, who chairs the Standing Committee on the Environment and Sustainable Development, tabled our report which contained a dissenting report by the Bloc Québécois.

I rose, pursuant to Standing Order 35(2), to present the Bloc's opinion, but the Deputy Chairman, who was busy doing something else, did not recognize me. Mr. Speaker, if you allow me, I would be very pleased to do so this afternoon.

The Speaker: It seems to me that what the member is requesting is acceptable to the Speaker and the House. He may now make his point.

(1505)

Mr. Chrétien (Frontenac): Mr. Speaker, over the past few weeks, I have heard numerous testimonies from various individuals and groups while serving as the vice-chairman of the committee on the environment and sustainable development.

Following debate which was quite lively at times, it became apparent that the positions of the Bloc Québécois and Liberal Party were irreconcilable. Opinions differed not on the wording or the terms and conditions, but rather on the very substance of the matter.

The report which the committee tabled yesterday calls for the appointment of a new authority, whereas we advocate the use of a structure that is already in place and has proven its worth.

In our view, it would be more appropriate to broaden the mandate of the Auditor General's Office and grant it the required resources to deal with environmental issues in a proper, thorough manner.

To all those who would loudly denounce this alternative as reactive and not in keeping with sustainable development, our answer would be that the proposed solution is nothing but an attempt to impress.

An appointed official has no business making policy. Our democratic system allows Canadians and Quebecers to elect representatives to govern the country and lead it ably on the path to sustainable development. It would be too easy to have an additional authority, a whipping boy, which would be made responsible for all decisions.

In this instance, the mandate of the commissioner of the environment will in many ways overlap the mandates of other authorities, notably the Canadian Environmental Protection Act, certain Green Plan programs and even Environment Canada.

We are not opposed to virtue and we acknowledge the importance of protecting the environment in any way possible. However, we felt the honest thing to do was to criticize this proposed new position which would merely provide another way out for a government unwilling to carry out the responsibilities entrusted to it by its citizens.

GOVERNMENT ORDERS

(1510)

[Translation]

BUDGET IMPLEMENTATION ACT

The House resumed consideration of the motion.

Mr. Antoine Dubé (Lévis): Mr. Speaker, this is the fourth time I rise in this House to speak on cuts to the unemployment insurance program. The first time was immediately following the budget speech. Then I spoke again at second reading and at report stage and finally, today, at third reading.

By my count, Bloc Québécois members have made 60 speeches on UI cuts in this House, that is to say over half of all speeches made on the subject. How come?

On the government side, efforts were made to wrap up these UI cuts in an omnibus bill, a catchall bill which contains interesting measures on the whole, but hides these cuts that signal further cuts to social programs affecting the less fortunate.

As the hon. member for Mercier said this morning, this is a very sad day indeed, because the less fortunate segment of the population is being attacked. But what did we just hear during Question Period? Answers that were, for the most part, disturbing. The government, which has saved \$1.3 billion in unemployment insurance, did not dare attack, in this budget, family trusts which benefit the wealthiest members of our society.

This means that people who already enjoy the best lifestyle in this country will continue to do so while, in an effort to reduce the deficit, the government will ask the less affluent to make a \$1.3 billion sacrifice. I would like to point out that \$1.3 billion is \$300 million over the projected cost of the infrastructure program which was announced by this government, is under way and involves the three levels of government.

If the Bloc Québécois members, the official opposition members, have spoken on this issue as often as they have, it was to show they had tried everything. Today is the last day. By moving amendments and having as many of our members as possible speak to this bill, we tried to make the government realize a change of attitude concerning the less affluent was in order. We have also recalled at every opportunity the positions government members had held when in opposition.

Government Orders

Just last year, the former Conservative government introduced two bills respecting unemployment insurance. The first one was Bill C-105, and you will remember that there was so much controversy about this bill tabled by the then minister of employment that he had to table an all new one, namely Bill C-113, in which the number of instances where the benefit of the doubt was given to the unemployed instead of the commission was reduced. It also provided for a reduction in unemployment insurance rates.

(1515)

I will read, as it is worthwhile remembering, some of the statements that were made at the time by members of the current Liberal government, in particular the hon. member for York South who, coincidentally, is Parliamentary Secretary to Minister of Human Resources Development. He had this to say about Bill C-113: "Reaction has been so strong because the changes to the unemployment insurance program contained in Bill C-113 threaten every Canadian who has a job. By reducing the benefit rate from 60 per cent to 57 per cent of insurable earnings, the government is going to be taking money out of the pockets of some families. It may only be \$80 a month, but for some households, that represents the hydro and phone bills or a weekly order of groceries".

For the vast majority of Canadians who live pay cheque to pay cheque, losing an extra \$80 a month can be a major set-back. What about today? There is another 2 per cent reduction, which amounts to some \$50 a month. We can now repeat the arguments that the parliamentary secretary put forward at the time and ask how come he cannot influence the minister he is so close to. What happened in the past year that caused the parliamentary secretary to do such an about-face on the benefit rate reduction? We wonder.

He read a letter—I am certain that the situation has not changed—that had been sent to one of his colleagues. The letter was addressed to the Minister of Employment with a copy to his colleague. It was from an expectant mother who was distressed to learn that UI benefits she would receive during maternity leave were going to be reduced from 60 per cent to 57 per cent.

And I could go on for several more pages because the Parliamentary Secretary to the current Minister of Human Resources Development has been, I must admit, one of the most prolific in this regard, especially when young people are concerned. He waxed indignant against the previous government's attempts to cut unemployment insurance, saying, among other things, that young people and women were perhaps the two social groups that were the most threatened by UI cuts because their jobs, as everyone knows, are the most precarious. Thirty per cent of precarious jobs are held by young people and even more, nearly 50 per cent, by women.

I find it hard to understand. I am asking people whom I know have social convictions, who are now on the government side, why, now that they are in office, they continue to support a bill now at the last stage of the adoption process which will take, let me remind you, \$1.3 billion out of the pockets of unemployed Canadians.

I will now read an excerpt from a speech delivered on March 24, 1993 by the current Chairman of the Standing Committee on Human Resources Development when he was a member of the opposition. He said: "Once again the Tories have chosen to ask those that are the main victims of the recession, the unemployed, to bear the burden of expenditure restraint, while at the same time, they enact other measures that allow the wealthy to continue to escape paying their fair share of taxation and contributing to deficit reduction".

(1520)

Today our leader asked a question about family trusts. Why did you not stop them? Why did you not do something so that people who hold considerable fortunes in family trusts pay more tax? Despite a negative answer, the bill that will be passed in a few hours talks about cuts to unemployment insurance. Not just anyone is saying that; it comes from the current chairman of the human resources development committee, of which I am a member.

What could have happened in a year to make this member, who was then in opposition, do an about-face, turn around 180 degrees and agree to have his government pass a bill that will again cut payments to the poorest people.

Now the hon. member for Notre-Dame-de-Grâce made a long speech on it. He said: "When more than a million Canadians are without work and struggling to feed their children, pay the rent and meet their families' basic needs, the government cuts their benefits from 60 to 57 per cent of their insurable earnings for two years, saying that it hopes to restore them to 60 per cent when the economy is better". Listen to this: "This measure is unacceptable and we will continue to fight it". He did not continue much longer. A year later, the same member is on the government side; his government is proposing not only to go back to the previous measure but to take off another 2 per cent for 85 per cent of those unemployed people.

What has happened to this member in a year? Nevertheless, the member for Notre-Dame-de-Grâce is very experienced and is surely used to the idea that an opposition member may one day quote what he said in *Hansard*. What has happened to make this member remain silent today?

If it were only backbenchers! Now here is a question from the present Minister of Human Resources Development. It is vaguer, but we still see which way he was going then. He said: "Yesterday, the Minister of Employment made what we could call an outrageous speech to the Empire Club in Toronto. Once again, he attacked the unemployed and unemployment insurance. He said that Canada's social programs were like a net to

Government Orders

catch fish. It is not a very flattering comparison for the thousands of Canadians who are without work”.

This minister was a Liberal opposition member last year and I could quote many more who spoke out then against the Conservative government's desire to amend the Unemployment Insurance Act. It seemed to be the apple of his eye. What has happened? What is going on? That was a year ago. As far as I know, there was no indication in the red book that the government would be cutting UI. On the contrary, I heard hon. members and now government ministers repeat dozens of times to anyone willing to listen that they certainly would not cut social programs.

And what are they doing now? Even before completing his consultation for a social program reform, as soon as the budget is passed, the minister will cut \$1.3 billion from the UI. What happened to the minister during the year? He has some experience, having served as minister of employment in a previous Liberal government. He was familiar with the job. He cannot be blamed for improvising a position just like that.

If it were only one minister, I would keep quiet, but I made a brief search, and here is a question asked by the current Prime Minister. At the time, he said the following: “Mr. Speaker, I would like to know if the Conservative Prime Minister thinks that the approach used by the minister, which is to call all opponents of the bill separatists, is unacceptable to the people in Canada. Hundreds of thousands of Canadians throughout the country feel that some measures in that bill”, referring to Bill C-113, “are totally unacceptable”.

(1525)

What happened a year later? The Prime Minister, who was then in opposition, now leads a government which, far from reversing the trend to cut UI, is reinforcing it. What happened? One has to wonder.

I could quote other MPs, but people sometimes say: “Ah, these Bloc Quebecois members and their opinions”. So, instead I will quote the opinion of journalists published in *La Presse*, last April 15, in an article under the following headline: “819,000 people will go on welfare and 44,000 will become ineligible for UI benefits following amendments proposed in Bill C-17”. The article referred to July 3. This is important, because people are not always aware of that date. Some are, because they were affected by measures which came into effect on April 3, but those who will only be affected on July 3 have not noticed the change, because that change is yet to come.

The article went on to say: “According to the February 22 budget, as of July 3, people will need 12 weeks of insurable employment, instead of ten, to be eligible for UI benefits. It is

estimated that 44,000 recipients will not be able to meet this requirement in 1994-95”.

The article then dealt with another measure, this one in effect since April 3. It stated: “The duration of benefits is reduced according to the regional unemployment rate. In some regions, it will only be 35 weeks”. In the good old days, back in 1989, that period could last up to 52 weeks. This is a major change. The article continued: “Together, these changes will result in 19,000 new welfare cases across Canada”, for a mere two extra weeks of insurable employment. In total, as I said earlier, 819,000 people will have to go on welfare. What does that mean?

It means that people will lose UI benefits sooner, but will still be without a job. This will result in additional costs to provincial governments. Even though the federal government finances half of the costs of social assistance, it is leaving the bill to provinces.

In the case of an amount of \$1.3 billion, this transfer represents a sum estimated at \$735 million per year by economists from the Université du Québec à Montréal. That is a lot of money. Seven hundred and thirty five million dollars per year. This means, of course, that the federal government is amending the Unemployment Insurance Act to save money, but more than half of those savings, 60 per cent to be precise, are made by transferring this expenditure to the provinces. I wonder how people would react if a person unable to pay off his debts simply changed address and left his neighbour stuck with the bills. Nobody would put up with that. Yet, when the provinces complain about that situation, what does the federal government tell them? It tells them that it is a whim of theirs.

(1530)

But \$735 million is a significant amount of money. In the end, there is only one taxpayer. The men and women who look into this situation must find this total lack of foresight from the government absolutely incredible.

If there were, at least, some jobs available, but unemployment is high. With 1,000,622 jobless people in April, and 467,000 Quebecers out of work, what we need is jobs.

But what do these people get as an answer? That there are no jobs available, because it is not true that the infrastructure program will create enough jobs to put all of these people back to work. In conclusion, I know we are an hour and a half away from the passing of this bill, but I would once again ask members of the previous Parliament to refer to their notes and recall what was their former position about cuts to unemployment insurance. I urge them to maintain their previous position, to come back to their old policy and to let the underprivileged benefit from the current situation until the government has the guts to deal with the issue of family trusts.

Government Orders

[English]

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the hon. member who just spoke mentioned the whole question of the family trust, something which also came up in question period today. It is the absence of anything dealing with that particular issue in the bill that is relevant to the debate before us.

The member also spoke about advising people to stick by their initial positions. The member should be aware that the leader of his party, in spite of what he said earlier today, was a member of a government that was responsible for greatly increasing the unfairness of the tax system between the rich and the poor.

I remember Michael Wilson in his first budget saying that the problem with the country was that we did not have enough rich people. He set out to create more rich people and he succeeded. One of the ways he succeeded was by being harder on the poor and by reducing the number of middle class Canadians that existed. He did so through the tax system after 1988, with the compliance of the now Leader of the Opposition.

Also on the same issue—and I invite the member to respond to this after I am finished—we saw the Liberal government of today claiming a certain innocence with respect to it. I was here. I remember that when I was attacking the extension of the exemption for the family trust at second reading the Liberal critic at that time, now the Minister of Health, got up and agreed with the Minister of Finance that I was on the wrong track. It was only after testimony in committee that the Liberals changed their minds. On second reading they were very much with the government on the particular issue.

I want to ask the member a question. Perhaps he would want to reflect. It seems to me we have something that speaks volumes about the priorities of this government and previous governments. We have the lack of any action on the extended exemption, thanks to the Conservatives, for the family trust and at the same time an attack on the unemployed.

The unemployed, people without any income, are being told that they will have to go longer and that they will have reduced benefits: a massive bill in order to do that to them. At the same time we have no action on the part of the government for people who have income, in fact billions of dollars of income from those assets, the deemed disposition on those assets and the capital gains. They have been able to plead with the previous government, and now it appears with this government, that it would be hard on them, that it would be oh so hard on them.

We see from the release of letters that at one point there was correspondence between the Minister of Finance and the committee for family enterprise saying how difficult it would be if they would finally have to pay the tax on all the millions of

dollars they have tied up in real estate and other assets that they were expecting to pay for 21 years.

(1535)

Here we have, it seems to me, a perfect example of what is wrong with our value system. We can say to the unemployed: “You are unemployed. You do not have any income. Tough. We are going to make it tougher on you”.

Yet at the same time and by the same governments, whether they be Conservative or now Liberal, we say to the very rich in the country that we understand it will be tough for them to have to pay that deemed disposition and those taxes that they have known since 1972 they were going to have to pay in 1993. Perhaps the member would like to comment on that.

[Translation]

Mr. Dubé: Mr. Dubé, I thank my colleague for his comments because I think that is what they were. I agree with him, but I want to make a correction. He cannot attribute to the Leader of the Official Opposition actions in which he was not involved in any way. Let us not forget that he resigned from the Conservative government on May 22, 1990.

When we talk about C-113 and C-105, those bills came after our leader's resignation. I can confirm, since I checked the date myself, that the present Leader of the Opposition left the Conservative Party on May 22, 1990.

As for the other comments regarding family trusts, the hon. member gives me an opportunity to find the explanation that I was looking for earlier as to what may have happened over the last year for people to change their mind. We saw what happened in the case of Pearson airport. We can feel the influence of lobbyists or people who represent powerful financial interests, including the rich families, and there are not that many of them in Quebec nor in Canada. It is something worth looking into, but I will not draw that conclusion myself, giving the government the benefit of the doubt.

However, regarding the hon. member's comments about the Leader of the Opposition and his involvement with Bill C-113 or C-105, the member cannot accuse him of having supported these bills because, according to the information I have, he voted against these measures and was no longer a member of the Conservative government at the time.

Mr. Jean Landry (Lotbinière): Mr. Speaker, I listened to what the member for Lévis said on Bill C-17. I spoke on this subject myself and I would like to ask the member for Lévis a question.

My first question is—

*Government Orders**[English]*

Mr. Blaikie: I rise on a point of order, Mr. Speaker. I hate to sound like an old timer but I was around when we wrote the rules for the question and comment period.

The idea written into the recommendation and accepted by the government was that the question and comment period was first and foremost for members of parties other than the party of the person who had just spoken. It was only in the absence of members of other parties that members of the same party were to be recognized on questions.

The Acting Speaker (Mr. Kilger): If I go back to the conclusion of the intervention by the hon. member for Lévis, at the beginning of question and comment period both the member for Lotbinière and the member for Winnipeg Transcona rose at the same time.

I gave the floor to the hon. member for Winnipeg Transcona, and following the reply of the member I gave the floor to the hon. member for Lotbinière.

[Translation]

Mr. Landry: Mr. Speaker, as I was getting ready to speak, I listened carefully to what the member for Lévis said about Bill C-17. I would like to ask him a question. Did he or his party do something about Bill C-17 with the government? Did they try to find a solution to this problem?

Let us make no secret about it, some people, Canadians and Quebecers, will be hurt by this law. Let us not forget that even those who are working today do not know if they will be out of a job tomorrow.

It is very important and I would like the member for Lévis to tell us if the Standing Committee on Human Resources Development, on which he sits, offered a concrete solution to this problem.

(1540)

My second question is: How will we announce these cuts to Canadians? Will the member invite all Canadians and Quebecers to rally against this law? What does he intend to do?

The Acting Speaker (Mr. Kilger): The hon. member for Lotbinière is acquiring some experience, as are all his colleagues from both sides of the House. Considering the short time that we have left, I hope that the hon. member for Lévis will be able to answer both questions.

Mr. Dubé: Mr. Speaker, what have we done and what do we intend to do? Well, in the Committee on Human Resources Development, of course, this project was not discussed as such, but the administration of the unemployment insurance fund was.

We met the Minister of Human Resources Development and asked him some questions. We also approached officials who are

implementing this system. I wish to tell those who are listening to us that the bill was tabled by the finance minister, so it was considered in the committee of finance. And the Official Opposition invited witnesses from all parts of the country to give their opinions and would have liked to hear other people, because many wanted to be heard.

What can we do to stir up public opinion? I think that it is not the role of a member of Parliament as such to do that. Anyway, that will not be necessary, since on May 1st, on Workers' Day, and the days that followed, you will recall that there were major demonstrations throughout Canada, and particularly in Quebec. And there are many people within organizations, action groups on unemployment and community groups who are concerned and asking for information. Our group of members of Parliament, of course, is trying to provide all the information available on that issue. Several members have taken the initiative to get together once a month, in public meetings, with their constituents. From the contacts that I had with my colleagues, this issue is the most often raised.

[English]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I am pleased to rise today to speak in the House about the government's commitment to an unemployment insurance program that provides adequate and fair protection for Canadians who have lost their jobs and are seeking work.

[Translation]

We are living in unusual times with many upheavals to our economic and social systems. This is not a time when we can be complacent. That is why this government is committed to ensuring that our social security system is brought up-to-date so that it can meet the needs of Canadians now and in the future.

The unemployment insurance program is an integral part of this system. It will be a key element in our reform of the social safety net and in the development of an economic policy that will guide Canadians into the 21st century.

[English]

In introducing these changes to the unemployment insurance program we have carefully weighed the needs of business, of the unemployed and of working Canadians. We wanted a program that would create and protect jobs but also one that would ensure adequate resources for low income families with dependants.

Let me for a moment examine these changes. Payroll taxes such as unemployment insurance premiums play an important role in job creation and, conversely, in discouraging the creation of new jobs. When businesses know that payroll taxes are going up they cannot stabilize their costs. Naturally they have concerns about future profitability. They may not be able to create new jobs or even sustain the jobs that already exist.

*Government Orders**[Translation]*

Our government wants to create a climate of stability that will enable business to create and maintain jobs in this country. Therefore, we intend to rollback the statutory rise in the unemployment insurance premium rate and to finance the shortfall in revenues through the amendments to the unemployment insurance program being discussed in this House.

(1545)

The large accumulated deficit in the UI account means that the UI premiums should be rising to \$3.30 next year. It is now \$3.07, and the economy cannot afford such a big hike in payroll taxes.

[English]

Therefore we propose to reduce the premium rate to \$3 an hour for 1995 and 1996, and if possible in 1996 the rate could be lower if the financial and economic state of the country and the unemployment insurance program in particular permit such a reduction.

Our second proposed change is to establish a stronger link between work history and UI benefits while remaining responsive to the needs of Canadians in different parts of the country.

[Translation]

We know working people face many different problems and challenges in different regions of the country. We want our unemployment insurance program to remain sensitive to the realities of seasonal work and the needs of people in areas of high unemployment. Therefore, our new proposal continues to include a formula that links extra benefits to the level of unemployment in a claimant's region of the country.

[English]

We have had to make difficult trade-offs between creating jobs on the one hand and maintaining benefit levels for unemployed Canadians on the other.

We believe that this proposal with its regional unemployment component is the fairest way possible to ensure that those people who need benefits actually get them. We know that most UI recipients go directly from UI to a job, and fully three-quarters of the people who receive unemployment insurance do not make full use of the maximum number of weeks of benefits to which they might be entitled.

Canadians want to work and the government wants to make sure that as far as possible they can.

[Translation]

The third change we propose to the unemployment insurance program is to provide greater benefits to Canadians with modest incomes who support children, an aged parent or other dependants. This is not an unprecedented move.

During the first 30 years of the unemployment insurance program's history, benefits were calculated based on family status and economic circumstances.

[English]

Many households today are under financial stress even though most families today have two wage earners. The reasons for this are many: increased part time employment which often pays less money than full time employment and provides fewer benefits; a higher general level of unemployment; an increase in one parent families; incomes have not grown in real terms since the mid-70s; and slow growth in individual earnings.

These trends have been particularly difficult for Canadian women and children. Women now represent 45 per cent of the Canadian workforce but unfortunately most of these women are working for low wages. On average a Canadian woman working full time today earns approximately three-quarters of that of a Canadian male. Many of these women are single parents bearing the full responsibility for their children.

Our proposal is to provide greater unemployment insurance assistance to those low income Canadians with dependants. This will have an immediate impact on women and children of our country who are most in need.

(1550)

Under the current rules people who claim unemployment receive a benefit rate of 57 per cent no matter what their circumstances. Under our proposed changes there would be a two part benefit rate: 60 per cent for low income people with dependants and 55 per cent for others. With fewer unemployment insurance dollars to go around we believe it is only equitable and fair to ensure that the dollars we have go to those who have the greatest need.

The government estimates that this would improve benefits for 15 per cent of unemployment insurance claimants or about a quarter of a million Canadians and their families.

[Translation]

For these reasons—reducing premiums to create jobs, ensuring responsiveness to regional needs, and protecting low income earners—this Government proposes these changes to UI and rejects the Honourable members' motion.

Government Orders

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, the minister was right when he said that Canadians want to work. This is quite true, and the same applies to Quebecers.

In Matapédia—Matane, the rural riding which I represent, my constituents want to work, and there are no ifs or buts about it. They are prepared to work for hours and do anything at all to put bread and butter on the table for their children.

I have a question for the minister. But first, an example. In our area farmers cannot start sowing because there is still snow in some places, although it is quite warm here. In the forestry industry, working 12 weeks instead of 10 is almost impossible in some places. That means these people will go on welfare.

There is another point I would like to make. The BDCs which help small businesses create jobs seldom invest in venture capital. My question is this: Even if everybody wants to work, and I must say I agree with the minister, would it be possible to take a different approach in a rural riding like mine? Could we not give more power to the BDCs so they could help people in small businesses create jobs and provide work by investing more venture capital?

Mr. Anderson: Mr. Speaker, the hon. member who just spoke mentioned the need for a strategy that goes beyond unemployment insurance to include other measures to promote small and medium-sized businesses and bigger companies as well. We must create jobs. This is very important, not only for Canadians who are out of work but also for other Canadians who are always in danger of becoming unemployed.

It is also very important for the economy in general to have a lower unemployment rate and to get the unemployment rate down as soon as possible.

I do not know at what level unemployment is acceptable, but it certainly is not at the level we have now, which is about 11 per cent. I hope that, in the years to come, we will manage to bring unemployment down to less than 5 per cent. I hope we can, but even that may not be enough. However, it is possible to reduce the unemployment rate.

All I want to say right now in response to the hon. member's question, and I thank him for his question, is that there is a strategy with several components. Unemployment insurance certainly cannot create jobs.

(1555)

This bill contains some major changes in general strategy in order to get money from the government to support education, training and other ways to help people find jobs.

In this debate we do not have all the other measures that are or will be before the House, but I can assure you that job creation is the cornerstone of the Liberal platform and the government's policy. Every day, in speech after speech, the Prime Minister

keeps repeating that the government's objective continues to be to create jobs in order to give Canadians the dignity of work so that they can put bread and butter on the table for their families.

I can assure the hon. member that the sentiments reflected in his speech will also be reflected in a number of other measures, and meanwhile, the government is pursuing a major goal.

Mr. Jean Landry (Lotbinière): Mr. Speaker, I listened to the member's remarks and I have a very short question for him.

During the election campaign, seven months and a few days ago, the Liberals told Canadians and Quebecers that they would not touch social programs. Could he explain why, after seven months and a few days, they have decided to cut those programs when they probably could have cut elsewhere and not harm the most vulnerable members of our society? I would like to know what he has to say about that.

Mr. Anderson: Mr. Speaker, it is impossible for a responsible government and a responsible party to promise that there will be no changes to economic and social programs, or in other areas.

In order to have a modern economy, you have to make changes. During the election campaign, the Liberal Party never said that it would not make changes to the social programs, the unemployment insurance system or elsewhere. It never campaigned on that.

In the red book, there are several indications that the government was going to make changes. I can assure the hon. member that, if he reads the Liberal Party's holy book, he will see that the changes that are happening now had been planned during the election campaign.

[English]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I spoke to Bill C-17 on April 14 during second reading and again in the report stage. I am pleased to be given so many opportunities to talk about the reforms to unemployment insurance and our income security programs.

In my previous speeches I summarized the changes to the unemployment insurance program. Of the six major changes proposed by the government the Reform Party supports five.

We used these previous occasions to encourage the government to go even further. I would like to use an illustration as to how we feel at this time.

If I went out to buy a horse, looked at it and it looked fine, and I began to examine it, I would start with the mouth. I would check its teeth to see how old it is and I would walk around it and check its feet. If I came to the back and I found a leg missing I probably would not accept it. I would not want to buy that horse. That is how we feel about a lot of these changes to the unemployment insurance system. It looks good but there are some flaws in it.

Government Orders

I listened to the complaints about changes to the unemployment insurance by the Official Opposition. Its concerns show us just how off track the unemployment insurance program is. It proves that unemployment insurance is perceived as a way for social engineers to redistribute income. It proves that unemployment insurance is no longer a true insurance program but a glorified welfare program. The Reform Party would like to change all that. The Reform Party wants to return unemployment insurance to a true insurance program, not a welfare program. We want to get this standing on all four feet, sound and well supported.

(1600)

Reformers take great pride in getting the principles right before us, starting right at the beginning in reforming the program. The government has launched a two year process to reform our social programs and not once has the minister described the principles on which the government's reforms are based. We find this appalling that no principles have been put forth which this program would stand on. Canadians deserve better.

I challenge the minister and the Official Opposition to ask their constituents some hard questions about the future of our social programs and the future of our unemployment insurance program. I did not describe unemployment insurance as a social program because it is not, it is an insurance program.

If we are going to truly reform the system, then we have to start with two fundamental principles, two fundamental questions. First, why is the government in the unemployment insurance business? Second, why is unemployment insurance compulsory?

Reformers do not think that the government is qualified to answer these questions, but know that the Canadian taxpayer and the workers and the employers who pay the bills are. Reformers have been asking Canadians what they think for years now and we believe it is time the government started asking the same people what should be done.

If the government has the courage to ask ordinary Canadians what they think, it will be surprised by the answers. Here are some of the questions, and I want to spend most of my time outlining the questions that the government should be asking.

First, would taxpayers like to have social programs designed so that they eliminate all duplication between the federal government and other levels of government? Would they like programs designed that way?

Many Canadians see unemployment insurance and welfare as basically providing similar support for the same people. They see little reason for two large bureaucracies, one federal, one provincial, doing essentially the same thing.

It is time to make clear distinctions between income supplements and income insurance and to clarify exactly which level of government is responsible for delivering those services.

I also believe that the level of government that is closest to the people is most often in the best position to effectively administer these types of programs.

Second, would taxpayers like to have social programs structured to lessen the dependency on the system and encourage clients to become economically productive? This is the question the government should be asking.

Third, would taxpayers agree that our social programs should be designed in such a way as to encourage administrators to achieve the stated goals of the program, for example lower unemployment?

Fourth, would taxpayers like to have social programs that are financially sustainable? In particular, should the unemployment insurance program be self-financing? I wonder what the answer would be if we asked taxpayers those questions.

Fifth, if the government is going to initiate large scale reforms to our income security system and unemployment insurance programs, should the government hold a national referendum to ask for the approval of the majority of Canadians? If we make all these changes, should they not be given some say in the final outcome?

Six, would taxpayers prefer to have the UI program operate like a true insurance program, meaning that workers who make repeated claims on the system and employers who repeatedly lay off workers would have to pay higher premiums for the higher risk that they represent?

(1605)

Seven, would taxpayers like to make our income security and unemployment insurance programs truly accountable? Would Canadians like to receive annual statements indicating how much they paid into each program and how much they received in benefits?

Eight, do taxpayers think that income security programs should be targeted to those who need them most?

Nine, would taxpayers prefer to have income security programs and the unemployment insurance program treat all Canadians equally regardless of the area in the country in which they reside? Should they be treated equal no matter where they are? While reformers believe that Canadians have a right to live anywhere they want in this great country we also believe that no one has a right to become a permanent ward of the state.

The next question is would taxpayers agree that the goal of the unemployment insurance program be to minimize and if possible eliminate all abuse to the system? I am sure that people would agree.

Government Orders

Eleven, do taxpayers think that the unemployment insurance program should be administered by the workers and the employers who pay the premiums? Further, let us ask if workers had a choice would they ask the government to administer the UI program for them? Would they hand over the reins? I think not.

Twelve, do taxpayers, workers and employers think that the unemployment insurance program should be completely voluntary, or should it be compulsory as it is now? That would be a very interesting question to ask.

Thirteen, would workers rather have a choice about where they invest their UI premiums? Would workers get a better return on their investment than the UI program offers them?

Reformers asked the government how many jobs would be created if workers were investing their UI premiums for themselves rather than sending the \$8.3 billion to the government to redistribute. If they had that money to invest I wonder if there would not be more jobs created in this country than at present.

Fourteen, would unions not be able to provide unemployment insurance for their members if the workers they represent chose to contribute their premiums to the union rather than send them to the government? Would that not be a very interesting question to put to the workers and see what their answer would be?

Fifteen, would employers like to have the choice about where they would invest the \$11.7 billion in UI premiums? Would they like to have some choice as to where to put that money?

Employers pay more UI premiums than their workers. This is a cost of labour for the employer and is really money coming out of the pockets of the workers. How many jobs would be created if employers were allowed to invest that \$11.7 billion that is spent on UI premiums if they could invest them back in their company? What if they could put that money into training programs, into research, into development, into export and market development, capital improvements and expansion? The changes would be phenomenal if they had a choice as to what to do with that money.

On February 23 the Minister of Human Resources Development said in this House that reducing UI premiums will create 40,000 new jobs in this country. The Canadian Labour Congress in a brief to the standing committee on human resources development stated if seven cents off UI premiums resulted in 40,000 jobs created then reducing premiums \$2.80 would create 1.6 million jobs, and we would have arrived at full employment.

(1610)

That is what I call a real job creation program. What would employment be in this country? It would be zero if we created 1.6 million jobs. To be fair, the CLC is sceptical that if we reduced premiums that far it would create that many jobs. Reformers are not that sceptical.

Reformers believe that \$1 left in the hands of workers or employers for them to invest is worth \$5 in the hands of government, a ratio of one to five. Reformers have a much different vision about income security and income insurance programs. Reformers believe in asking Canadians what they think. Reformers believe in giving Canadians a choice. Reformers believe that changes as big as the ones proposed by the Minister of Human Resources Development should be ratified by the people in a binding national referendum.

These are huge decisions that we are making. That department alone administers \$69 billion. The people know better than the government what needs to be done, and we ought to give them that choice.

For years now the polls show us that in many cases our government is doing the exact opposite to what the majority of Canadians want, whether it is on capital punishment, going easy on criminals, failing to cut government spending or on the unemployment insurance program. It is time to not only listen to the people but to act on what grassroots Canadians are telling us.

Reformers trust the people to make the right choices for this country. Reformers believe that democracy is not something that we practice once every four or five years in the voting booth. Reformers believe that democracy is something that has to be worked at and each and every day we serve our constituents as members of Parliament.

I have told the constituents of Yorkton—Melville that I am their voice in the House. I sincerely hope that each and every member has the courage to ask the tough questions and to represent their constituents' wishes in the House as Reformers do every day.

Let us get our UI program on a solid foundation. We would not buy a horse with three legs. We would make sure that horse is solid and firm. That is what we have to do. We have to get principles in place.

[*Translation*]

Mr. Jean Landry (Lotbinière): Mr. Speaker, I listened earlier to the speech made by my colleague and there is one thing that I would like to add first, namely that the way they are going now, if they cut where they would like to, he would not even be able to afford an artificial leg for his three-legged horse.

But the tenth point he made was about eliminating all abuses to the UI system and I would like to comment on that. You know, we all agree that people should not be abusing this program. However, I would like him to tell me first what percentage of claimants abuse the system and second, since unemployment insurance is financed by the men and women of Canada, of Quebec, are we going to penalize all the members of a family with ten children, let us say, when only one is guilty? I have a logical answer to that and I would like him to clarify the tenth point he made, when he said that we must put an end to all abuses of the system. Does it mean that it is necessary to penalize all the people of Canada and Quebec?

*Government Orders**[English]*

Mr. Breitzkreuz (Yorkton—Melville): Mr. Speaker, I appreciate the comments but I cannot agree with the analysis here. If one had a horse missing one leg of course one would not buy a wooden leg or prosthesis for it. That is not going to fix it but that is what this government is trying to do. It is tinkering with the system.

It is making little changes here and there. It is like putting a wooden leg on a horse. It is not going to win any races and that is the same with the programs that it is trying to tinker with, trying to change. It is just like putting a wooden leg on a horse. We cannot do it that way. We have to establish some sound principles. We have to decide what is important. Is this an insurance program or is it a welfare program? That is the basis on which we should put our UI program.

(1615)

I do not believe in penalizing people and hurting them. We have a welfare system in place. It has a certain job to do. Let us make sure it is doing the job and let us make sure the UI insurance program is doing its job.

I quoted the numbers. I do not see how anyone can argue with them. Employees contribute over \$8 billion to this program. Employers contribute over \$11 billion. Just think what we could do with that money if we left it in their hands and let them administer these things. We would not have the problems we have now. However, when government gets involved it takes \$5 to do what someone in the private sector would only take \$1 to do. That is the key thing we have to remember in all this. We can argue all these fine little details but we need to make some wholesale changes.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, let me start by addressing the comments made by the previous speaker from the Reform Party.

Part of his comments were that municipal governments, local governments are closest to the people and they are best able to make choices in how we might run the country. The inference was to let them have more say in how federal government moneys are spent and let us try to do more to co-ordinate.

I have absolutely no problem with having that take place. I think co-ordination of effort by all parts of government is something that would be very cost effective and it would serve the people and all local governments very well, as well as the provinces.

Let me draw a little more on my municipal experience. I spent eight years with the regional municipality of Waterloo and the city of Waterloo. Somehow there was a better focus on debate.

There was a better focus on trying to do what was best for the citizens of the community in a lot less partisan fashion that happens in this House.

Being in the House today and listening to some of the debate on Bill C-17, as well as having been through question period, the amount of sanctimony coming from the opposition as well as the non-official parties is bothersome.

I heard references that go back to the 1972 Liberal government. I am part of the class of 1993. In 1972 I was not involved in partisan politics. I know what happened in 1972 but some of the programs that government came out with in 1972 are really not applicable today.

Let me read something for members. I am going to quote very briefly from a presentation made to the Conference Board of Canada by the chief administrative officer of the city of Waterloo, Mr. Bob Byron, with whom I had the pleasure of working. I found him to be a new breed of civil servant, a new breed of manager. I can say that Gerry Thompson, who was the chief administrative officer at the region of Waterloo, is also of the same mould.

He talks about governments and how municipal governments are experiencing severe reductions in sources of revenue. He states: "To compensate Waterloo has significantly reduced its workforce and actively pursued lesser cost activities. However, these are short term measures and further effort is required to achieve long term permanent savings."

(1620)

Traditionally local government has looked first at its expenditure requirements and then at where the revenue would come from to support the expenditures.

What needs to be done is to look at what revenues are available and then decide how expenditures can be controlled to fit the resources available.

I believe that simply raising taxes is counterproductive and serves only to create additional hardships on businesses and individuals faced with prospects of little or no growth in their revenue potential. Reduction in service or service level which tends to alienate the taxpayer is not a solution. The solution lies in productivity gain and lowering of costs".

Certainly from the municipal perspective in Ontario that is a very good and prudent approach.

One thing that the municipal government does not have to do in our system in the Waterloo region is to offset the cost of high unemployment. The municipal government in our jurisdiction does not pay for social assistance. The regional government does. It has a different approach. Because regional governments have to pay 20 per cent of the welfare costs, when their budgets

Government Orders

get tight they cut back on expenditures on hard services such as sewage, roads and what have you.

I mention this because at those two levels of government you have different mandates. The regional government has no option. It has to provide 20 per cent of the welfare costs. The municipal government does not have to do it so it can plan much better within the terms of its fiscal realities.

Debates at the local level tend to bring together the collective wisdom from different frames of reference in a non-partisan fashion on to the issue. We really try to accomplish what we believe is the best for the ratepayers of our municipalities.

I do not find the same level of co-operation in the House. It seems to me that the job of the governing party, of which I am a member, is to put forward programs and the job of the opposition is to oppose it. Whether it is consistent in its opposition really does not matter very much.

I can talk about some parts of the debate where arguments came from every different angle. We have had the Bloc say that the government should not be looking at social programs, it should not be looking at health care programs, let us keep the status quo because somehow it has served us well.

The Bloc even went further and said that we did not talk about the reform of social programs or the reform of the health care system prior to the election. We did. We talked about reforming health care and there were very good reasons for it. The reasons are the way our health care expenditures have been going. We cannot just keep throwing money at a very necessary service but one that needs to undergo fundamental reform.

If you can practise preventive health care you are going to save billions and billions of dollars in terms of providing the level of service to the Canadian public that they have come to expect.

Another nice thing about it is that by doing preventive health care we also have the opportunity of having a healthier public. One of the problems we have had in the health care system is that it has been sort of a crisis care, when you get sick you go to the doctor. If you look at the mortality rate over the last 100 years, the reality is that it was not the medical profession that cut it back so drastically. It was the civil engineer who was able to provide safe, wholesome water. It has been our ability to handle waste that has made the greatest impact on health care, as well as the medical officers of health. They have been the ones who have been working on health care in the preventive sense.

(1625)

Now we are looking to see if something better can be done to make better use of the dollars we have. I think that is very important. We know social services have become very expen-

sive and that is the reason we are having the social services review.

One thing I would stress when we examine the whole issue of social services is that the Canadian public wants a safety net to catch people at a time when they might be totally disabled and we expect to support them for the long term. Certainly if they become unemployed they want us to support them in a new emerging economy where training, retraining and education become very strong components and pillars of our whole economic system.

The expectations are in the long term that no longer can people work for one company for 25, 30, 35, 40 or 50 years. The chances are they are going to be moving on to a number of different jobs. As firms get smaller they are getting smarter. They are better at responding to economic conditions. Those are going to be the major employers and the creators of new jobs.

The budget recognizes this and deals with it when it says that 85 per cent of the new jobs are going to be created by small and medium sized businesses.

When I talk about small and medium sized businesses I speak for the federal riding of Waterloo which is really one of the leaders in the new economy that has emerged. It is exciting but it also takes a lot of work trying to keep up with the changes that are taking place and watching the new emerging technologies.

Sunday evening I spoke with a gentleman from Elmira from Brubacher Technologies whose family for generations has been involved in shoe repair and building shoes. Now his company is going to be getting into the high tech production of orthopaedic shoes. Why is it exciting? It is exciting because at the present time it might take his company 40 to 60 hours to make one shoe and now because of high tech he is going to be able to do it in 40 to 60 minutes. His business is a world leader in this area.

Many other companies are leaders in the high tech field. We recently had a software firm which sold for \$100 million. It was developed by a number of university professors and it had a number of university students involved with it. That is not a bad sum of money when you think about it. However, the sad part is that the new owners are American.

The challenge for us is to somehow create a climate where those businesses which are on the verge of becoming big businesses will stay in this country.

I mentioned that I found the debate to be not very consistent on different levels. When I was looking through my *Quorum* today, as I am sure everybody else has, I came up with a story from the Vancouver *Sun* authored by Barbara Yaffe. She asks: "Do we need more MPs? Let's look at the cost". I know that the Reform Party is very strong in its opposition to us looking at the whole question of the boundaries.

Government Orders

(1630)

I would like to step back a little bit to my municipal mode. It is interesting that about two weeks ago I was at the electoral boundaries commission meeting. Of course, I am the Liberal member of Parliament and my former colleague, Mayor Brian Turnbull, who is a staunch Conservative supporter, was there to support me in my quest. We do not want the wholesale rearrangement of boundaries in the region.

The other interesting thing is that the NDP candidate in the last election, Scott Piatkowsky, was also there making the same pitch. A motion from Waterloo city council was also moved speaking to the point that we do not like how the redistribution was proposed and we wanted to keep the boundaries intact. That motion was moved by the former Reform candidate who is now on the Waterloo city council. Following my presentation, my colleague from Kitchener made a similar presentation. The former member for Cambridge from the Conservative Party also came forward to make a presentation.

The reason I recount this is because it amazed me. I have been on the Hill for a time and we have partisan politics. Somehow we are not able to capture that sense of community where party lines are crossed to preserve the integrity of communities. That is essentially what we did when we were in Hamilton talking about the redistribution.

It would be very useful if we could bring that kind of spirit to the debates in this House. We probably would strengthen the country. Of course there is no question that the Bloc Quebecois is not interested in strengthening Canada, certainly not with Quebec in it. That is what they campaigned on and we all acknowledge it.

What is bothersome though is at a time when there is fiscal instability around the world and a lot of our economic performance depends on the confidence of the fiscal markets, it is unfortunate that debate is being ignited even more so by the leader of the Reform Party. I thought it was just the bailiwick of the Bloc Quebecois but I see the Reform Party is picking it up. That is too bad because at the beginning of this session in January the leader of the Reform Party would stand up and say he did not want the Prime Minister to break his promise not to discuss the Constitution, that he wanted us to get on with other business. It is unfortunate he has forgotten those statements.

I raise that because another area where the Reform Party has been less than helpful is with the fiscal markets. It is forever trying to say the road we are headed on is going to bankrupt this country. It has only been six months since the election. During that time we put our plan forward to the electorate. That plan was the famous red book. When I was at the committee on

human rights and the disabled today, I was glad to see one of the Reform Party members quoting from it, which is good.

However we came through with a plan and we are essentially keeping our promise of doing what we said we were going to do if we got elected. I do not believe that Reform Party members would truly expect us to go counter to what we said we were going to do.

Let me touch on another point before closing. There is no question in my mind that government, certainly at the federal and provincial levels, has to get a lot more efficient. I have raised an issue, as most of my colleagues know, on waste and move management by the government. I think we can improve that. I look forward to improving that and I look to the minister of defence to realize some savings in that area. I am sure all members could act in that fashion collectively. Let us see to what extent we can eliminate waste.

(1635)

This government has recognized the fiscal realities we are in. We said we are going to bring down the deficit to 3 per cent of the GDP within three years. We recognize the deficit problem cannot be solved by cutting out programs, the safety net and the UI benefits which are put in place to assist the people most hurt by the downturn in the economy.

We recognize that job creation has to be part of the solution. There is no question in the mind of my government that the best social program we can have is to make sure there is the economic climate so that all those people who want to work are able to work and contribute to society.

I call upon members of the opposition to support that aim. Ultimately we are talking about developing the Canadian people. We are talking about developing the country and we are talking about keeping our country united.

Mr. Ken Epp (Elk Island): Mr. Speaker, I listened with great interest to the hon. member's speech. I appreciate his sentiments with respect to working together as opposed to engaging in the rhetoric of partisan politics. However, I was very disappointed by his comments with respect to our being in opposition and therefore always opposing. I do not know how he did not hear what we have been saying today. The elements of Bill C-17 that we support were clearly enunciated. We basically support most of it.

The freezing of salaries makes a lot of sense. The government proposes it and we agree with it. We are on the same wavelength. We agree on the capping of the transfer of money through the Canada assistance plan. On the reduction in transportation subsidies though it affects us most vigorously in the west, we agree. In these times of fiscal restraint, those things need to be done.

Government Orders

I challenge this concept of the previous speaker when he says we always oppose because we are in opposition. No, we are here to debate the issues. I am very deeply committed to not reduce myself to name calling. Let us stay on the issues and if we agree, then let us say we agree.

On reducing the UIC rates, I really could not agree with the member more. As was previously stated today, if that reduction of seven cents is so significant in creating jobs, perhaps we ought to look at it further.

At the Northern Alberta Institute of Technology where I worked before, 750 instructors together with the employer portion contribute an amount of money which would give about 60 people jobs, each at \$35,000 a year. That is from 750 instructors at NAIT.

Clearly that money left in the hands of the individual would be very useful in creating real ongoing jobs. Someone could then afford to have their leaking roof fixed instead of just paying their taxes and UIC premiums and getting nothing for it. The individual would have a job instead of the benefit of UIC.

I appreciate very much those members in the Bloc who are saying that we are threatening the very poorest among us, but that is very narrow thinking. That is saying that all we can do to help poor people is to give them a handout in the form of UIC or welfare. The most significant thing we can do for them is, as the hon. member just said in his speech, to provide an economic climate in which there is prosperity. That is done by reducing government spending and allowing the marketplace to be strong.

I appreciate the member's speech. He has said a lot of good things, but I would encourage him to listen more carefully before he jumps to the conclusion that we are always opposing. We are not.

(1640)

Mr. Telegdi: Mr. Speaker, let me respond to that. I will expect Reform Party members to support us whenever we say we are going to have a reduction but the feeling I always get from them is that we have not cut enough. There is not that sense that we have a balance in how much we have cut. I listened to the hon. member and the only thing missing was his saying that if we were to cut more his party would have supported it more. I am calling on that recognition to find a balance.

In the debate on the infrastructure program Reform Party members opposed it in general, as a party and as individuals. I can only point out that is part of the balanced approach and investing in the infrastructure of this country will give us the opportunity to have growth. That is a role for government in the expenditure of public funds. Private enterprise is not in the

business of building public facilities such as roads, sewage treatment plants, and what have you.

I remind Reform members to be a little more balanced in terms of the cuts and to recognize that cuts alone without control are not going to solve our economic woes. We have to have a much more constrained level of spending. We have to be much more fiscally prudent. At the same time we also have investments to make which we as a government believe we have to do.

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, I direct my question to the hon. member for Waterloo.

In relation to the opposition, his statement was that government proposes programs and the opposition opposes programs. As my colleague has pointed out, our role in opposition is not to carte blanche oppose programs. It is to identify possible weaknesses or omissions and to offer constructive criticism and possible alternative solutions.

The final decision still rests with the party in power. Its role is to make those decisions possibly based on other considerations. Our possible options may appear as not being constructive but on the other hand the decision is there for the government to make.

I am extremely pleased the member is as aware of Reform policy as he is of his red book. He reminded me of a lot of Reform policy today in his speech.

The hon. member made reference to the fact that 85 per cent of jobs are provided by small business and he also made reference to high tech coming into small business. I would like to hear his comments in relation to high tech possibly eliminating a number of jobs in small businesses and it is the small businesses that are being hit by taxes and low wages, et cetera.

Mr. Telegdi: Mr. Speaker, there is no question that there is a historical role to official opposition parties and third parties and other oppositions that are not official.

What I saw when I walked into this House today is something we see every day. Canadians come from across this country. They take pictures and have great respect for this institution of ours. It amazes me that if I were to listen to the debate in this House long enough I would get the impression we were a third world country and we were going to be bankrupt next week and the whole country was going to fall to pieces. We know that is not the case. I was looking forward to a kinder and gentler House. We started off talking about that but somehow the rhetoric since the start of this 35th Parliament has not followed that up.

Certainly on the second point the member says she is glad I am aware of Reform policies. The point that needs to be made is that most members of the House are new. The class of '93 has a different perspective from that of previous Parliaments.

Government Orders

(1645)

I dare say the thinking of most parliamentarians who returned and have been here for a number of years—some have been here for a number of decades—has changed in terms of current realities. I like to think of myself as a small *r* reformer. I have been one ever since I have been involved in municipal politics and in community activity preceding that. I will continue to be a reformer a long time after I am gone from this place. In terms of high tech hurting small business, I guess in the new, changing economy we as a country have to make sure we are playing a major role.

I refer to my experience in the federal riding of Waterloo. It is the home of the University of Waterloo, an excellent technical university. It also has a good arts program. Sir Wilfrid Laurier University is down the street and is very strong in business. In our community we are very much players in the new economy. We are seeing the creation of thousands and thousands of jobs. I can only say that it is working for us. We have the lowest unemployment figures in Canada at 7.1 per cent. Of course many of our firms are exporting. It is amazing how many of our export firms are bringing hundreds of millions of dollars into the Canadian economy.

The Acting Speaker (Mr. Kilger): Order. It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mercier—Fisheries; the hon. member for Yukon—Employment.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I am glad you allow me this new opportunity to talk about Bill C-17.

Ever since the finance committee formed a sub-committee to study Bill C-17, a measure implementing the largest reform of the unemployment insurance program ever undertaken by a federal government and freezing the salary of public servants, among other things, I have closely followed this matter, as a member of the committee and as an opposition member provided with limited means. I have tried to do a little more than my Liberal friends, I have tried to make democracy speak.

You know that, despite the fact that this bill is the largest reform ever done of social programs in general and unemployment insurance in particular, the Liberal government had planned on only two days of hearings, including one with senior officials who were to explain to sub-committee members the provisions and technical interpretations of Bill C-17. Without the intervention of the Bloc Quebecois which demanded that we make a more thorough study of such a fundamental piece of legislation for social programs and for the future of many

communities in Quebec and Canada, we would not have had, like we did, the equivalent of a week and a half to hear witnesses.

I can understand why, this morning, when the secretary to the minister of industry, trade and commerce rose to speak on Bill C-17, he did not dare speak about it, because he was ashamed of that bill. Selling Bill C-17 is an impossible task.

(1650)

That is why he naively spoke about his recent trip to China. Do you realize, Mr. Speaker, that they are proposing a \$5.5 billion cut in the UI system over the next three years. It is all about the despair of the many individuals who must endure the evils of unemployment, the plague of unemployment, in Quebec and in Canada, but the Parliamentary Secretary to the Minister of Industry would rather tell us about his trip to China.

I was outraged when I heard him. I controlled myself, since control is still the best attitude, but I want to say now to my Liberal colleague, the Parliamentary Secretary to the Minister of Industry, that the way he is dealing with this bill is outrageous.

You were here this morning, Mr. Speaker, so you heard as well this same member, and others around him from the Liberal Party of Canada, shouting down duly elected members of the Bloc quebecois and tarnishing their reputation. Not only according to Quebecers who elected us, but also to Canadians in general, on basic issues such as the future of social programs, the economic policy, the disgraceful benefits enjoyed by the richest Canadians—family trusts—the Bloc Quebecois is the real Official Opposition.

Without us, many more objectionable measures like the ones implemented since the February 23 budget and measures that are unpopular and harmful to ordinary citizens, to taxpayers, would have been adopted by the government since it took power.

When a bill or government measure is indefensible, it is normal that members opposite resort rapidly to insults since it is the only weapon they have to sell a plan that is rotten from the start as far as unemployment insurance is concerned.

As my colleague, the hon. member for Mercier, did this morning, I would like to point out that close to 60 per cent of the planned cuts in unemployment insurance for 1995-96 will hit two regions: first, the Atlantic, and second, Quebec. It is 60 per cent even though these two regions have only one third of Canada's population.

Indeed, in 1995-96, the Atlantic provinces, with only 8.5 per cent of the population, will lose \$630 million, bearing 26 per cent of the cuts for that year. The same thing will happen in Quebec, where the federal government will cut \$735 million in unemployment insurance benefits, or 33 per cent of the total for

Government Orders

that year, when the province has only 24 per cent of the Canadian population.

From the beginning, there was an East–West split in the decision to dip into the UI fund. In 1990, in Quebec, we had the report titled *Deux Québec dans un*. Some of my colleagues remember very well that that report identified two Quebecs: one that was participating in and benefitting from economic development, and the other, rural Quebec, that was excluded.

The measure proposed by the federal government also identifies two regions where unemployment and underemployment are most widespread. There is more widespread unemployment and underemployment in these regions than any measure contained in the red book can ever solve, despite the fact that those people have shouted themselves hoarse, some to the point of losing their voices, waving the red book and claiming that jobs were the priority of the Liberal government. In spite of all this, no concrete, meaningful, structural measures have been put into place in order to create sustainable employment. Instead, the government chose to take it out on two regions which do not deserve that, precisely because they are regions where underemployment and poverty are the most striking.

(1655)

The measure to increase from 10 to 12 the number of weeks of insurable employment required to be eligible for unemployment benefits, which are themselves reduced in terms of percentage and of the number of weeks covered, has plunged several rural communities into utter confusion. These communities have already suffered, in the case of the Maritime Provinces, from the reduction of the fishing activity, from the reduction of the farming activity because of low prices and of the international crisis and from the reduction of forestry activity, all of which are seasonal.

The measure to increase from 10 to 12 the number of weeks of insurable employment required to be eligible for unemployment benefits directly affects the Maritime Provinces and part of Quebec, in particular the Lower St. Lawrence and the Matapédia—Matane areas and, in general, the Gaspé Peninsula. In these regions, where the activities are concentrated in one industry or are seasonal, many already had difficulty gathering the 10 weeks of insurable employment previously required.

I was flabbergasted when I realized that 60 per cent of unemployment insurance cutbacks would be made in the Maritimes and Quebec, particularly because the Maritimes were really hit in a horrible way. I was shocked when I thought that the current Prime Minister was once the member for Beauséjour and that, while he knew about the social and economic realities

of that riding, he had accepted, as leader of the government, that such disastrous measures for rural communities be put in place.

I was even more flabbergasted when I heard the Prime Minister allude recently to the people of Beauséjour and said that the unemployed were beer drinkers. I understood then that our Prime Minister, when treating the unemployed this way, the most disadvantaged people of our society, when saying things like that, was not a head of state because a head of state has to show respect for the people who elected him and allowed him to be the member for that riding for four years and to come back into politics. I found that to be really shocking, coming from a Prime Minister.

Besides, what we heard from the Prime Minister and what I saw in the committee which examined Bill C–17 are very much similar to systematic cynicism. I also had to live for two weeks with sarcastic remarks from my Liberal colleagues. I am still calling them my colleagues even though I am deeply disappointed with the attitude of the Liberal members on the finance sub-committee.

We had witnesses, mainly from remote areas in Quebec, such as the Lower St. Lawrence, the riding of my colleague from Matapédia—Matane, and also from Gaspé. People came before the finance sub-committee from Newfoundland and Labrador where, at times, unemployment reaches 85 per cent. These people do not know where to turn to. They had pinned their hopes on this new government which talked about creating jobs, as well as restructuring and diversifying regional economies. They believed in the government. So, now that it has hit them with those measures, they do not know where to turn to anymore.

We had people from Nova Scotia, Prince Edward Island, and from both Acadian and anglophone communities in New Brunswick.

(1700)

I will quote from a short newspaper article to illustrate the cynicism and the sarcasm shown by the Prime Minister who attended these sub-committee hearings. This article was entitled “New Brunswickers appearing before a sub-committee on unemployment insurance reform are kicked out after barely an hour”. They kicked out people who came all the way from New Brunswick, even before their allotted time had expired.

If you allow me, I will quote Mrs. Mathilda Blanchard, who has been a union activist for the past 40 years. She said: “I have never been treated that way in my 40 years as a trade unionist”. And you can read further that: “After coming to Ottawa, all the way from New Brunswick, to discuss the impact of unemployment insurance reform on her area, she and another group were cut short after only 30 minutes. The two other groups from New Brunswick that came after her were treated the same way”.

In conclusion, the parliamentary committee which was reviewing Bill C–17 and certain budget provisions summoned to

Government Orders

Ottawa four Acadian groups but gave them only a total of 60 minutes to explain the consequences of the reform, when they were entitled to twice that time.

However, a number of business representatives, friends of the party who benefit from what we call tax loopholes and tax conventions, did voice their support for the government's measures. These individuals also receive preferential treatment from this government and contribute to the Liberal Party's coffers. This one group alone was allowed to testify for 47 minutes, whereas normally they would have been entitled to 30 minutes. However, because they were voicing their support for such hateful measures as cuts to unemployment insurance and because they spoke the same language as the government, viewing the jobless as lazy, they were allotted 50 per cent more time than they would normally have had.

I am flabbergasted to see that, in politics, there are people who behave this way toward Quebecers and Canadians, and dismiss offhand the lives of others, people who have no sense of fair play, the fair play which the members opposite claim to have, the same members who profess to be great Canadian democrats who listen to all Canadians. When we see things like this happen, we have some very serious doubts about the honesty of these individuals.

I would also point out that when the witnesses from the Maritimes testified, no Reform members were on hand because, despite what they say about being great Canadians from coast to coast, each time an issue arises which affects that part of the country east of Manitoba where they have no representation, then they become a little less Canadian. I find this rather sad.

Thursday evening, on the last day of hearings, there was one Bloc member on hand and no Liberal members, except for the chairman, and no Reform members. Perhaps they prefer to go out and dine in a good restaurant on Thursdays. In any case, the scheduled witnesses were from Newfoundland. When they showed up, they were astounded and scandalized. That evening, we were quite pleased when we were told that there was only one party in the House of Commons willing to defend Newfoundlanders and Maritimers, and that party was the Bloc Quebecois. How very cynical of this government. The other party is also blatantly guilty of not taking matters seriously.

(1705)

In view of all this, of the cynicism displayed by this government in spite of its positive bias for employment, in view also of the proposed cuts to the UI program and the way the people who are the hardest hit by unemployment are being treated, I cannot help but compare their treatment to the coddling treatment of Canada's wealthiest families.

This morning and again this afternoon, family trusts were discussed. We were reminded that, year after year, the government deliberately forfeits between \$350 million and \$1 billion in revenue, owing to a policy put in place by Pierre Elliott Trudeau in 1972 and commonly known as family trusts. I cannot help but contrast the preferential treatment given to the wealthiest families in Canada against these cuts to the unemployment insurance program and their destabilizing effect on rural communities in Quebec and the Maritimes.

I cannot help either, since the two bills were debated one after the other, but think about the tax treaties in Bill S-2 and how major Canadian corporations have managed to dodge taxation and pocket hundreds of millions of dollars every year. I cannot help but notice that this government will cut \$5 billion in social programs, and in the unemployment insurance program in particular, over the next three years, and in that it treats ordinary citizens the way I just described.

I would have liked to speak longer, but you are signalling that I have only one minute remaining. I will say this. I urge the government to reconsider its position on Bill C-17, in particular regarding the proposed cuts to unemployment insurance, because these measures will completely destabilize several communities in the Maritimes and in Quebec.

I would also request, with respect to another measure contained in this bill, namely wage freeze, to return to a better frame of mind. Twice in the matter of four years action had to be taken by the International Labour Office to remind the Canadian government it is required to abide by international conventions concerning free collective bargaining. When in opposition, the Liberals denounced the freezes imposed by the Conservative government, but they are now following their lead.

I am calling for a return to a better frame of mind because the government cannot go on like this, treating the people of Quebec and Canada with the kind of arrogance, sarcasm, cynicism and brutality they have demonstrated over the past few months. I hope for a return to a better frame of mind.

[English]

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I too serve on the Standing Committee on Finance and I am very disappointed in listening to the previous member's comments. It seems to me that he has a different version of the facts than I have. I was there and heard some of the comments and some of the explanations given.

With respect to the people he had invited who were kicked out and went to the media after, it was quite clear that some of the parties did not have an invitation or arrived unexpectedly and were allowed to present their cases. Both of them agreed that they would present their cases within a half an hour. The chairman of the standing committee gave permission for that

Government Orders

and co-operated so that both parties could be heard, and this is the appreciation they get. The grandstanding and the criticism in the press came after that.

I was present, I heard the explanation to that and that is a different set of facts. I am just saying what I saw and what I heard differs from what the hon. member just said.

His decision to put on a flair that he is the person now representing all of Canada because he has such an interest and such a caring heart for the unemployed is adverse to reality. Everybody cares about the unemployed, but we also have a concern about the deficit and the debt. We also have a concern about how to approach it.

For a member who quite clearly wants to separate from the rest of Canada to state and argue and present a case that we are not for Canada borders on double talk or contradiction of terms.

He is talking about a member of the Reform Party being present or not being present at these committees. I was not the individual named to the subcommittee that examined Bill C-17. I am sure there were problems getting people together. I am sure it was hard to co-ordinate it all because there are only 100 things that you have to do within an hour around this place.

(1710)

If he truly were interested in representing his point of view, representing his argument, I suggest that he would go a lot further in accomplishing those goals if he pointed out the problems of Bill C-17 as we have, pointed out the constructive alternatives to Bill C-17 as we have, and then let the House decide which way to vote instead of going around and basically distorting the way events actually occurred.

[Translation]

Mr. Loubier: Mr. Speaker, I will start with the hon. member's last remark because it makes me a little angry. He said that, instead of criticizing as I do, I should point out the problems of Bill C-17 and propose solutions. Mr. Speaker, we just went through second reading of Bill C-17 and Reform members were too lazy to do anything other than delete clauses. They also voted against their own amendments and they are now telling Bloc members who put forward constructive amendments meeting the concerns of Quebecers and Canadians to make constructive suggestions. So why did they make all these deletions?

In any case, even colleagues with more experience than me had never seen anyone propose such amendments and vote against their own amendments. If they call this being constructive, we also call it wasting our time. If they think the way they acted during the second reading debate is constructive, we have a problem. We, on the other hand, proposed real amendments. We also did some serious work in committee.

In answer to the second point raised by the hon. member when he said that Reform members were present the night the New Brunswickers were thrown out, I would ask him to refer to an article published in the May 11, 1994 issue of *Le Droit*, where the journalist noticed the same thing I did in the finance committee, namely that no Reform member was present. It is there in black and white. There is a problem somewhere.

In the third point he made, he said that Bloc members felt deep compassion for the people of the Maritimes. Indeed, even sovereigntists can be humanistic and feel compassion for suffering people but we do not feel as compassionate toward those who make them suffer.

Do not forget that the sovereignty plan is open to the world and that we have been reaching out for 25 years to our friends in Canada, the United States and the world to build a better society, a society where measures such as the UI proposal that break the backs of those who do not deserve such treatment will be opposed by sovereigntists. We will fight against that our whole lives because the sovereignty plan is strongly humanistic. You tarnished that term and our plan. Because people like Pierre Elliott Trudeau fought against this plan for 25 years, we must work very hard to restore the true foundations of this plan, which is open to the world, compassionate and humanistic.

Mr. Speaker, that takes care of the three questions raised by the hon. members.

[English]

Mr. Barry Campbell (St. Paul's): Mr. Speaker, I guess we can conclude that the member opposite is not happy with the bill.

I was chair of the subcommittee on C-17 and I want to congratulate all members of the subcommittee from all political parties in this House for their work and the time they spent hearing innumerable witnesses, almost some 60 witnesses representing hundreds of thousands of employed and unemployed Canadians. Members of the subcommittee spent many hours listening to Canadians and their views both for and against the changes contained in Bill C-17.

The fact remains that the changes proposed will preserve the viability of this system. The changes proposed will build flexibility. The changes proposed make sense at this time for people on the system.

(1715)

While the member opposite may wrap himself in all the indignation in the world, the fact is that he did not like the bill from the beginning. He was not prepared to hear anybody who was in favour of it. I will not get into discussions in the House about what took place in committee. I will not discuss that out of committee except to say that people on all sides of the issue were given a full and fair hearing.

Government Orders

[*Translation*]

The Acting Speaker (Mr. Kilger): It being 5.15 p.m., pursuant to order made Tuesday, May 3, 1994, it is my duty to interrupt the proceedings and to put all questions necessary to dispose of the third reading stage of the bill now before the House.

[*English*]

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

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

(*Division No. 48*)

YEAS

Members

Adams
Anderson
Augustine
Bakopanos
Bellemare
Bernier (Beauce)
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Bélair
Campbell
Catterall
Chamberlain
Clancy
Collenette
Comuzzi
Crawford
DeVillers
Dingwall
Dromisky
Dupuy
Eggleton
Finestone
Fontana
Gagliano
Galloway
Grose
Harb
Harvard
Hopkins
Ianno
Irwin
Jordan
Kirby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)

Anawak
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Berger
Bertrand
Bevilacqua
Blondin—Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Cauchon
Chan
Cohen
Collins
Cowling
Culbert
Dhaliwal
Discepola
Duhamel
Easter
Fewchuk
Finlay
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Guarnieri
Harper (Churchill)
Hickey
Hubbard
Iftody
Jackson
Keys
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
MacAulay
MacLellan (Cape Breton—The Sydneys)

Maheu
Maloney
Martin (LaSalle—Émard)
McCormick
McKinnon
McWhinney
Miliken
Minna
Murphy
O'Brien
Ouellet
Parrish
Peric
Peterson
Pillitteri
Richardson
Ringuette—Maltais
Scott (Fredericton—York Sunbury)
Sheridan
Skoke
St. Denis
Stewart (Brant)
Telegdi
Tobin
Ur
Vanclief
Wells
Wood
Zed—137

Malhi
Manley
Massé
McGuire
McLellan (Edmonton Northwest)
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Reilly
Pagtakhan
Payne
Peters
Pickard (Essex—Kent)
Reed
Rideout
Rock
Shepherd
Simmons
Speller
Steckle
Szabo
Terrana
Torsney
Valeri
Wappel
Whelan
Young

NAYS

Members

Ablonczy
Asselin
Bachand
Benoit
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Dalphond—Guiral
Debien
de Savoye
Dubé
Dumas
Fillion
Frazer
Gauthier (Roberval)
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Calgary West)
Hayes
Hill (Macleod)
Jennings
Kerpan
Landry
Laurin
Lebel
Leroux (Shefford)
Manning
Martin (Esquimalt—Juan de Fuca)
McLaughlin
Meredith
Ménard
Picard (Drummond)
Ramsay
Ringma
Sauvageau
Silye
St-Laurent
Tremblay (Rimouski—Témiscouata)
Williams—91

Althouse
Axworthy (Saskatoon—Clark's Crossing)
Bellehumeur
Bernier (Gaspé)
Blaikie
Breitkreuz (Yellowhead)
Bridgman
Bélisle
Caron
Chrétien (Frontenac)
Cummins
Daviault
de Jong
Deshaies
Duceppe
Epp
Forseth
Gagnon (Québec)
Gilmour
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hermanson
Hoepfner
Johnston
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Richmond—Wolfe)
Loubier
Marchand
McClelland (Edmonton Southwest)
Mercier
Morrison
Nunez
Plamondon
Riis
Robinson
Schmidt
Speaker
Stinson
Thompson
White (Fraser Valley West)

Private Members' Business

PAIRED—MEMBERS

Bergeron
Goodale
Jacob
Marchi
Paré
Robichaud
Rompkey
Tremblay (Rosemont)

Copps
Gray (Windsor West)
Leblanc (Longueuil)
Marleau
Pomerleau
Rocheleau
Stewart (Northumberland)
Venne

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the third time and passed.)

The Acting Speaker (Mr. Kilger): It being 5.47 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

SENIORS—REDUCTION OF AGE CREDIT

Mr. Jean-Paul Marchand (Québec-Est) moved:

That, in the opinion of this House, the government should withdraw the measure to reduce the age credit that it introduced in its most recent budget, and retain the Old Age Security Program and the Canada Pension Plan in their present forms.

He said: Mr. Speaker, Motion M-289 which I am presenting in this House today brings out the expectations of seniors throughout the country. Groups of seniors from Vanier, Les Saules, Limoilou, Neufchâtel, Ancienne-Lorette and Duberger in my riding told me about their concerns for the future and I fully share these concerns in light of recent events.

The present Liberal government displays a serious lack of social equity and economic justice. Instead of reducing its shameless waste and administrative duplication or even requiring the 90,000 corporations that do not pay tax to contribute their fair share, the government is attacking the poor, the middle class, the disadvantaged, the unemployed and the elderly.

On the pretext of reducing its deficit, the Liberal government is attacking defenceless groups in society which are already in a precarious financial situation, because these Liberals are a heartless government.

In the last budget, we saw how \$5.5 billion was taken from the unemployed in unemployment insurance programs. We just voted on this measure in this House.

As for seniors, the first thing the government did in this same budget was to reduce the age credit. I say the first thing the government did because other equally harmful measures were introduced and are still to come from the Liberal government.

The age credit reduced federal income tax by about \$610 a year for all taxable seniors. The amendment reduces this credit by 15 per cent for all seniors whose taxable income exceeds \$25,921 and it is totally eliminated for incomes over \$49,100.

Thus the Liberal government intends to save \$490 million by 1997 on the backs of seniors. Across the country, 800,000 seniors will be affected by this measure. Does the Liberal government consider that an elderly person with an annual income of \$25,000 is a rich taxpayer? Does it consider that with such an amount, which is barely above the poverty level, that person must still give money to the government, after having paid taxes throughout his life and working hard to be able to enjoy a modest income in his retirement years?

The federal government did not stop there as regards cuts made at the expense of seniors. Its latest idea is to set up a centralized answering machine system using voice boxes to answer queries from seniors. This dehumanization of services to the elderly is simply pitiful!

The idea is simple. Offices serving seniors in Val d'Or, Chicoutimi, Gatineau, Rimouski, Sherbrooke, Drummondville, Trois-Rivières and Sept-Îles will be closed. The number of agents in Quebec City will be considerably reduced, since at least 123 of the current 347 positions across the province will be abolished.

In fact, the number of jobs eliminated could reach 50 per cent of the current strength and all these positions will be replaced by a single telephone exchange in Montreal, a recorded questionnaire for touch-tone telephones for seniors across the province.

(1755)

From now on, the elderly will talk to a pre-recorded voice. They will talk to a machine to get the information they need. To make things worse, if the lines are overloaded at the Montreal exchange, the calls will be transferred to another province. Is this not a perfect example of how the government holds our elderly in contempt? We can easily imagine the numerous problems which they will encounter with this new system. Indeed, problems related to hearing, eyesight and dexterity are common occurrences in that age group. Talking to a machine will create unavoidable difficulties for seniors. How will they be able to ask that machine to explain something they do not understand? How will they be able to explain particular circumstances? How can the machine understand all the subtleties of a case and know in which category to find the information required by the person?

Such recordings are already being used in several locations and they never provide the information required. I myself have a lot of problems with the touch-tone system requiring you to press one for English, two for French, three for general infor-

mation, and four for specific information. The question we want to ask never falls in the proposed categories.

This is not to mention the fact that many elderly do not even have a touch-tone telephone. These people, and those who will not have managed to get an answer, will be able to talk to an agent. But how long will they have to wait? The staff of people manning the phones has been cut by nearly 50 per cent. And do you think the government bothered to consult senior citizens, the group concerned here, or their associations or federations? Certainly not! They did not consult seniors to find out whether the system met their needs.

Liberal members will tell us that the system will provide faster and more efficient service. We know that the new system will get on a lot of people's nerves. Using speed and efficiency as an excuse, the Liberal government will manage to cut down on the amount of money paid to seniors, since many seniors will give up trying to claim what they are entitled to, because it is so hard to get the information they need.

Misinformation of its senior clients as a result of a dehumanized system will help the Liberals save money at the expense of seniors, who did not file the requisite applications or were unable to use this so-called speedy and effective system correctly. Effective for whom?

Many pensioners will forgo their right to the guaranteed income supplement, for instance, because of lack of a information. The Liberal government prefers to dehumanize the system and not inform to its senior clients, so that seniors themselves will give up on the service. I think this is sufficient proof that the Liberal government is ruthless. Instead of attacking seniors, instead of reducing their tax credit or changing the way they receive services, the government should pull up its socks and cut where cuts are really necessary.

Family trusts, for instance. We talked about these in the House today during Question Period, to show how the Liberals caved in to pressure by lobbyists who wanted to maintain family trusts. These family trusts make it possible for rich families to put billions of dollars in a tax shelter. We know these trusts contain at least \$100 billion, and we know who benefits.

(1800)

Is cutting money for seniors and the unemployed and maintaining family trusts the kind of equity the Liberals had in mind? A tax of only 20 per cent on the \$100 billion in family trusts would mean \$20 billion, and that kind of measure is worthwhile, to reduce the deficit.

Abolishing the many tax shelters and loopholes in corporate tax would also give the government a chance to show it is serious about attacking the deficit. Meanwhile, cutting fat in the public service and getting rid of duplication would raise several more billion.

Private Members' Business

We should also get rid of historic institutions that are symbolic and have become too costly for a country like Canada, such as the Senate, on which the government wastes \$500 million annually, and the Governor General, the Lieutenant-Governors and the Queen. We also have 90,000 Canadian corporations that do not pay a cent of income tax, and hundreds of millionaires who paid less than \$100 in taxes last year. They should also contribute towards putting Canada's finances back on track, instead of leaving this to our seniors and unemployed.

There are many other measures I could suggest, if I had more time. To paraphrase the Bible: The government giveth and the government taketh away. It takes money from us all and gives only to a chosen few.

Before we make cuts in the Old Age Security Program or the Canada Pension Plan, we have to remember that the government made some moral commitments when it created these two programs. The OAS Program was built with the sweat of our senior citizens. In 1952, when this program was introduced, a majority of 81 per cent of MPs decided that this program would be universal, that is to say that it would be paid to everyone reaching the age of eligibility, regardless of their income.

When it started, 41 years ago, the OAS Program was being financed by a special tax called Old Age Security Tax. The government collected this tax with the personal income tax, the corporate income tax and the sales tax. The revenues were transferred to a special account, the Old Age Security Fund.

In 1972, as part of a fiscal reform, the Old Age Security Tax was integrated with the general tax. In 1975, the Old Age Security Fund was transferred to the Consolidated Revenue Fund. Since then, we have all forgotten that people had paid all their lives into this program, hoping to receive payments in their older years. They planned their retirement with that money in mind and, despite the heartless people across the floor, private pension plans negotiated with employers took this into consideration. The rate of taxation for this program which was 2 per cent in 1952 had risen to 4 per cent in 1972 and, according to established taxation policies, higher income earners have paid proportionally more into the plan.

This is why the decision taken in 1989 to tax-back the OAS payments of senior citizens having an income over \$50,000 outraged those who had contributed to the program, in good faith, for almost 40 years.

(1805)

Taxpayers who have been paying and are still paying specific and visible taxes in preparation for their retirement feel that they are entitled to get them back. Old age pension is not a privilege nor a handout, it is the repayment of a debt society owes them.

People over 65 are far from being a privileged and rich group. Forty per cent of them are eligible to receive the guaranteed income supplement which keeps them at the poverty level. For 72 per cent of female seniors and 50 per cent of male seniors,

Private Members' Business

old age pension benefits and the guaranteed income supplement become an essential source of income.

I will say for the benefit of members opposite that, in 1991, 47 per cent of women over 65 and 18 per cent of men in that same age group had an income of less than \$10,000. Since the poverty line is set at \$17,000, one must conclude that nearly half the female seniors in this beautiful country live below the poverty line. Only 5 per cent of senior citizens make over \$50,000 a year.

It is time to dispel the myth that senior citizens are rich and have a grandiose and opulent lifestyle. Only a very happy few can afford it. For the vast majority of seniors, old age pension and the guaranteed income supplement are the only source of income they have.

Thanks to such support measures, the quality of life and the situation of senior citizens have been greatly improved, even though they are far from perfect. Year after year, senior citizens are making up an increasingly larger portion of the population. It is estimated that the elderly population will increase by 40 per cent in the next 15 years. The government would be better off focusing on the health and welfare of our seniors, instead of shunting them aside, as this Liberal government seems to want to do.

Such a move would prove costly to society. By cutting assistance to seniors, the government will only ensure that hospitals fill up faster and that health care costs increase. The government must respect senior citizens and recognize their contributions to our society.

Instead of seeing them as an ideal scapegoat for its deficit reduction aims, the Liberal government should view them as an untouchable group.

Forty years ago, the government signed a social contract, agreeing to redistribute the moneys collected from contributors once they reached 65 years of age. Now this Liberal government is trying to get out of this contract by channelling the funds elsewhere, all because it has mismanaged its own affairs.

Seniors worked hard all their lives, secure in the knowledge that part of their income was being set aside for their golden years. Senior citizens are the pioneers who built our country, who made sacrifices and who suffered to give us what we now enjoy today.

Quebec owes its system of caisses populaires, one of the best in the world, to its seniors who were there from the very beginning and who believed and participated in this venture. We owe a great deal to these courageous people who were also visionaries. Our seniors were the ones who raised the children who now, as adults, are running our businesses. They are the

ones who fought the battles, and won the victories on which we can build today for the future.

(1810)

Canada owes a lot to seniors for their efforts. The least the Liberal government should do is respect them and maintain the benefits they have earned.

That is why I tabled so far in this House petitions signed by almost 3,000 seniors from the Quebec City region who strongly deplore the recent measures taken by the Liberal government. I ask, as stated in Motion No. 289 that I presented today, that the government withdraw the measure to reduce the age credit that it introduced in its most recent budget, and retain the Old Age Security Program and the Canada Pension Plan in their present forms.

[English]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I welcome this opportunity on behalf of the government to clarify the measure proposed in our February budget regarding the old age credit.

This is an issue deserves better than partisan politics, sacred cow logic and misinformation because the challenge of an aging population is very real for every region of this country.

The hon. member's motion states quite bluntly that we plan to reduce this credit and he implies that the old age security program and Canada pension plan are being altered. Let us deal with the facts.

To start, the budget contained no changes to old age security and the CPP. Here the member's motion is no more than unfortunate fearmongering. Next, simply put, budget action on the age credit means there is no reduction for three-quarters of seniors, about three million people with incomes under \$25,921.

[Translation]

I want to be very clear on this. This budget measure will have no effect on the majority of low-income seniors. However, some seniors will indeed be affected by this measure.

I would like to remind the House of what the finance minister announced in his last budget. The current age credit provides special tax relief for all Canadians subject to tax 65 years of age and older, regardless of their income. This includes 200,000 seniors with personal incomes over \$50,000. I am talking about personal and not family income.

If we want to preserve a social safety net that protects those who really need it while reducing the deficit and debt burden that translates into ever increasing taxes for all Canadians, we cannot continue to subsidize the wealthiest in our society.

That is why the budget provides for a gradual reduction of the age credit for taxpayers with net personal incomes over \$25,921.

Private Members' Business

[English]

As a result the credit which reduces federal taxes for a senior by just over \$600 a year will be reduced for some 800,000 people with incomes over the set mark. Of this group the credit will be eliminated for some 200,000 seniors, 5 per cent of the total with yearly incomes over \$50,000.

It is true that the budget announced a policy paper will be released this year that will examine the challenges and opportunities posed by our aging society. The government indicated that this paper among other things would examine what changes are required to the national pension system to make it financially sustainable.

I find it ironic and insulting to all Canadians, especially seniors, that here we have a member dedicated to the dissolution of our country with all the chaos and cost that would entail and that same member has sanctimoniously advanced a motion demanding the preservation of key elements of that country's social safety net. Obviously some status quos are more equal than others.

I cannot prejudge what will be in the government's policy paper on an aging society but it is absurd to demand today that something so important as old age security be retained ever more unchanged when the pressures of an aging society are themselves changing at a rapid clip.

Let me remind the member of some more of those basic facts that no Canadian dare overlook. Because people are on average living longer and having fewer children, our population is aging. The proportion of people over age 65 will almost double over the next 40 years from 12 per cent today to 23 per cent in the year 2030. This will have real fiscal consequences. It is estimated that this evolution will demand that the contribution rate under CPP be pushed up from 5.2 per cent of eligible income to 13 per cent by the year 2030. That is almost a triple increase in the burden on employers and working age Canadians, a prospective increase that will compound a tax burden most people already feel is excessive.

(1815)

Given this outlook I again see this motion as being absurd in trying to bind the government's hands by demanding that we retain the existing system that would prevent any action to improve and preserve the old age security system and the Canada pension plan.

That is not surprising. I doubt if the hon. member wants to see anything that would improve things for all Canadians, including seniors who have spent their lives, building a country that the United Nations has again identified as the best place to live in the world.

I passionately believe that one of the most sacred responsibilities any nation has, any government has, is to the senior citizens who have built and shaped that nation. Those facing economic hardship have a priority call on the best support that we can afford. However this respect and responsibility means that we must do what is needed to ensure that we can deliver this support consistently and securely in the years ahead. Those years will be years when the number of seniors grow dramatically.

The only way to resolve these dual demands for appropriate assistance today and to ensure that government can provide assistance tomorrow, this government—the government of a united Canada—has to ensure that our fiscal house is put in order. The budget did that by wide ranging action to set the deficit on a path down to just 3 per cent of GDP. Beyond that we are committed to balancing the books in the medium term.

Income testing of the old age credit is one part of that fiscal action. It reflects the fact that our \$500 billion public debt is a national problem and that the solution demands actions that will touch on many Canadians in all regions. Again let me remind the House that for every dollar of fiscal improvement on the tax side, our budget took five dollars out of action on the spending side. Our actions, like those affecting some seniors, were carefully balanced to ensure we do everything possible to protect those in real need.

In conclusion, I see this motion as nothing more than an attempt to play cheap politics with Canada's senior citizens. It misrepresents government action and it fearmongers, and that is a shame. It supports a status quo without recognizing the shifts that are taking place in society. For all these reasons it merits our dismissal.

Canadians, senior citizens as well as those not yet facing the exigencies of retirement age, are willing to pay certain prices to ensure that this country remains the best place on earth to live. With this government at the helm it will.

Mr. Randy White (Fraser Valley West): Mr. Speaker, that last speech was so emotional it almost brought tears to my eyes. In particular, hearing the government is going to get its fiscal house in order I think the tears were at the humour.

During the last election the Liberal candidates said those bad Reformers are going to make two classes of seniors by determining what their income is and then provide benefits based on that determination. Means testing they called it.

Here we are after the election looking at the Liberal government providing a means test for seniors by developing a formula for determining an individual's age tax credit. I wonder when Canadians will hear the truth from the traditional parties during an election. During an election on the one hand they say one thing; on the other hand after the election they do what they want to do. Such is the case once again.

Private Members' Business

Reformers at least were up front with the senior citizens indicating that we would preserve the benefits of non-contributory social programs, like old age security, for Canadians whose household income is below the average Canadian family income of \$54,000 a year. We also committed to reduce and eliminate old age security benefits for households above the Canadian average income of \$54,000 a year.

(1820)

Crazy, said the Liberals. Foul, said the Liberals. Unfair, said the Liberals. Here we are on the last day of May 1994 and the Liberals propose the following. For the 1995 and subsequent taxation years, they are going to reduce the individual's age tax credit by 15 per cent of the amount, if any, by which the individual's income for the year exceeds \$25,921. That is a means test.

For the 1994 taxation year by the lesser of \$1,741 or 7.5 per cent of the amount, if any, by which the individual's income for the year exceeds \$25,921. That is a means test.

The only word I can think of that applies to those who say one thing and do another is hypocrisy, and it does sound familiar.

That being said, this reduction or change is somewhat progressive and administered in a similar fashion to other tax credits such as the child tax benefit. The measure will not affect 75 per cent of seniors who have incomes below the \$25,921 threshold. Seniors with incomes between \$25,000 and \$49,000 will lose a portion of their credit and those with incomes above \$49,134 will lose it completely.

Means testing is very much in line with Reform principles. These types of measures should be supported because they are a step toward better fiscal management. The idea behind this measure is similar to our clawback recommendations for seniors collecting old age security while having incomes above the average national family income.

The tax credit is mostly used by seniors who have substantial savings in RRIFs, RRSPs and other investments that yield dividends. There is no reason other than political to provide further preferential treatment via tax credits. Rather than simply using personal income as the base for reducing the tax credit, the government should implement family income as the measure, especially since this tax credit is transferable to a spouse. Further, many low income seniors live within a high income household. It is time that the federal government started distributing benefits based on need.

That reminds me of what happened in the House today as we disclosed in question period that this government is providing old age security and the supplement, Canada pension and GST refunds to people while they are in prison.

If you want to look at means testing, if you want to look at why we distribute benefits to people, I question very much a government that would provide to killers, to people who have raped our women, old age security in addition to their housing, their food, their recreation, their training, and yet expect seniors of our country to live only on old age security. Maybe the government should have a look at their own policies again and distribute benefits based on need.

Currently \$1.7 billion goes to seniors via old age security who have personal incomes over \$50,000. If we considered household income this number would be \$2.6 billion a year. Seniors in this income range also receive \$3.5 billion in Canada pension by household. Clearly the tax credit can be reduced.

Most people would agree that seniors with high incomes should not be getting these payments when they could be better used to help the truly in need or used toward debt reduction or tax relief.

The "old" old age security and Canada pension exemplifies the problem that is inherent in our political system today. Resources are not distributed on the basis of merit or need but on political preference. How unfortunate for Canada.

In summation, we agree with the means test, not the one proposed, but we are getting there. Therefore we are not in favour of this motion.

(1825)

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I am pleased to have the opportunity to speak to the motion presented by the hon. member for Québec-Est in which, among other things, it demands that the old age security program and the Canada pension plan be maintained in their present forms.

To begin, let me assure the House that the government has absolutely no intention of reducing old age security pensions for current seniors. Both the Prime Minister and the Minister of Human Resources Development have stated this clearly on numerous occasions.

As well it is important to remember that the February budget included annual increases in old age security expenditures. The total expenditures for 1993-94 were in the order of \$19.9 billion. In 1995-96 these will grow to approximately \$21.4 billion.

I should add that the government understands very well the importance of these programs to Canada's seniors, especially given the fact that in 1991 approximately 40 per cent of the income of seniors was made up of old age security and Canada-Quebec pension plan benefits. To suggest that the government might somehow sacrifice the standard of living of seniors by massive cuts strikes me as extremely irresponsible.

Private Members' Business

At the same time society does change and so do the needs which our social programs must address. One trend likely to impact on social programs is our aging population.

Over the next 40 years the proportion of people in our country over the age of 65 will double as well as the proportion of those age 65 and over will increase even more quickly, doubling by the year 2011. By 2031 the number of people over 65 compared with the number of working age Canadians will fall from one in five to one in three.

Clearly these realities must be addressed. To this end the government is studying these issues and will shortly release a paper on the challenges and opportunities posed by our aging society.

This paper will address the full range of issues relating to our aging population and will examine what must be done by governments, employers, working age individuals and families to plan for their future. It will examine the changing roles and needs of our seniors as Canadians live longer and healthier lives. It will look at services and labour market issues and whether changes are required to the public pension system to ensure it remains sustainable. It will also examine the current tax treatment of private savings for retirement.

We all know that planning for an aging society cannot be done overnight. We simply cannot engage in short term thinking to such long term issues. With this in mind the government has committed itself to examining these long term trends so as to ensure that future generations of Canadians will have the same level of security currently enjoyed by our seniors.

To do this it will be necessary to define a set of efficient and compassionate programs to meet our future needs. The release of the discussion paper in the coming months will be the first step.

Of course, any future programs must continue to be fiscally responsible and fully sustainable. These are fundamental issues and to ensure success the government will need the active and informed participation of all Canadians as it seeks to arrive at a consensus on the direction that policies and programs should take.

(1830)

For instance, older Canadians have declared that they want to be involved in developing solutions. Their voices must be heard as must those of other concerned Canadians. As we move forward with this review, we cannot lose sight of the fact that we have a great deal to be proud of. Our current programs are rooted in a great tradition which is the basis of the caring society Canada has become today.

Today seniors are financially more secure than those of any previous generation. With the planned development of Canada's

income security system over the past few decades there has been a substantial decrease in the incidence of poverty among older Canadians. For example, between 1980 and 1992 the incidence of low income among seniors fell from one-third to less than 21 per cent. While single elderly women continue to have a much higher incidence of low income, 53 per cent in 1992, this figure was down significantly from 70 per cent in 1980.

The situation is by no means perfect. Overall seniors incomes are still modest. In a recent survey on aging and independence more than 60 per cent of those between ages of 65 and 69 years named government pensions as their main source of personal income. Still all Canadians can be proud of the network of government programs that have helped to improve the standard of living of seniors in Canada. For instance, the basic OAS pension together with the guaranteed income supplement and spousal allowance ensure financial security, especially for the poorest Canadians as they approach and enter retirement.

The Canada pension plan together with its sister program, the Quebec pension plan, is the social insurance program to which working Canadians contribute. It provides not only retirement income but a measure of income protection against disability and death. The Canada-wide portable coverage these programs give is a great example of what federal and provincial governments can achieve by working together.

Together these programs have made a significant contribution to the economic security of Canada's seniors. Although there is an increasing number of people living well beyond age 65 years, fewer are living in poverty. Proof of the success of this network of programs becomes clear every month as millions of people receive their pension benefits from the government reliably and on time.

In Canada in the late 20th century we can be proud of the initiative and the planning which almost 30 years ago laid the groundwork for the satisfying life of retirement which more and more Canadians are enjoying.

This is not to say that our retirement income system does not need examination, review and revision. In the past we have regularly examined our income security programs, reviewed them in light of changes in our society, and revised them to respond to those changes. We must be prepared to consider changes as they become necessary. We must maintain a sound system based on the foundations of the past and responsive to the needs of the future.

I conclude by urging all members of the House to be active participants in this process of examining our current system, deciding what we as a society want and putting in place a strategy for tomorrow.

Private Members' Business

(1835)

By working together we will ensure that a great tradition, our heritage and our commitment as a caring society, will continue into the 21st century.

[Translation]

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, my colleague from Québec—Est has put before this House a motion which reflects the opinion held by seniors in my riding, in Quebec and in Canada. By reducing the age credit, the federal government is attacking the most vulnerable members of our society, because the majority of seniors have very modest incomes.

As spokesperson for seniors associations and organizations, I fully support my colleague's motion against the reduction of the age credit. The budget proposal is to reduce the age credit for individuals with net incomes exceeding \$25,921. The age credit will be reduced at a rate of 15 per cent of an individual's net income exceeding \$25,921. Senior with incomes over \$49,134 will no longer receive any age credit.

According to the Department of Finance, this measure will affect 800,000 seniors out of 2.6 million. This group includes 600,000 seniors with incomes between \$25,921 and \$49,134, and 200,000 seniors with incomes over \$49,134. Are we to understand from this measure that the government considers seniors with incomes of \$25,000 as rich? Whatever little efforts are made to reduce government spending are made on the backs of the disadvantaged.

The federal and provincial governments have a mandate to provide services to protect and promote the well-being of all Canadians. The governments must also work together with consumers and representatives from the non-profit sector, the industry and the business community to develop policies and programs. They must project a positive and realistic image of seniors.

The Income Security Programs Branch is responsible for the administration of old age security, the Canada Pension Plan and the child tax benefit. The branch employees are presently working in regional data processing control stations to approve requisitions for payment and keep the files of seniors and families who receive children benefits up to date.

In *Le Droit* of Ottawa—Hull for Thursday, February 24, 1994, the Association de défense des droits des retraités expressed outrage about the federal budget, which abolished the personal income tax exemption for seniors earning between \$25,000 and \$49,000 a year. Yvette Brunet, president of that association which defends pensioners' rights, said that it was odious and scandalous. Coming after election promises of tax fairness, the budget shows that this government does not really want change.

The wealthiest people are still spared by the tax department. Remember the tax shelters. Furthermore, the government is also trying hard to reduce services for seniors.

On May 10, I asked the minister responsible for seniors a question about the plan to install voice mail to answer inquiries from seniors. The minister simply told us about the speed of the proposed service. I explained that many seniors are reluctant to use such a service and they have expressed this opinion clearly through the representative of the Federation of Senior Citizens.

(1840)

On May 11, 1994, I was at it again. I asked the following question in the House:

—Why does the federal government insist on attacking senior citizens, considering that most of them find it very difficult to deal with a system that is so impersonal?

The answer from the Minister of Human Resources Development was disarming and unacceptable. He said that this program would be more efficient and more personalized and give seniors better service.

A centralized telephone answering system using voice mail to answer all seniors' inquiries about government programs will have a huge impact on the quality of services provided to seniors.

EDS Limited, which never consulted the public, was hired by the government at a cost of \$220 million to make this change. EDS Limited intends to reduce services to clients who want to speak directly to an officer. Seniors will have to deal with an answering machine. The required listening and communication skills will no longer be available.

The few representatives working in the region will become inaccessible and permanent offices will disappear. Employees working for income security programs receive calls from seniors asking them to phone, on their behalf, the Régie de l'assurance-maladie du Québec, which uses a touch-tone recorded questionnaire. These people complain that they do not get the information they need.

EDS Limited itself admits that this service will reduce direct communications with agents. Because of this, seniors must increasingly rely on themselves and no one else. These people have good reasons to worry and even to rebel against unfair treatment. They want to be considered like full-fledged citizens and they want to be respected in every way, including from a tax point of view.

Seniors have gained a lifelong experience. They have helped build this country. They have the right to be informed in a human way to be able to support themselves. They rely on their savings, investments, private pensions, public fund transfers, and sometimes even on the generosity of their relatives. They are confronted with the rise in the cost of living. Making access to

Adjournment Debate

FISHERIES

information more difficult and reducing financial help to seniors will not improve their quality of life.

The government must ensure that the information on services and programs for seniors is easily accessible.

A quick reminder: the previous government had targeted the Canada Pension Plan, but the Prime Minister of the time, Brian Mulroney, had to revise his position. The Ottawa lady who became an instant celebrity in 1985 with her famous "Good bye Charlie Brown", when the first Mulroney budget was tabled, is proof that seniors are not going to be fooled and that they will not be scapegoats as regards the national debt, while the government is wasting public money.

Take family trusts for example. What is the government waiting for to tax these trusts which only benefit rich families? Why target the poor who have worked hard all their lives? The government must promote and facilitate independence among seniors by providing them the support they deserve through income security and services geared to their specific needs.

Seniors have contributed throughout their lives to a universal plan.

(1845)

Obviously, they expect all Canadians reaching the required age to receive those benefits, whatever their income may be.

Right now, 72 per cent of all retired women and 50 per cent of retired men are receiving OAS benefits or some income supplement. Only 5 per cent of older Canadians have an income over \$50,000. Life expectancy is increasing. These additional years must be fulfilling and enjoyable for our elderly.

To efficiently maintain the quality of life for our elderly, we must provide them with the tools they need to get all the appropriate information. Finally, I would like to reiterate a request I made during a speech in the House of Commons, on February 3, 1994, and which boils down to this: "Why is there no secretary of state or department responsible for issues relating to seniors, like the one we had under the previous government, since this issue is so vitally important?"

The Acting Speaker (Mr. Kilger): The period provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[*Translation*]

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

Mrs. Francine Lalonde (Mercier): Mr. Speaker, on May 3, 1994, I put the following question to the Minister of Human Resources Development, which was preceded by the following comment: "Yesterday, this minister clearly indicated to this House that the Atlantic fishery workers unions had been consulted about the individual contracts that workers must sign, thus committing themselves to undergo training or do community work in order to receive their benefits. We checked and the unions were never consulted on this".

My question to the minister was: "How can the minister reconcile the statement he made yesterday in the House with the confirmation that was given to me afterwards by the head of the fishery workers union, who said he had never been consulted on the issue of the individual contracts?" I later met the president of the fishery workers union who again confirmed that he had never been consulted about this matter.

My question was: How can the minister reconcile his answer with my information? I expected an answer that would at least address the question, but that is like trying to reconcile the irreconcilable. What I got was a model of political rhetoric, not from the Minister of Human Resources Development but from the Minister of Fisheries and Oceans.

I therefore want to take this opportunity to draw the attention of the House to the lack of openness of the government and the ministers. Some explanations are in order about the issue of obliging workers who participate in the pilot project to sign a contract in exchange for the benefits promised by the minister, something people find disturbing.

If this pilot project leads to further projects, people certainly had the right to know whether there was any consultation. The answer was no. This government will have to learn to be more open, because otherwise, how can it proceed with its reform of social programs?

(1850)

I have a very good reason for raising this issue again this evening. There are communities all over Canada where workers, like the fisheries workers, have lost all hope, except that their numbers are not as high as in the fisheries industry.

So how can we help those workers? Can we help them only by making this help compulsory, when in many cases they are older than average? There is a very large number—24,000—between the ages of 25 and 49, but many, in fact more than 6,000, are at least 50 years old. Now workers who are between the ages of 35 and 49 need to know what they will get in the end, because we cannot pay them a pittance for a few years and oblige them to take training that is a dead end. We have to ensure that the community has the resources to create jobs, to help them create businesses and to attract businesses, so there is some hope for the future. Compulsory training, clean-up programs and

Adjournment Debate

community assistance programs as such are useless if workers and their communities are not helped to find real jobs.

My question was: How can the minister reconcile that? There was no consultation, and that is really too bad.

[English]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I can assure the hon. member that extensive consultation took place in the development of the TAGS program, including the fishermen, food and allied workers associated with the sectoral councils.

The people in our region are really looking for hope and opportunity. It is for this reason that this government has engaged in what I consider a rational and reasonable approach to reshaping the economy of that particular region.

Under TAGS there are at least a dozen adjustment measures that individual participants can use to help themselves adjust to their circumstances.

Throughout the consultation process it was made clear that active participation of the fishermen and plant workers affected by the groundfish crisis would be a requirement for ongoing income support. However, what we heard from the fishermen and the plant workers is that they wanted opportunities such as training from literacy to university levels. We have opportunities with the participation in green projects involving working and learning activities within their communities. No matter which option is chosen, however, participants will be required to take an active role in helping themselves.

The intent to require participants to be actively involved in their adjustment was clear from the start. In effect, each person applying for the benefits of TAGS commits to this process by signing the application form.

The concern raised by the hon. member for Mercier did not relate to the principle of expecting participants to actively take part in the program. Rather the question related to the administrative means used to ensure that participants continue to actively pursue their adjustments while receiving income support.

On May 6, 1994 a special representative of the Minister of Human Resources Development met with officials of the organization. These discussions provided a satisfactory resolution to the concerns raised for all participants. There will not be an administrative social contract which individual participants will be required to sign. The signed application form will suffice.

(1855)

EMPLOYMENT

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, on May 25 I asked the Minister of Human Resources Development to take the \$1 million, indeed over a million dollars, that his department plans to spend on promoting and advertisements in relation to the social policy review and redirect it to those young Canadians

who are living in poverty, those young families that are clearly in need now.

The minister's response did not address the real issue and that is what will this government do to help those most in need?

There is a crisis in our country, a crisis of poverty that is undermining the fabric of our society and, alas, that is increasing. Those Canadians most in need of assistance from this government are young people, young families and women.

On May 25, the same day that I posed this question to the minister, a report entitled *The Outsiders* was released. It was very disturbing. It indicated that the rising divorce rate has led to further complications among young families as one in four metro Toronto families is headed by a single parent. The report also notes that single parent families have the lowest levels of social assistance. Even among those single parents who work poverty rates are twice as high as those of two parent families with a single earner. I want to ask what the government will do to help these single parent families.

Recently a report from the United Nations development program gives Canada high marks for education. It says that Canada is the number one place to live, and we are all proud of that. However, when human development by the United Nations is measured separately for males and females Canada drops from first spot to ninth spot largely because of the wide income disparity. The report indicates that the adjusted real income rate for Canadian women is 51.5 per cent of that for men.

I want to ask this government will it leave people behind? There is the over \$1 million proposed to be spent on advertising; more recently, \$55 million to be spent on advertising dedicated to help Canadians to stop smoking. While we would like to see Canadians stop smoking the proof is very fragile in terms of what that advertising budget will do.

This government was elected on the faith that it would create jobs for Canadians. It has created jobs for Canadians, in particular those Canadians who are in the advertising industry.

The infrastructure program is a good program but is largely directed to jobs for men.

I want to ask the member responding for the minister what this government is prepared to do besides advertising, creating jobs for advertisers. What is it prepared to do for those young families living in poverty, the single women who are raising families, a large majority living in poverty? Why not act? Why just advertise?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I would like to thank the hon. member for her intervention and I look forward to answering her question.

There are too many people living in poverty today, far too many people with the proper skills in Canada to make us competitive, far too many young people facing the problems and challenges associated with transition from school to work, the 1.2 million children who live in poverty in Canada.

Adjournment Debate

This is precisely the reason why we as a government have taken on the challenge to modernize and restructure Canada's social security system, a challenge that past governments have run away from.

On January 31 of this year the Minister of Human Resources Development introduced a three stage process to the House that would result in new a new social security system for Canada which would address the labour market strategy challenges that we face and would address the concerns cited by the hon. member.

We are taking interim measures to address the issue of unemployment. That is why as a result of the SEED program this summer 60,000 young people will be employed. That is why we are reducing the UI premiums, so that small business can generate more jobs, so that we can generate more jobs.

We were elected on a mandate to create jobs. We are well on our way to doing that. Not only that, we are taking on the very important challenge to modernize and restructure Canada's social security system so that fewer Canadians are faced with the challenges and the plight of living in poverty.

We have only been in government for approximately six months. Our record to date on the measures we have taken so far show that this government truly cares about the lives of Canadians.

The Acting Speaker (Mr. Kilger): It being 7 p.m., this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

TABLE OF CONTENTS

Tuesday, May 31, 1994

Points of Order

Votes and Proceedings

Mr. Milliken	4619
--------------------	------

ROUTINE PROCEEDINGS

Yukon First Nations Self-Government Act

Bill C-34. Motions for introduction and first reading deemed adopted	4619
Mr. Irwin	4619

Petitions

Abuse in the Media

Mr. Duhamel	4619
-------------------	------

Questions on the Order Paper

Mr. Milliken	4620
--------------------	------

Questions Passed as Orders for Returns

Mr. Milliken	4620
--------------------	------

GOVERNMENT ORDERS

Budget Implementation Act

Bill C-17. Motion for third reading.	4621
Mr. Peters	4621
Mr. Mills (Broadview—Greenwood)	4621
Mrs. Lalonde	4624
Mr. Asselin	4625

Mr. Speaker (Lethbridge)	4629
Ms. Catterall	4635
Mr. Plamondon	4637
Mr. Crête	4638
Mr. Bryden	4641
Mr. Simmons	4642
Ms. Cohen	4645
Mr. Duhamel	4645
Mr. Breitkreuz (Yellowhead)	4646
Mr. Harvard	4647
Ms. Cohen	4648

STATEMENTS BY MEMBERS

Peacekeeping

Mr. Knutson	4650
-------------------	------

The Late Raymond Gravel

Mr. Guimond	4650
-------------------	------

The Late Walter Dufek

Mr. Harper (Simcoe Centre)	4651
----------------------------------	------

Igloolik Isuma Productions

Mr. Anawak	4651
------------------	------

Ethanol

Mr. Crawford	4651
--------------------	------

Multiple Sclerosis

Ms. Cohen	4651
-----------------	------

Tribute to AQEPA

Mr. Bernier (Mégantic—Compton—Stanstead)	4651
--	------

National Access Awareness Week

Mr. McClelland	4652
----------------------	------

Canadian Wheat Board

Mrs. Cowling 4652

World No Tobacco Day

Mr. Pagtakhan 4652

Employment

Mr. Adams 4652

Language Rights

Mr. Plamondon 4652

Bill C-7

Mr. Hill (MacLeod) 4653

Partnership Walk

Ms. Catterall 4653

World No Tobacco Day

Ms. Fry 4653

Salmon Fishery

Mr. Riis 4653

ORAL QUESTIONS PERIOD

Family Trusts

Mr. Bouchard 4654

Mr. Martin (LaSalle—Émard) 4654

Mr. Bouchard 4654

Mr. Martin (LaSalle—Émard) 4654

Mr. Bouchard 4654

Mr. Martin (LaSalle—Émard) 4654

Government Finances

Mr. Loubier 4655

Mr. Martin (LaSalle—Émard)	4655
Mr. Loubier	4655
Mr. Martin (LaSalle—Émard)	4655

Province of Quebec

Mr. Manning	4655
Mr. Chrétien (Saint–Maurice)	4655
Mr. Manning	4655
Mr. Chrétien (Saint–Maurice)	4656

Indian Affairs

Mr. Gauthier (Roberval)	4656
Mr. Chrétien (Saint–Maurice)	4656
Mr. Gauthier (Roberval)	4656
Mr. Irwin	4656

Infrastructure

Mr. Harper (Simcoe Centre)	4656
Mr. Eggleton	4657
Mr. Harper (Simcoe Centre)	4657
Mr. Eggleton	4657

National Forum on Health

Mrs. Picard	4657
Mr. Chrétien (Saint–Maurice)	4657
Mrs. Picard	4657
Mr. Chrétien (Saint–Maurice)	4657

Correctional Service Canada

Mr. White (Fraser Valley West)	4657
Mr. Gray	4658
Mr. White (Fraser Valley West)	4658
Mr. Gray	4658

Right to Education in French

Mrs. Tremblay (Rimouski—Témiscouata)	4658
--	------

Mr. Chrétien (Saint–Maurice)	4658
Mrs. Tremblay (Rimouski—Témiscouata)	4658
Mr. Chrétien (Saint–Maurice)	4658

Fisheries

Mr. MacDonald	4658
Mr. Chrétien (Saint–Maurice)	4659

Federal Grants

Mr. Stinson	4659
Mr. Martin (LaSalle—Émard)	4659
Mr. Stinson	4659
Mr. Martin (LaSalle—Émard)	4659

Hepatitis C

Mr. de Savoye	4659
Ms. Marleau	4659
Mr. de Savoye	4660
Ms. Marleau	4660

Fisheries

Mr. Cummins	4660
Mr. Tobin	4660
Mr. Cummins	4660
Mr. Tobin	4660

Gambling

Mr. Gallaway	4660
Mr. Rock	4660

Anti–Smoking Advertising

Mr. Bellehumeur	4661
Ms. Marleau	4661

Royal Canadian Mounted Police

Mr. Ramsay	4661
------------------	------

Mr. Gray	4661
----------------	------

Points of Order

Votes and Proceedings—Speaker’s Ruling

The Speaker	4661
-------------------	------

Official Report

Mrs. Brown (Calgary Southeast)	4661
--------------------------------------	------

First Report of the Committee on the Environment and Sustainable Development

Mr. Chrétien (Frontenac)	4662
--------------------------------	------

GOVERNMENT ORDERS

Budget Implementation Act

Bill C–17. Consideration resumed of motion for third reading	4662
Mr. Dubé	4662
Mr. Blaikie	4665
Mr. Landry	4665
Mr. Anderson	4666
Mr. Canuel	4668
Mr. Landry	4668
Mr. Breitkreuz (Yorkton—Melville)	4668
Mr. Landry	4670
Mr. Telegdi	4671
Mr. Epp	4673
Ms. Bridgman	4674
Mr. Loubier	4675
Mr. Silye	4677
Mr. Campbell	4678
Motion agreed to on division: Yeas, 137; Nays, 91	4679
(Bill read the third time and passed.)	4680

PRIVATE MEMBERS’ BUSINESS

Seniors—Reduction of Age Credit

Motion	4680
--------------	------

Mr. Marchand	4680
Ms. Clancy	4682
Mr. White (Fraser Valley West)	4683
Mr. Bevilacqua	4684
Mr. Dumas	4686

ADJOURNMENT PROCEEDINGS

Fisheries

Mrs. Lalonde	4687
Mr. Bevilacqua	4688

Employment

Ms. McLaughlin	4688
Mr. Bevilacqua	4688