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Thursday, October 20, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Thursday, October 20, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[Translation]

INTERPARLIAMENTARY DELEGATION

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report prepared by the official parliamentary delegation of the Canada–France Parliamentary Association which attended the 25th annual meeting of the association held in Montreal, Charlevoix and Iqaluit from July 16 to July 24, 1994.

* * *

[English]

PETITIONS

MINING

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, I am delighted to present petitions on behalf of several hundred residents of Newfoundland. The signatories of these petitions come from my riding of Burin—St. George's as well as from the riding of my colleague, the Minister of Fisheries and Oceans and the member for Gander—Grand Falls.

The petitions salute the importance of the mining industry as the mainstay of employment in more than 150 communities across the country and as an important contributor to Canada's gross domestic product and exports.

The petitioners call on Parliament to take action that will increase employment in the mining sector, promote exploration, rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada.

I have much pleasure in presenting these petitions and in giving them my full support.

ASSISTED SUICIDE

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, according to Standing Order 36, I would like to present two

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

HUMAN RIGHTS

Mr. Werner Schmidt (Okanagan Centre, Ref.): The second petition, Mr. Speaker, is from petitioners who pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibitive grounds of discrimination the undefined phrase sexual orientation.

It is an honour for me to present these petitions on behalf of my constituents.

GUN CONTROL

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I have two petitions to present today, both on the same subject. I would like to add that there are a growing number of Canadians who continue to be concerned about the proposition of more gun legislation in this country.

These petitioners call to the attention of the House that current legislation allows law-abiding citizens of Canada to own firearms and that current legislation regulates the acquisition and possession of firearms through a complex, expensive and rigorous regulatory scheme. In the vast majority of serious crimes in which firearms were involved those firearms were illegally acquired or were illegally possessed.

Therefore, the petitioners call on this House of Parliament assembled to oppose further legislation for firearms acquisition and possession and to provide strict guidelines and mandatory sentences for the use or possession of a firearm in the commission of a violent crime. I concur with my petitioners.

CANADA POST

Mr. Simon de Jong (Regina—Qu'Appelle, N.D.P.): Mr. Speaker, I wish to present a petition signed by over 400 people from Balgonie, Saskatchewan in my constituency.

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(1010)

The petitioners point out that the present Prime Minister in a letter dated August 1993 to Rural Dignity of Canada stated that the Liberal party had “vigorously spoken out against Canada Post’s plans to close or convert existing post offices and that the Liberal Party viewed the closure and the conversion as a deterioration of services to the public resulting in poorer service, lower wages for employees and greater difficulty in guaranteeing the security of the mail”.

The petitioners ask that a full corporate post office be reinstated in the town of Balgonie which is a growing and progressive community, and they want a full time postmaster.

ASSISTED SUICIDE

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present two petitions this morning on behalf of my constituents in Cumberland—Colchester.

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

HUMAN RIGHTS

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, the second petition is with regard to the Canadian Human Rights Act. The petitioners are requesting that we do not alter the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibitive grounds of discrimination the undefined phrase sexual orientation.

I am pleased to present both of these petitions on behalf of my constituents in Amherst, Nova Scotia.

YOUNG OFFENDERS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I have two petitions to present on behalf of my constituents today.

The first one deals with the young offenders legislation. My constituents have expressed a number of concerns. I am pleased to see that our government has addressed many of those in the present legislation before this House as well as in the study that is being undertaken by the justice committee.

HUMAN RIGHTS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, my second petition has to do with changes to the Human Rights Act. My constituents are concerned that the

changes will concur or give societal approval to things that my constituents do not believe appropriate.

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QUESTIONS ON THE ORDER PAPER

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall all questions stand?

Some hon. members: Agreed.

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[English]

OLD AGE SECURITY ACT

Hon. David Anderson (for the Minister of Human Resources Development) moved that Bill C-54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children’s Special Allowances Act and the Unemployment Insurance Act, be read the second time and referred to a committee.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, it is my very great honour to rise in the House today to speak in support of Bill C-54, whose amendments which will assist over 3.5 million Canadian seniors, in particular the 1.4 million seniors currently receiving the spouse’s allowance or the guaranteed income supplement.

The proposed amendments will enable these seniors, the majority of whom are women, to receive the benefits to which they are entitled with a minimum of red tape.

I am particularly pleased to speak on behalf of this bill because so many of its amendments display a unifying theme, namely establishing effective and efficient government and providing better service to the public while at the same time controlling costs.

This bill is a demonstration of our continuing commitment to both current and future seniors. It follows improvements to telephone service made earlier this year.

Members may recall that in February the Minister of Human Resources Development responded to public concerns raised by the Auditor General by ordering immediate action to ensure pensioners were able to get answers to questions about their benefits. These changes which involve the training of up to 200 additional client service officers and a \$3 million investment to expand and upgrade existing telephone equipment has certainly been very effective.

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(1015)

In fact since May over 65,000 calls have been answered from clients in Ontario and New Brunswick alone. These clients would have had their calls go unanswered had the changes not been made.

The amendments we are introducing today will move us a few more steps down the road toward the administrative effectiveness and excellent client service which we all seek. They will also make it easier for you as members of Parliament to represent constituents in their dealings with the department.

I want to speak a bit about the reform of income security programs. The government is committed to providing Canadians with a more streamlined and efficient system. This is especially true in Human Resources Development Canada where this is not just some philosophical notion but rather a daily commitment to the clients who use the numerous employment, training, social development and income security programs which the department administers.

The redesign of our income security programs encompassing the old age security program and the Canada pension plan is a concrete example of this commitment. This project will vastly improve the efficiency and quality of service to Canada's seniors and pensioners. However, redesign is not something that happens overnight but it is indeed a continual process.

Fortunately there are changes which can be made right away and these are contained in the bill before the House. These include an alternative to the annual application process for income tested benefits under the old age security program; streamlined appeals process and procedures to expedite the hearing of appeals; one year retroactivity under the Canada pension plan for retirement pensions payable after age 65; the authority to forgive overpayments resulting from administrative error or erroneous advice; and a number of technical amendments which collectively enable the government to offer better service to seniors in a more efficient manner. Also in the bill is found changes to guaranteed income supplement and spouses allowance.

One amendment of the bill is of special significance to low income elderly Canadians, a disproportionate number of whom are single women. Under the Old Age Security Act a basic pension is provided to all those persons over the age of 65 who have met the residency period established in the act.

The basic pension is the foundation of the old age security program. In addition this program provides income tested benefits such as GIS and SPA. These two programs ensure that recipients have a guaranteed minimum income on which to live.

The amount of GIS or SPA an individual receives during the fiscal year is based for the most part on income in the previous calendar year. To obtain this information we have always

required that our clients file a statement of income each and every year. The experience of experts in this area is that this can be an onerous and even frightening experience for many seniors.

I recently received a letter from a volunteer agency composed of seniors whose mandate is to ensure that other seniors are aware and able to take advantage of the services and benefits available to them. This group was asking if any alternatives to the current application/reapplication process had ever been considered. This question obviously flowed from its experience in dealing with problems caused by the current system. The woman who wrote on behalf of the group pointed out two significant areas of concern which these volunteers had encountered.

(1020)

To begin with, renewal applications are sent out each January and must be returned by the month of March. This allows the new benefit amounts to be calculated in time for the April cheque.

The woman who wrote on behalf of the volunteer group pointed out that some of the older recipients in her province worry about being late in reapplying, so much so that many complete it as soon as it arrives in January. The problem is that people with some other source of income have not received their information slips by the end of January. As a result, these pensioners guess at what their income was in the previous year.

However, if they guess wrong it means that they either receive an underpayment or an overpayment on their April cheque. In the case of an underpayment, they may not receive sufficient money to live. In the case of an overpayment, recipients could end up having to pay money back to the government. As well, some recipients set this form aside for safekeeping in recognition of its importance and then forget to submit it when they receive their information slip.

Sadly, it is no longer possible for staff to contact those seniors who have not returned their forms by a certain date, since we now have more than one million supplement clients to serve each year. In any case, failure to file this form means that pensioners' old age security cheques in April would contain only the basic pension amount. At its worst, this could mean receiving roughly \$388 instead of \$848, a 54 per cent drop in income.

For someone relying on an income tested benefit to make ends meet, this is of course a devastating experience. At that point they need special help to get their forms completed and a cheque issued as fast as possible. This, of course, adds to administrative costs.

I am not saying that all pensioners, or even the majority of pensioners, have difficulty with the renewal process. However,

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the fact is that there is a problem for some which is reason enough for this government to find alternatives.

An amendment to the Old Age Security Act contained in the bill would go a long way to alleviating these very real problems facing very real people. The amendment would give the Minister of Human Resources Development the authority to waive the requirement for an individual to reapply each year.

It will be some time before we are able to use this waiver extensively. However, some of the cases where this waiver could be used either immediately or in the very near future include the following: Pensioners whose income does not change from year to year, a situation common among more elderly seniors; pensioners whose only other source of income is the Canada pension plan, which means that my department already has the income information necessary to calculate the income tested benefits under the old age security program; and, pensioners who have already filed their income tax returns by the end of March.

For this group, the income information could be obtained directly from Revenue Canada. Obtaining information directly from Revenue Canada would do more than provide an improved client service. It would also reduce a great deal of duplication both for seniors and for the government. Seniors would no longer have to provide what is effectively the same information to two government departments. In turn, the role of the Department of Human Resources Development plays in the renewal process would become more efficient because it would get the correct information from Revenue Canada about an individual's income from the first.

This means that the underpayments and overpayments on many accounts would be eliminated. Efficiencies such as this would go a long way to streamlining service to the public, while at the same time reducing government expenditures. As well, there would be a reduction in the paper burden imposed on those who are least able to cope with it.

Other amendments in the bill would also have significant benefits for pensioners. The OAS appeal process is yet another example. It involves changes to the old age security appeal process. Currently any client dissatisfied with the decision under the OAS act may ask for a reconsideration which is an internal review of their file or the client can go directly to a review tribunal which is made up of three members, a representative of the client, a representative of the minister and a chair who is agreed by the other two.

(1025)

There are a number of problems with this process which I feel the amendments will go a long way to alleviate. First we are proposing that the reconsideration stage be mandatory for all

appeals, so that clients would be assured of a speedy review of their case to ensure that the decision they originally received was in fact the correct one.

Experience has shown that reconsideration is the fastest way to change the original decision, especially if an error occurred or if there was simply something lacking in the documentation submitted the first time around. This happens when clients bring forward new information that was not available when the original decision was made.

Second, we are proposing to have all OAS review tribunals heard by the review tribunals correctly in place under the Canada pension plan. As I am sure hon. members can appreciate, it is often very difficult to find three volunteers who are all able to be at the same place at the same time, during business hours, particularly in remote locations. In fact there are currently appeals under the OAS program that have been waiting to be heard for more than two years.

By contrast the Canada pension plan review tribunals in place since 1992 are proving very efficient. These tribunals are composed of three members chosen from a panel appointed for just this purpose. As a result we have a significant number of people who are committed to be available to take part in the appeal process in all parts of this very large country.

As well, because members hear a number of appeals during their tenure, they develop a very good working knowledge of the program on which they are being asked to adjudicate.

On the issue of war crimes, we are also proposing amendments which complement Canada's commitment to the international community in its efforts to bring to justice persons suspected of war crimes or crimes against humanity.

To further the important work of the Solicitor General, the department is proposing amendments to the information disclosure provision of the Canada pension plan, the Old Age Security Act and the Unemployment Insurance Act by allowing the commissioner of the RCMP, the Minister of Justice and Attorney General of Canada access to information controlled by our department.

Canada is strengthening its ability to be a meaningful partner in this effort. I assure hon. members that this access will be strictly controlled and will be restricted to actions conducted by Canada in Canada.

On the information exchanges with veterans affairs, other changes to the information provisions contained in the Canada pension plan and Old Age Security Act will follow for expanded information exchanges in veterans affairs. Even though many of our clients are the same our ability to communicate with each other has been very limited.

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In this time of economic restraint it is important that we govern as efficiently as possible. It is also important that people will receive their correct entitlements under various government programs. Better communications with veterans affairs will meet both of these objectives.

On the issue of pensioner activity I now want to outline a significant amendment to the Canada pension plan contained in the bill, significant because of why it is being made; that is, the introduction of a 12-month retroactivity period for Canada pension plan retirement applications by persons over the age of 65.

In 1987 with the introduction of flexible retirement under the CPP it became possible to receive an actuarially adjusted retirement pension from age 60 to age 70. The amount of an individual's benefit is based in part on the age at which the pension begins. Specifically the benefit is reduced by .5 per cent for each month an applicant is under age 65 or increased by .5 per cent for each month the applicant is over the age of 65.

(1030)

To complement this change, it was felt that there was no further need for retroactive retirement pensions prior to age 70. If someone delayed applying for retirement pension past age 65, their benefit would be adjusted to reflect this fact.

However, in the ensuing seven years, there have been some complaints from people over the age of 65 who state that they would rather have had the option of receiving up to 12 months of retroactive benefits. This would be in lieu of the increase of up to 6 per cent in their monthly entitlement that a delay of 12 months represents.

This change is not significant if we look at the number of people who have requested it. However, ask any one of the individuals who wants to choose the retroactivity option and they will tell you how significant it is to them.

Usually they have delayed a few months in applying after their 65th birthday and they really cannot understand why they cannot get benefits back to that time. Frankly, neither can I. It is not a matter of costs since the extra months of payments are balanced by actual adjustments.

Another significant change proposed by this legislation relates to overpayments which occasionally occur under the Old Age Security Act. When overpayment was solely the result of an administrative error the Minister of Human Resources Development under this legislation would have the authority to give such an overpayment. This mirrors a provision that currently exists under the Canada pension plan.

Today I have outlined the major changes the government is proposing to OAS and CPP legislation. However there are several other technical amendments that will also help us better serve pensioners.

In conclusion, these amendments taken together will result in improved service to our clients, reduce administrative costs and significantly reduce duplication and paper burden both to our clients and to the government departments involved.

The amendments contained in this bill represent one more step in this government's commitment to providing Canadians with the excellent government services they deserve while at the same time reducing costs as much as possible.

Finally, the amendments in this bill will go a long way toward helping making life a little easier for our seniors who have after all made such a tremendous contribution to the building of this country.

[*Translation*]

Mr. Maurice Dumas (Argenteuil—Papineau, B.Q.): Mr. Speaker, Bill C-54, an Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Allowances Act and the Unemployment Insurance Act, was tabled on October 7 by the Minister of Human Resources Development.

The proposed amendments to the Old Age Security Program and the Canada Pension Plan will provide for certain improvements that will benefit senior citizens, but the bill's lack of clarity is certainly no guarantee that senior citizens will have an adequate level of financial security. The bill may even reduce the incomes of some seniors.

As the critic for seniors' issues, it is my duty to ensure that the social security review does not become an exercise in making cuts in all programs designed to protect the neediest in our society, especially senior citizens.

Most senior citizens have modest incomes. According to a report by the National Advisory Council on Aging, disposable incomes of senior citizens were as follows: the incomes of families headed by seniors were 68 to 80 per cent of the incomes of other Canadian families, depending on the income measure used and the Canadian region concerned. In 1989, for instance, the average income of families headed by seniors was only \$37,462 or 72 per cent of the incomes of families where the head of the family was under 65.

(1035)

In 1989, the average income of single persons aged 65 or over was \$16,316, while the average income of single persons under 65 was \$23,080. A single person is an individual who lives alone or in a household where the person is not related to other members of the household. Single persons, irrespective of their age, tend to have relatively low incomes. Consequently, if we consider single persons as a group, the gap between senior citizens and the rest of the population is not as wide as it is between families, but it is still substantial.

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Responsibility for seniors is shared by two departments, Human Resources Development and Health, with the Seniors Secretariat, which is responsible for giving seniors the information they need on federal programs and services, while providing liaison with the federal and provincial departments responsible for programs for senior citizens. Why not have a minister responsible for senior citizens, like the previous government? I asked this question at the very beginning of my term as a member of this House.

In addition, the National Advisory Council on Aging advises the Minister of Health on the quality of life of senior citizens, either at the request of the minister or on its own initiative. The council's role consists in disseminating information and publishing reports, for instance. The federal government assists senior citizens mainly through two programs: Old Age Security and the Canada Pension Plan, and a number of tax measures.

The purpose of the OAS program is to provide seniors with a decent level of income. The program includes three kinds of benefits under the Old Age Security Act. The basic old age security pensions provide seniors with the basis for a decent level of income. Pensions are paid to all Canadians and Quebecers 65 years of age and over who meet residence requirements. They are taxable and subject to partial or full clawback in the case of seniors with high incomes.

The guaranteed income supplement ensures a minimum level of income to old age security pensioners. Benefits are paid to old age security pensioners who have a low or modest income. The amount of benefits is established through an assessment of annual income, generally based on the individual's income for the previous year reported for tax purposes.

The spouses's allowance helps married, retired and low-income couples who receive only one old age security pension or guaranteed income supplement, as well as low-income widows and widowers, aged 60 to 64, who meet the old age security requirements in terms of residency. Benefits are determined through an income assessment similar to the one applicable to the guaranteed income supplement. The Canada Pension Plan is a mandatory and contributive social insurance program designed to protect Canadian workers and their families against a loss of income due to death, disability or retirement.

Retirement pension benefits are equal to 25 per cent of the pensionable earnings of the contributor, with this average being established for the net qualifying period. These benefits will help about 2 million pensioners each month, for a volume of transactions of \$9.6 billion in 1993-94. Survivor's benefits consist of a monthly benefit paid to surviving spouses of deceased contributors, an overall benefit paid to the succession and orphan benefits paid each month to children of deceased contributors. Benefits paid to surviving spouses are reduced if

spouses are aged 35 to 45, are not invalid or have no children. Disability payments are made monthly to contributors who have not yet reached 65 years old and have a chronic and serious disability and to their dependent children who are 18 years old or less or 18 to 25 if they are full time students. In 1993-94, approximately \$2.5 billion will be paid to 325,000 recipients every month.

(1040)

Bill C-54 highlights contain, among other things, two specific amendments which will have a positive impact on the programs for the elderly and the amendments are the following.

Spouse's allowances automatically become old age security benefits when the recipients reach 65 years old. The guaranteed income supplement and spouse's allowances will be paid even when applications are late. The intent of the proposal is to amend the Old Age Security Act in order for the minister to be able to exempt some recipients from filing an annual application for the renewal of the guaranteed income supplement and spouse's allowances.

However, the Bloc Québécois cannot support Bill C-54's provisions which change access to some information, since the government wants to increase the number of departments, agencies and persons given access to personal information used in the administration of the acts amended by this bill.

According to the legislation as it stands now, the agencies having access to information are the departments of National Revenue, Finance and Supply and Services, the Employment and Immigration Commission, Statistics Canada and any provincial authorities administering an assistance program. These agencies do have access providing the information deals only with the status of recipients or the amount of the benefits or where disclosure of information is required for the purposes of administering the act.

We must be careful when gathering personal information on elderly people, because this can be used for other purposes. We must protect them from possible abuse. The government has not demonstrated that privileged information disclosure was required and essential. The government must always be accountable to elderly people by showing that the gathering of such information is not abusive.

Governments are encroaching more and more on the private lives of people, as we saw recently in the Grant Bristow case. Furthermore, the Bloc Québécois does not accept the clauses providing for sanctions in case of illegal communication because they do not go far enough.

Also the bill's clauses relating to information add the following agencies to the list of those who can have access to that

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information, namely Canada Post, Correctional Services of Canada, the Commissioner of the Royal Canadian Mounted Police, the Department of Justice and the Attorney General and even federal MPs and any other person designated by the minister as a health professional.

Some information will be made available to a greater number of departments. It is important to note that Correctional Services of Canada will have access to information on pensioner inmates in order to force them to pay back part of the costs of their detention.

The Department of Justice as well as the Commissioner of the Royal Canadian Mounted Police will have access to obtain information that could help them catch war criminals. Of course, this is aimed at Nazis who migrated to Canada after the last World War, among others. It is not explained why it is necessary to include any other person designated as a health professional by the minister. It is also mentioned that it would be useful to include Canada Post since that agency could, by using new techniques, help speed up the processing of pensioners' cheques.

(1045)

Another important point in Bill C-54 has to do with the government's plan to save money. From now on, clients who apply late for their pension will be able to receive up to one year's retroactive payment of benefits. In the case of Old Age Security, this is a reduction from five years to one year. For the Canada Pension Plan, this kind of situation is dealt with through actuarial adjustments.

This provision will come into force on April 1st, 1995. However, pensioners who owe money to the OAS plan will have their debt forgiven if it is the result of an administrative error or erroneous advice on the part of a departmental official.

The maximum deadline for the recovery of OAS overpayments will be eliminated. This way, the government will be able to get back between one and two million dollars.

Moreover, the minister may stay payment of benefits pending an appeal or a judicial review, thus depriving beneficiaries of money they need since it is often their only source of income.

The Old Age Security pension and the guaranteed income supplement are paid to 72 per cent of women pensioners and 50 per cent of men. Only 5 per cent of senior citizens have incomes above \$50,000. Their life expectancy has improved and we must ensure that these senior citizens lead a full and satisfying life during these extra years.

By putting more stringent conditions on programs for senior citizens, the government is merely cutting the income of these

people. The government is saying that the retroactive period has been shortened from five years to one year, to make the OAS program consistent with that of the Canada Pension Plan.

According to the present legislation, the government can go back a maximum of two years. Abolishing this provision would save the government between one and two million dollars. Given that people are protected from possible errors by civil servants, they would not have to refund any excess payment in such a case. The minister should tell us where he is going to take that money.

In the event of an appeal, the minister will be authorized to delay payment. Yet, the government itself recognizes that a large percentage of pensioners have no other incomes.

Let us not forget that the federal government has decided to reduce the tax credit given to senior citizens. At the present time, all taxpayers 65 and over can claim a tax credit equivalent to 17 per cent of \$3,482 at the federal level, and 20 per cent of \$2,200 in Quebec. This tax credit is non-refundable, that is to say, taxpayers can use it to reduce the tax they owe, but they cannot ask for a cash refund on any unused portion of it. However, such an unused part can be transferred to the spouse.

This tax credit amounts to a reduction of federal tax of about \$610 per year for all tax-paying senior citizens. In most provinces, and in Quebec in particular, this credit also reduces the provincial tax. The combined reduction of federal and provincial taxes averages about \$950, but in Quebec it comes to about \$1,050.

On May 31 of this year, I took the floor to oppose any reduction of the tax credit for senior citizens. I stressed that once again the meagre efforts to reduce spending were done at the expense of the neediest. At that time, I also mentioned that, on May 10, I had questioned the minister responsible for seniors about the projected use of so-called voice mail boxes to answer inquiries from senior citizens.

(1050)

The Minister of Human Resources Development merely stressed the efficiency of the proposed service. I explained that a lot of seniors hate to use this type of service and that the golden-age club representative voiced their concerns. In the last year, the Minister of Human Resources Development received numerous letters from Quebec members of the AFEAS, the Association féminine d'éducation et d'action sociale. Here are excerpts from one of them:

We heard that your department, Human Resources Development Canada, is planning to use voice mail in its communications with senior citizens wanting information on income security matters.

We believe this measure will affect people who may naturally be at a loss when confronted by this technology. Moreover, many of them do not have the required telephone sets.

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We AFEAS members are strongly opposed to your project to provide services to seniors through voice mail instead of having real people answer questions about income security.

We ask you to reconsider this unfortunate decision as soon as possible.

On May 11, 1994, I insisted again. I then asked 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?

Last September 28 in this House, I asked the following question of the Minister of Human Resources Development: Does the Minister of Human Resources Development still intend to slash programs for seniors in order to finance other federal government programs? Will we have to wait until after the Quebec referendum to know the answer?

On September 29, I rose again in this House, in an attempt to get a formal commitment from the government not to tax RRSPs. The purpose of my remarks is not to reject all the measures in Bill C-54 affecting senior citizens, given that certain rules that complicated their lives unnecessarily have been relaxed.

However, the government must guarantee seniors a certain security by not slashing the social programs that affect them. The government's direct expenses associated with senior benefits, which include old age security, the guaranteed income supplement and the spouse's allowance, represent \$20.6 billion in 1994-1995. The burden carried by seniors must be fair and equitable. Recent studies indicate that one person in eight is over 65.

In ten years, the number of people 65 and older will increase by at least 40 per cent. More Canadians aged 65 and older will have to rely on the ability to pay of working Canadians aged 15 to 64. However, many seniors are still active and prefer to live at home, look after themselves and make their own decisions.

With respect to seniors who wish to live together, one measure that I find very discriminatory is reducing old age security payments when seniors living in a residence decide to share an apartment with their spouse. Do you not think that more humanity, more generosity and less pettiness are in order?

In conclusion, I move, seconded by the hon. member for Châteauguay, that all the words after the word "that" be struck out and the following substituted:

"this House declines to give second reading reading to Bill C-54, An Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, because it does not provide a penalty under the Criminal Code for the disclosure of personal information concerning beneficiaries to persons who are not legally authorized to such information pursuant to Access to Privileged Information."

(1055)

The Acting Speaker (Mr. Kilger): Hon. colleagues, there have been discussions, and the amendment is in order.

[English]

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, as critic for human resources development I have some statements to make about the bill.

For the benefit of Canadians who are joining the debate by television, I would like to set out the purpose of the bill. It deals with major pieces of legislation involving enormous expenditures by the government. However the bill is not a major initiative. It is a piece of housekeeping and its purpose, according to the summary, is to improve services to clients to allow for more efficient program administration and to increase efficiency between programs in the case of old age security and the Canada pension plan.

It is almost exclusively concerned with amendments to the Old Age Security Act, that is the first 16 pages of the bill; with the CPP act which takes us through the first 30 pages of the bill; with the Children's Special Allowances Act which takes up a couple of pages; and with the Unemployment Insurance Act which takes up another couple of pages. These acts are house-keeping in nature but, as has been stated by my colleague from the Bloc, there are some policy considerations that should be brought out as we debate the piece of legislation.

The government speaker who spoke on the bill in the House this morning played rather heavily on the government's "commitment to seniors". Back in January the government introduced with much fanfare a review of our social security system. I will read from the terms of reference that were put forward to the House respecting that review: "that the Standing Committee on Human Resources Development be directed to consult broadly, to analyse and to make recommendations regarding the modernization and restructuring of Canada's social security system", and this is the operative part, "with particular reference to the needs of families with children, youth and working age adults".

Seniors are quite conspicuous by their absence from this mandate and review of the social security system. At the time the mandate was debated in the House I stood and proposed that it was deficient in that it ignored our social security system as it related to seniors. Seniors are some of the people most impacted by our social systems. OAS, CPP and health care are very much of concern to seniors. Yet their interests were ignored in the terms of reference for the review. Now the government stands and plays the violin about its commitment to seniors. That is a little hypocritical.

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(1100)

The bill does one thing for Canadians. It points out the enormous complexity of the legislation and administration of our social programs. This complexity catches Canadians in many ways and causes their lives to be a nightmare of forms, deadlines, red tape, information exchanges, letters, phone calls and all things that go along with an enormous state bureaucracy that is supposed to look after us but in fact does not do it very well.

After one year in office the Liberal answer to the need to address the substantive dysfunction of a lot of our social programs, and the concern that the services to Canadians are eroding and cannot be sustained, is to bring forth a bit of housekeeping legislation. That is simply not good enough for Canadians. We need to be serious about addressing our social programs.

I will talk about that in a moment but first I will address the concern about confidentiality. Canadians want to see some common sense in this area. For example, if a non-citizen, someone from another country, comes to Canada, decides to stay for reasons we can certainly well understand and makes applications as a refugee, that the individual is on welfare or some other social program cannot be disclosed to Canadians trying to evaluate which people should be allowed to come to our country and be accepted as citizens to help build our nation.

There are many areas where the concern about confidentiality interferes with efficient, effective and common sense administration of our own system. For example, if someone applies for benefits often it cannot be disclosed to other jurisdictions or to administrators of other programs. That is one of the reasons we have abuse, inefficiency and overlap.

We need to be very sensible when we address this area and not go overboard by suggesting that nobody, especially the system that is paying the bills, has a right to know what individual Canadians are receiving in benefits.

The real issue is not that we need a little tinkering with our programs, a little housekeeping legislation from time to time to try to smooth the bureaucratic wheels. As we know these programs are in far deeper trouble than that. What is really needed is a substantial review and reform of our income security programs and our social programs and that is what we are not receiving from the government.

The review taking place presently totally ignores all the programs of most concern to seniors. It totally ignores CPP. It totally ignores old age security. It totally ignores health care. Government says this is coming. Our social system is just that. It is a system. All these programs are interrelated. If changes are made to program *a* it will impact on programs *b*, *c* and *d*. That is the way it works. To do this piecemeal, to look at one program,

then maybe another and a couple of years down the road we will get around to looking at the rest, is not the way to look in a coherent, effective and clear manner at how social programs should be administered.

(1105)

A lot of people refer to the old saying: if it ain't broke don't fix it. Why are we looking at social programs? Why has the government brought in the review of social programs in Canada? It is fairly clear to everyone in the House and certainly to most Canadians why it is necessary. Although these programs are barely 30 years old, they are already unsustainable financially. They are not paying their own way. The cost of these programs is growing astronomically year by year and, worst of all, they have been largely financed on the backs of our children.

The bill for much of the spending on these programs which are so nice for us today is being handed to our children tomorrow. We are mortgaging our future so that we can have these programs. How long have we even had them? We have had them for 30 years. For 30 years we have impoverished our country and we are impoverishing our children so that we can have enormous benefits and an enormous bureaucracy to administer them. What have we accomplished? Very little as far as the long term benefit to the country is concerned.

Someone needs to stand and say this and do something about it. Canadians are looking to the government for leadership and for a good, common sense grappling with the issues facing us not just today but in the future. We do not see that happening.

We have a government that is continuing to say mortgaging our country to the tune of \$100 billion during its term in office is okay. It will celebrate if that is all it does: if it only puts us in the hole by \$25 billion a year it has done a great job for us! Canadians will beg to differ and certainly our children will beg to differ.

Seniors are at risk unless something is done. This is why many seniors are dependent upon pension benefits they have counted on to sustain them in their retirement years. It is very clear from anybody looking at these programs that in coming years our seniors will be sadly disappointed.

In just 15 short years we will have 40 per cent more retired Canadians than we have today. That is a huge increase. These Canadians will be looking for old age security payments. They will be looking for Canada pension plan payments. They will be looking to the health care system to make sure that their increased medical needs are covered and looked after.

Yet what is happening? These programs are costing more and more money. They are increasing the debt burden on our country

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and are in serious trouble by any standard. Yet there has been no substantial, serious or urgent look at the situation.

If we look at the Canada pension plan into which people like me faithfully and without any free will on the matter paid for so many years of our working lives, we see that the premiums to sustain the program have already had to rise. By the most moderate analysis they will be rising to at least 13 per cent by the time the next generation is paying our pensions. Some analysts suggest that the burden on future workers and taxpayers could be as high as 16 per cent. This off the top payment, even if it were only 10 per cent, will be in addition to the enormous yearly interest that will have to be paid on the money that we borrowed and to the payment for all the other programs we will be using.

Do we seriously think the taxpayer of the future, in addition to paying the interest, paying for all the other programs to sustain society, trying to keep their lives together and building businesses and professional lives are going to pay an additional 10 per cent, 13 per cent or 16 per cent off the top so that you and I, Mr. Speaker, can have the Canada pension plan? That is not going to happen.

The future taxpayer will rise up in revolt and say that we are the guys that got them into the mess and if we think they are going to pay that much money off the top of their earnings in addition to everything else so we can have Canada pension fund benefits, we can think again; it is not going to happen. I can scarcely blame them.

(1110)

Somebody has to get serious about the situation. Just going along with it and saying "don't worry, be happy; it will all work out" is not good enough.

The future taxpayer will have to pay billions and billions of dollars every year in interest on what we have borrowed. This year, for example, we are having to dig into our pockets for at least \$40 billion—and it looks like it will be \$44 billion—to pay interest on money the Liberal and Conservative governments have borrowed in the last 25 years. In 25 years they have managed to extract from our economy an obligation for \$44 billion, and that is \$44 billion that cannot be used for old age security, Canada pension plan, health care and all other programs we desperately need.

That interest obligation is rising. The government is going to think it is doing us all a favour if it only rises by another \$5 billion or \$6 billion every year due to its feeble stewardship over the next four years of its mandate.

We cannot continue to impoverish our future by not getting a grip on the issue today. We simply have to say we cannot continue to obligate our children to take \$40 billion or \$50 billion every year out of our economy, out of their hard earned

pay, out of our economic activity, because we did not have the courage and the good sense to do what is right: to live within our means and pay our own way.

These programs have to be reorganized so that the people who really need them can count on them in the future. They have to be reorganized so that the state does not continue to have this enormous inefficient and ineffective bureaucratic growth, saying that it is going to look after us when it is abundantly clear that even at great cost, great inefficiency and great numbers of bureaucrats and administrative tribunals, it is simply not working and will not continue to work.

Last of all, we need to ensure these programs will be something we can continue to count on and pay for into the future. That is absolutely essential. It is a cruel deception for the government to tell Canadians it is looking after things, that everything is all right and that it is going to reward seniors who have invested in the country by making sure they get the programs. The government's inaction is virtually ensuring that our seniors will not be getting these programs, even in the foreseeable future as numbers of seniors rise.

I urge the House today not to look just at housekeeping legislation and a few little administrative changes to help a few people caught in the bureaucratic jungle. That is good; that is nice. However the answer is not to tinker with the programs. The answer is to look at the whole system that we have set up, all the structure that is not working after a mere 30 years or sometimes less, and have the courage, the vision and the leadership to get a grip on the situation and turn it around so that all Canadians can feel secure and confident that when they need help it will be there; otherwise the government will keep its hand out of their pockets and its nose out of their business.

[*Translation*]

The Acting Speaker (Mr. Kilger): We have now moved to the next stage of the debate and from now on, pursuant to Standing Order 74, members will be allowed to make 20-minute speeches, subject to a 10-minute question and comment period.

Resuming debate. The hon. Parliamentary Secretary to the Solicitor General.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib): Mr. Speaker, I rise in this House today to speak to the bill before us. I want to emphasize a specific aspect of the bill, namely the proposed amendments to the Old Age Security Act, the Canada Pension Plan, and the Unemployment Insurance Act. These amendments are intended to advance the cause of social justice in this country.

The proposed enactments would allow the government to disclose information to the Commissioner of the RCMP for the sole purpose of facilitating investigations, prosecutions and

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extradition activities in relation to individuals suspected of having committed war crimes or crimes against humanity.

(1115)

The existing OAS and RPC legislation does not allow us to disclose privileged information, unless the person in question has been charged formally. Regarding unemployment insurance, the present legislation prohibits the disclosure of certain information, but does not prescribe the type of information that can be released in other instances to facilitate investigations.

The amendments contained in this bill will standardize the circumstances under which information can be communicated to the RCMP regarding the three programs I mentioned.

Mr. Speaker, I would like to draw your attention to the fact that, with the new legislation, the Commissioner of the RCMP, the Minister of Justice and the Attorney General of Canada are the three persons to whom the information could be made available. It would be strictly forbidden, under any circumstances, to disclose information concerning any beneficiary to a foreign organization.

In 1985, the federal government instituted the Commission of Inquiry on War Criminals, presided by the hon. Justice Deschênes. The commission tabled its report in the House of Commons in March of 1987. It recommended that the RCMP and the Department of Justice work together to investigate war crimes that were said to have been committed between 1939 and 1945, that is to say during the last World War.

The report also contained a list of people presumed to be war criminals living in Canada. Both the RCMP and the Department of Justice worked hard to find and charge these people. Unfortunately, this was no easy task. Despite the considerable resources invested by Canada and 17 other countries, the RCMP was unable to find many of those suspected of war crimes or crimes against humanity. The lack of information is, of course, the main reason behind this lack of success.

Furthermore, efforts to obtain relevant information overseas were compromised since the information was destroyed. Although such information exists in Canada, it is more often than not impossible to access because of the restrictions imposed, not to make war criminals untouchable but to protect the legitimate rights of honest Canadians.

[*English*]

Given the age of the individuals in question, the clientele of the OAS and the CPP programs, the databases for these programs are clearly a valuable source of information for locating and identifying persons alleged to have committed war crimes. A first step toward providing access to this information was taken in 1992 when the legislation for OAS and CPP was

amended to allow the release of confidential information where a criminal charge had been laid.

However the loosening up of the existing restrictions did not prove to be all that helpful to investigators since a charge cannot be laid if the RCMP is not certain that the suspect is in fact a war criminal. Unfortunately the needed information to establish this can only be released after a charge has been laid.

There are two types of information belonging to the unemployment insurance program which could be of value to investigators. The first type is the information given by the persons receiving unemployment insurance benefits. Given the ages of the suspected war criminals few of them are likely to still be in the labour force let alone collecting unemployment insurance. However, there may be exceptions and providing the RCMP access to UI client information could in fact provide the missing link needed in a few cases.

This type of information will be of valuable assistance in the investigation of modern war crimes and crimes against humanity. As well it would mean that all beneficiary information under the jurisdiction of the Ministry of Human Resources Development would be treated in essentially the same way for war crimes investigations.

(1120)

It is also important to emphasize that providing access to client information in this one instance does not mean the government is taking its responsibility to safeguard client information any less seriously. OAS, CPP and UI privacy provisions have always been deliberately restrictive because of the nature of the information collected. Public servants who administer these programs are required to collect personal information from millions of Canadians in order to manage these programs.

Mr. Silye: Mr. Speaker, on a point of order. This is a very important debate, so I would like to call a quorum please.

The Acting Speaker (Mr. Kilger): I see a quorum. Resuming debate.

Mr. Gagnon: Mr. Speaker, this is indeed a very important debate. I should also advise hon. members opposite that this government takes its work very seriously. I am also informed there are 15 committees taking place today on a variety of subjects.

I would like to continue my speech.

An hon. member: We want your views.

Mr. Gagnon: I will give you some views later on.

The Acting Speaker (Mr. Kilger): Order. With the greatest respect to all my colleagues on both sides of the House, please direct all your interventions through the Chair so that we might

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continue to have the usual customary respectful debate we are accustomed to in this House.

Mr. Gagnon: Mr. Speaker, public servants who administer these programs are required to collect personal information from millions of Canadians in order to manage these programs. It would be a tremendous administrative obstacle if clients refused to give officials of the Department of Human Resources Development personal information because they feared this information would not be adequately protected. Confidentiality provisions were made as restrictive as they are to protect Canadians from unwelcome intrusions.

However, Canadians are also concerned about criminals who have entered Canada and may be living in their midst. While Canadians value their privacy they also want justice.

[*Translation*]

Finally, there remains another amendment that I would like to explain to all members of the House. It is the amendment to the Old Age Security Act and the Canada Pension Plan, which results from another amendment that has been proposed by the Solicitor General.

This amendment would allow the Department of Human Resources Development to provide information on OAS and CPP benefits now paid to prison inmates. This must surely be of interest to Reform Party members.

The goal is to deduct housing and feeding costs from these inmates' income. The Solicitor General could then receive from the Department of Human Resources Development accurate information on inmates' income so he can make reasonable deductions.

Is it right that inmates are housed and fed for free and that they can accumulate income from federal benefits which are, of course, eventually paid for by the government and by Canadian taxpayers? I do not think so. Pensioners who are not criminals must pay their own housing and other costs. To ensure a minimum level of fairness and responsibility, the same principle should apply to prison inmates, especially if they also receive federal benefits.

In conclusion, I hope that my explanations have helped to establish the validity of some of the amendments in this bill and that all members now have the information they need to explain in turn these amendments to their constituents.

Mr. Gilbert Fillion (Chicoutimi, B.Q.): Mr. Speaker, the hon. member opposite is of course in favour of the bill and is telling us now that he supports it mainly for the sake of social justice. I wonder, Mr. Speaker.

(1125)

The confidential information that he praised and which would be made available to the RCMP would just be a tool to expose some cheaters of unemployment insurance or in other areas.

The bill as presented does not contain enough measures to limit it to that. Knowing the way RCMP officers work, we noticed in past years that they used these famous lists to do their work, although this information was not available. We need only recall the Parti Québécois's membership list. The RCMP tried to obtain a copy and then tried to see if members on that list were breaking certain laws.

So I ask the hon. member the following question: Does this bill in its present form guarantee us that the information which will be made available to the RCMP will be used only by that force and not for other unintended purposes?

Mr. Gagnon: Mr. Speaker, I think that a long time has passed since the unfortunate events of the 1970s; however, I can assure him that, under the terms of the law as proposed, we will ensure the confidentiality of information on Canadians. Nevertheless, we should still take into account the presence of some war criminals, or at least consider certain crimes against humanity that they committed. Of course, I referred to the period from 1939 to 1945, but we must still understand that others who took part in wars which are still going on, be it in Yugoslavia or Somalia or elsewhere in the world, committed crimes which are as atrocious as those committed from 1939 to 1945 for which people were charged.

Unfortunately, such people try to enter Canada and settle among us, and I believe that it is the duty of the RCMP, the Government of Canada and all hon. members here in this House to denounce the presence of any war criminals in this country.

[*English*]

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am a few years away from becoming a senior. The hon. member is many more years away from becoming a senior; it is way out there in front of him as he points out.

Based on the hon. member's age and notwithstanding the contributions he is making to the Canada pension plan now, all of us know there is an unfunded liability there that we are not currently accounting for that we are all paying. Knowing that, does he believe there will be sufficient funds in the account? Does he believe that future generations will be able to make the size of premium payments required for this hon. member to receive his CPP when he reaches the age of 65, whether or not he elects to get it at an earlier age? If he does not believe that, what does he think this government should do about it?

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The other issue I would like to touch upon is a little closer to my heart. There is another fund that we look after in our social programs. We in the Reform Party, as do government members—they have said it often enough—care about the truly needy. We care about providing services, funding and facilities for those people who really and truly need it. The problem in our government today however is that we have not spent enough time and effort to establish where that line is, or the grey area where it is, so that we can start helping those people.

(1130)

OAS is an unfunded program currently which nobody since 1971 has paid into. I would like the hon. member, based on his youthful experience, to say whether he believes that 25 years from now or 35 years from now, whenever he reaches the age of 65, he should receive \$386 per month as his reward for becoming 65. If he does not need it, should he receive that money? If his income is below a household average or a certain minimum income level, then I believe we all should get it should we be so unfortunate, the two of us, that when we are 65 we need that help.

These two questions are meant to be serious questions. I am not playing games here. These are two issues that play hard on my mind. I am grappling with them and I want to come up with some solutions.

Would this member tell me whether there will be money there for CPP, and does he feel an entitlement to his OAS payments when he reaches 65?

Mr. Gagnon: Mr. Speaker, of course the hon. member is raising a very pertinent question on the state of finances in Canada. We know we have a high deficit. We are facing problems, but we are also facing challenges.

One has to keep in mind that the whole idea of the projet de loi is to try to find solutions, to bring Canadians back into the workforce, putting them back to work. Much has to be done in terms of training and retraining. Much has to be done in terms of trying to free up capital for small businesses.

Just the other day there was a report that was brought to the attention of hon. members as a result of which we are going to be asking banks to put up some money to try to encourage small businesses and free enterprise and to go on to try to create jobs throughout Canada. Much can be done with small employers.

Of course the Canada today is not that of the year of my birth, 1962. Things have changed. Things will keep on changing. However, as long as we look into other venues in trying to encourage investment, foreign investment, trying to free up capital for small companies and corporations, I am sure that we will surmount these obstacles and that there will be money available for all Canadians in the years to come.

Mr. Silye: Mr. Speaker, with all due respect, I had overestimated the member's age. Now that I know his age I would like to ask him again whether he feels there will be sufficient moneys in CPP. The CPP question he did answer. He feels there will be. On the OAS, the second question I asked, does he feel an entitlement to receive whatever the monthly payment may be in the future just because he reaches age 65 should he be above the minimum wage?

Mr. Gagnon: Mr. Speaker, I am a Liberal and as a Canadian as well I should add that I believe in the concept of universality in different programs that are given to all Canadians. That is one of the hallmarks of this federation, that we recognize the fact that all Canadians should be treated equally.

However, trying to answer a hypothetical question as posed by the Reform Party would be like asking one of my predecessors elected in 1962 whether he foresees the election of the Reform Party and the Bloc Quebecois 32 years down the road. It is very difficult to make those kinds of assumptions that moneys will not be there.

The economy is evolving and changes are taking place. Of course, our government is taking charge of our finances. The Minister of Finance is doing a commendable job. We have to keep in mind that also our Minister of Human Resources Development wants to consult Canadians. That is one of the reasons why we are out there asking Canadians to put something into the system.

We want to consult them and I am sure we are going to get all kinds of proposals and solutions outside this Parliament which we do not regrettably receive from the opposition benches.

(1135)

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is my pleasure today to rise and address this bill, but I also wish to address the larger debate that is going on across the country and really the one that has been going on this morning and that is with respect to the social program review that is currently under way.

To have a good understanding of the social program review I think it is very important that we go back and look at the genesis of this idea and the genesis of the debate. Probably the first thing we should do is point out that during the last election campaign the Liberals across the way did not even mention social program reform as an issue. It was as though it did not exist.

There was an interesting article in the Ottawa *Citizen* from October 14:

During the election, then Prime Minister Kim Campbell stepped on a land mine by declaring a campaign was the "worst possible time" to discuss social policy reform. Jean Chrétien criticized her heavily and tiptoed around the same land mine with the following assurance: "I say that the programs are there and they will remain the same—".

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That was a year ago. That is the type of double talk that the Prime Minister used to accuse the Conservatives of using.

The article goes on, quoting the Prime Minister:

“The plan of the party is clear. The social safety net that we have in Canada will remain.”

The Liberal's election bible, the red book, made no reference to a major review of social programs or even whether one might be necessary.

I would like to contrast that with how the Reform Party addressed this issue which was to address it head on, recognizing that fiscal problems in this country are directly linked to social policy because social programs eat up almost \$80 billion a year and we cannot tackle fiscal problems without making some cuts in social programs.

However, I point out that the approach we took was to start cutting at the top first before we got to social programs. We said that Canadians demand leadership by example. They want to see cuts to the cost of Parliament. They want to see MPs' pensions done away with in the current form. They are concerned with overlap between not only federal and provincial government but also between different departments within the federal government. They want to see subsidies to business and special interest groups trimmed. We would then take a look at social programs in conjunction with the people of Canada.

What we found out in the days and months leading up to the election was that people did believe that there had to be cuts made there in order to achieve a balanced budget which even now the finance minister is beginning to recognize in this country. Hopefully it is not too late.

What we said is that people place a very high priority on maintaining spending for health care in this country and we agreed. We said that health care spending should be maintained. However, we should respect the authority of the provinces and their jurisdiction under the Constitution to have control over health care.

The other thing that people told us was very important to them was maintaining funding for post-secondary education. We proposed various ideas to make that even more effective but maintain the funding.

Some of the other areas where people felt there could be some cuts and changes made were unemployment insurance; a proposal to make unemployment insurance a true insurance program based on the idea that employers and employees who fund the program, who put the money in, should have control over it. In other words, we were proposing to empower individuals to have control over their own lives and create the type of insurance system that would be truly responsive to their needs. They would set the eligibility requirements, the premiums and the benefits. That I will refer to in a little more detail further down the road.

Let us fast forward now to the throne speech of January of 1994, to the budget and to the announcement that there would be a social program review. I think it was January 31 if memory serves. The hon. member from across the way is nodding his head.

(1140)

On that day it was announced that there would be a social program review and that there would be a final report to the House with recommendations and, I believe, legislation this fall. That has now gone way off track but we will get into that in a moment.

Let us go back to what the budget speech and budget documents were saying about the social program review. On the issue of social security reform, I quote from one of the documents: “The standing committee will seek the views of Canadians on issues and objectives until April. The minister will then table a federal action plan and the standing committee will conduct public hearings on it until September and report in October. As well, federal-provincial territorial activities will take place during this period. The government will table reform legislation in the fall”.

It also addressed how it would tackle some of the other social policy areas that are not actually in the social security review right now, things like health care, old age security and Canada pension plan.

For some reason these were not included in a package together and I find that odd because they are inextricably linked and I think we will see if we look at the current green paper that there are contradictions perhaps or at least we are putting the cart before the horse in some cases. For instance, in the green paper there is a reference to unemployed people using RRSPs so that they can get themselves through a period of unemployment.

On the other hand we have not even addressed the issue of Canada's old age security and Canada pension plan yet and what is going to happen with that. Meanwhile the government is floating trial balloons on RRSP taxation and things like that. That is well ahead of any paper that is coming down on the future Canada pension plan and old age security.

Right from the get go the government made a grave error when it did not look at these different areas together.

The idea of the social program reform was to find out what kind of ideas there were out there so we could do two things, make social programs more efficient and save some money.

The government denied that was really the case initially. It wanted to leave us with the impression that this was really an effort to make things more efficient and help people get off unemployment and that kind of thing. Running through this was a growing awareness, certainly from the finance minister if not from the rest of the cabinet, that cuts were going to have to come

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in the next federal budget and that we could not go on spending as much money as we have been spending in this country.

Once the social program review was launched there were delays. There were problems right off the bat. There were patronage appointments made to the task force, people being paid big per diems. More delays came along. The thing floundered.

People really wanted to see the social program review succeed. Canadians have been talking about the need for social program review for 10, 12, 15 years and they want this government to succeed. They want it to do well because they know that their interests are at stake. They grew concerned and I would argue that those concerns continue to grow today.

Not only was this program review put on hold continually much to the chagrin of Canadians, but on the eve of the release of the long awaited green paper there was a revelation in the *Toronto Star* that the social program reform was going to include big cuts, \$7.5 billion worth, even though the government had given Canadians the impression that they would be consulted in this before any types of cuts were actually considered.

On the other hand, I am certain there was a printing mistake. When the green paper was released there were no figures at all in it. In other words, Canadians were being asked to choose among all these different programs without knowing how much they would cost and what the costs of the various alternatives were. Obviously that was a mistake, a printing mistake I am certain, because no government would ever put forward a list of proposals without having something so critical in it as the cost of the actual programs.

(1145)

Every day Canadians make decisions on all kinds of issues. Chief among them I can guarantee is how much they cost, because they know they have to live within their means. Somehow this escapes the government.

Also missing from the various options were many of the options put before the government during the period that led up to the actual presentation of the document in the House. I sat in on some of the HRD meetings and heard some of the presentations that were given. I remember sitting in a committee meeting suggesting that the studies and inquiries from past royal commissions should become part of the official body of information that the government refers to when it is considering the options.

I mentioned specifically the Forget commission report. It talked for instance about unemployment insurance and returning it to the employers and the employees, the people who fund it. That was rejected by the committee because the Liberal majority voted against it for reasons that escape me. There were members who spoke in favour of it. When the whip was cracked they all voted against the proposal. I invite the hon. parliamentary secretary to review the record.

Not all of the various options are in the paper. That is unfortunate because Canadians should have a chance to look at some of the other options that were put before the committee.

Initially this document was put forward as an action plan. That was the wording of the motion. It said—I think on January 31—that the government would be tabling an action plan in the days and weeks to come. Somehow over the course of the last several months the action plan became watered down and diluted to the point where it became a discussion paper.

In other words the minister who has the power to call to heel armies of bureaucrats and all kinds of minions to gather all the wisdom in the country about social policy reform, after all that time, money and the thousands of hours that were spent on it, brought forward a little green pamphlet with scarcely any action at all or any call for action, but merely a few of the options of the many that were discussed. That was a real shame.

We are now in a situation in which other groups around the country have come forward and said: “We have some ideas that the government for some reason did not want to consider”.

I point to the Kierans–Robson report from the C.D. Howe Institute in which not only did they come out with options, but they came out with costs. They said: “We will tell you how much money we are going to cut from some of these areas”.

These are not what I am suggesting, but they should be in the debate. On the topic of unemployment insurance they suggest that unemployment insurance should be converted into true insurance; there should be a proposal to eliminate regional differences in qualifying periods and benefits and we should eliminate all regional and non–insurance components. The savings from that would be \$5.5 billion. They were not ashamed to suggest there would be some savings there.

Under the Canada assistance plan they suggested that we eliminate and divert \$2.5 billion to a new child tax credit to low income households. The total savings on that would be \$4.9 billion.

They talked about health care, which is something the government has been reluctant to discuss, or at least they are having trouble getting the provinces to come to the table. At this very moment the Prime Minister is delivering a speech to an empty assembly of people called for the health care forum. Not only were the health care ministers from across the country invited and did not show up, but the premiers were invited by the Prime Minister himself. They refused to come for two reasons: first, they know that under the Constitution this is their jurisdiction; second, they resent that although they are the senior partners in this arrangement and they pay the lion’s share of the cost for health care—almost double what the federal government pays—the federal government is attempting to set the agenda. It has made a grave error in this. There are other areas including social program reform, GST reform and interprovincial trade barriers where it has made the same errors.

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(1150)

Mr. Breitzkreuz (Yorkton—Melville, Ref.): They would not even let them co-chair the proceedings.

Mr. Solberg: The government would not even let them co-chair the proceedings, Mr. Speaker, as my hon. friend points out.

Suffice it to say there are many problems with the green paper. It has been roundly criticized by the media, by the provinces, and by the many special interest groups that were funded by the government to come and appear before them but by Canadians themselves.

Reform's zero-three program really led the way. Lately we have had proposals from Tom Courchene who actually appeared before the committee. The hon. member from Winnipeg across the way was there when he appeared. He made an excellent presentation. I guess he did not find any of his proposals in the green paper so he felt it was necessary to bring out his own. It is now in the arena of public debate. Hopefully the government will see fit to include it in its area of debate as well and will consider some of Mr. Courchene's ideas.

The government has another problem. We are rapidly approaching the end of 1994. It has delayed again the time when it will call for the reporting deadline on this issue to February 6, 1995. We have moved from getting this into legislation this fall. Possibly when we consider the time it takes to draft legislation and for it to pass through various readings in the House and committee, it is quite conceivable that it will be well into 1996 before it actually becomes legislation, if that is what the government decides to do.

It will probably be a year, perhaps a year and a half, before the next election if the government holds an election within four years. That concerns me. It is a well known fact that governments very often fail at the last moment, at the critical point, when they are faced with going before the electorate, particularly when they are talking about making deep cuts to something that Canadians value like social programs.

I am concerned about that. This issue is inextricably intertwined with the whole issue of fiscal responsibility and the huge problems we face because of overspending by this Liberal government and the Conservative governments that went before.

We have a deficit of \$40 billion. We have a debt approaching \$535 billion. Soon international lenders are going to get fed up.

They are going to say that they have had enough and want to find a place where their investment will be safe.

I am concerned the government across the way has not realized that. It does not understand the urgency. While the finance minister may realize it, I think the Prime Minister has failed to grasp it, as has the human resources development minister.

I urge the government to come to grips with the seriousness of the situation, to take another look at its social program reform and to move ahead with serious cuts in the very near future for the sake of all Canadians.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I paid attention to the hon. member's speech.

I thought we were debating the redesign of the ISP. I want to ask the hon. member if he has any opinions on some concrete examples that would improve services for seniors because this is what the bill is about.

For example, it will only take half a day to process a simple OAS application which now takes around seven days to do. Processing time for an application for Canada pension plan benefits will drop from 13 days to one day. Telephone service will be improved so that 97 per cent of all telephone calls will get answered. Today only about 50 per cent get answered. Seniors will be able to make changes to information such as change of address over the telephone using a touch tone system. For clients who prefer personal service or who do not have a touch tone phone, staff will be available to answer their questions quickly.

(1155)

These are real, positive changes that have an impact on the lives of seniors on an every day basis. The hon. member should be addressing issues that we deal with in this bill. However he has taken the opportunity to expand and talk about the social security review. The reality is that the government has been the first one in a long time that has had the courage to face up to some very difficult challenges and choices we have to make as a nation.

Thirteen per cent of the people in Canada are unemployed for a year or longer. Long term unemployment has increased three times since 1976. When 40 per cent of these people are faced with structural unemployment and 30 per cent of Canadians have problems with literacy and numeracy skills, one has to admit we have to move toward building a better and more efficient social security system that; first, helps Canadians get jobs and keep jobs; second, would help the most vulnerable and; third, is sustainable.

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Another flaw in the speech delivered by the hon. member deals with the red book. I do not expect the hon. member to read the red book, among other books which he has not read. If he was to read the red book very carefully he will find these references. I want to cite them to the hon. member because I know he will be engaged in the social security debate. I am sure he does not want to give misinformation to Canadians.

If the hon. member would read page 16 he will find the red book commitment:

A Liberal government will adopt a series of measures to put Canadians back to work and foster economic growth.

Page 21:

It is our goal to help people on social assistance who are able to work, to move from dependence to full participation in the economic and social life of Canada.

Page 22:

A Liberal government will work with all the provinces to use established funding mechanisms such as CAP in more innovative ways in order to move from passive to active support of people in need.

Other pages deal with issues we are dealing with in the social security review. It seems to me that the hon. member must take the time to read the red book, to read the green book, and in a very honest way also tell Canadians where the Reform Party is going to cut \$15 billion.

Mr. Solberg: Mr. Speaker, I thank the hon. parliamentary secretary for his series of questions. He has touched on a number of issues and on this bill in particular. I commend the government if it is trying to improve services. Obviously we have to do that.

However, as the hon. member for Calgary North pointed out it is kind of like polishing the chrome when the transmission is going. The big issue before the country today is social program reform. It is one of the huge issues. Let us not debate whether answering the phone sooner is a good thing. Of course it is. We all know that answering the phone and providing faster service for seniors is important. We understand that.

By pulling out vague references to discussion about social program reform or about minor aspects of social program reform, it does not follow that the government made any kind of commitment in the red book to deal with this problem in a serious way.

The government downplayed the whole issue during the election campaign. It downplayed the seriousness of the debt situation to the point where a year after it came into power it is just now beginning to realize how seriously we are in debt in this country. Not because it wants to but because international investors have told them: "Get your act together or we are going to start to move our money out of the country". It is that simple. It is not because it somehow saw this ahead of time and put together a big task force and went to Canadians.

With all due respect to the parliamentary secretary, if he had referred to our zero and three plan, of which we distributed millions of copies during the election campaign, he would know we talked about our changes to social program reform. They are on the public record. In fact this spring we gave the finance minister a list of \$20 billion in proposed cuts for the government to use in its efforts to get the deficit and debt under control. I offer that to the parliamentary secretary for him to look at.

(1200)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, B.Q.): Mr. Speaker, I have a question for the hon. member, which relates more to the human aspect of this bill.

When reading the amendment we proposed, one realizes that the bill really does little to protect those it covers against possible undue solicitation. I refer, for example, to the fact that the person giving unauthorized sources access to a beneficiary's personal information, for commercial purposes, telemarketing or whatever, would not be liable to prosecution under the Criminal Code. This would open up quite a window of opportunity to those wanting to take advantage of clients who might be more vulnerable to such an approach.

Does the hon. member not fear that, if we adopt this bill, we might create another situation like the one we now face under the Unemployment Insurance Act, concerning the entitlement of related people working for the same employer, for example, and where there is something akin to harassment from Revenue Canada? In these cases, studies and inquiries might be more justified, but in others, they may not be. One thing is certain, this is time-consuming.

Does the hon. member not think that this bill, as presented, might subject the elderly to the difficult situation that UI recipients are now facing? Second, as I said, will we not be subjecting the elderly to a series of solicitations, due to the fact that some people could have a financial interest in communicating the lists of those concerned by the legislation?

[*English*]

Mr. Solberg: Mr. Speaker, I apologize to the hon. member. I missed the first part of what he was saying but he spoke largely on the aspect of confidentiality. There is no question in my mind that is something we have to be careful of.

Obviously this country has a long history of trying to keep records of a personal nature confidential. I point to the problems that can occur when those things get out. In fact if memory serves, in Ontario a provincial minister resigned over that issue. There is no question that is something we have to be cautious of. It is an area I think the hon. member knows more about than I do. Having said those things I will leave it at that.

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, I want to speak to the specific issue before the House which

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is Bill C-54. For that reason I want to take the opportunity to summarize the amendments and the purpose for them.

As we have heard from some during the course of this debate, these amendments do not reflect major policy initiatives. Instead, this bill deals with the improvements required to the affected acts to improve client service and administration.

Undoubtedly, the most significant of the changes is the amendment to the Old Age Security Act which will grant the Minister of Human Resources Development the discretion to waive renewable applications for guaranteed income supplements and spouse's allowance recipients. This is an obvious example of improved client service. It will make it possible in the future to reduce the paper burden for many seniors and reduce the number of seniors who do not receive their income supplements on time because they are late filing their renewal applications.

Next, are the changes to the old age security appeal system which will allow for a more efficient and effective appeal for those clients who are dissatisfied with a decision under the OAS Act. This new system should result in fewer decisions having to be appealed to the courts. It should allow clients to see a resolution to their appeals more quickly.

Another important group of amendments deal with expanded information disclosure. These amendments which affect all four acts being amended by Bill C-54 will improve co-ordination and administration of programs that are, out of necessity, becoming more interdependent.

(1205)

For the first time as well important client databanks could be used to assist in investigations, prosecutions and extradition activities in relation to war crimes and crimes against humanity. Because of the restrictions on the circumstances under which such information can be released clients can still be assured of the government's commitment to protect personal information.

Also included in this group is an amendment which allows the Correctional Services Canada to have limited information about OAS and CPP benefits that are paid to inmates in federal institutions.

The next amendment I would like to address is the reintroduction of 12 months of retroactive benefits for those Canada pension plan retirement beneficiaries who apply after their 65th birthday. This will equal the retroactivity period for the old age security benefits as well as for other benefits provided under the Canada pension plan.

Also of significance to the fair and equitable treatment of pensioners is the amendment which would give the minister discretion to waive old age security overpayments that are caused by errors on the part of the department. This amendment mirrors a provision currently in the Canada pension plan and

ensures that clients are not financially responsible for errors over which they have no control.

That summarizes what in my mind are the major amendments included in Bill C-54, but there are also a number of minor amendments of which I want to make mention. In some of these more minor amendments we really see the subtle changes that can be made to improve the way we do business in government. These improvements translate to better service to those persons affected by government legislation, in other words, to all of us at some point during our lives.

For instance, any employee in the Department of Human Resources Development involved in the administration of one of the acts will be able to take statutory declarations and affirmations not only for these programs but for other federal and provincial departments. This will save clients from having to go to more than one office for these services as now happens.

In addition, the OAS and CPP acts will allow for municipalities to be reimbursed directly for assistance that they provide to a benefit applicant while their application is being adjudicated. Currently the acts only permit for reimbursement to a provincial government which means that the province then has to reimburse the municipality. Removing the middle man, if that is what you want to refer to it as being, will certainly streamline administration.

Old age security and Canada pension plan clients will also be well served by an amendment to the administrative error and erroneous advice provisions. It would no longer be necessary for the client to complain in writing before the minister could take corrective action in cases where the department has made an error. Without this amendment the department cannot legally take corrective action when it finds that a client has lost benefit entitlement because of an error made by an employee. The client is required to contact the minister in writing before such errors are corrected.

This provision was not fair nor did it recognize the complexity of the legislation. Clients should not be expected to always realize when an error has been made. Now both sides, either the client or the administration, can be the catalyst which prompts corrective action.

Under the Old Age Security Act benefit overpayments can only be collected if the overpayment occurred in the last two years. This time limit is being removed to ensure that clients are not receiving benefits to which they are not entitled. It is only reasonable that a debt should not be waived just because of a certain length of time has past.

As we all know, the government as a whole must ensure that scarce financial resources go to those individuals for whom they are intended. There will be those individuals for whom repayment would cause hardship. This is already taken care of through a provision in the Old Age Security Act which gives the minister the authority to waive overpayments in certain cir-

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cumstances. Only those individuals who can repay benefits are asked to do so.

I certainly have not covered all of the amendments. However I have summarized those that I feel will have the most significant impact on our pensioner population. I feel that this bill is a step in the right direction and that clients are the beneficiaries of the changes. As I am sure we are all aware, there is more that we can do and will be done as the efforts to improve the machinery of government move along.

I look forward to seeing further improvements in the not too distant future.

(1210)

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I listened with interest to the member's comments on Bill C-54 which is before us today. He is talking about very technical but really minor housekeeping items to the social programs.

I am not sure if we can tackle this minor housekeeping with a whiskbroom. A farmer once said that after the cows have been in the barn for a long time, you cannot use a whiskbroom; sometimes you need to use a front end loader to clean up the mess. Maybe that is what we should be looking at today.

The member talked about old age security. The Reform Party has put forward proposals on several occasions during the election campaign and in this House regarding old age security. It has made some recommendations and shown actual savings in the area of \$3.5 billion, keeping in mind that we feel very strongly that the program should be directed to those most in need in this country.

Can the member give us a specific example of what he thinks would be a way we could actually show some savings with that program?

Mr. Gallaway: Mr. Speaker, I am quite interested that a member from the west of Canada would talk about whiskbrooms. I guess he knows more about farming.

I am also quite surprised with the observations made by the speaker in the sense that he feels that in some ways this is a trite and insignificant piece of legislation. I am surprised this would come from a member opposite who in the party sense is always suggesting they are the ones who can discern in their wisdom what people are thinking.

I can safely tell the member opposite that despite what he feels about the triteness of this if he would follow what happens in his constituency office he would find that this delivery of service is a major factor. It is of great concern to seniors. To suggest that in some way dealing with this problem is using a

whiskbroom when he would use some other farm device I find quite surprising.

I would ask him to consult with the seniors with whom he deals. I would ask him perhaps to have one of these consultation processes with the seniors whom he serves. I think he would find they would welcome these changes.

In dealing with government bureaucracy, and we all acknowledge there is a certain element, a continuum of bureaucracy, I think he will find that his constituent base will welcome these types of changes. The seniors are going to welcome the streamlining and flattening of the process somewhat and empowering those who make the decisions and collapsing the vertical portion of the system.

We are talking about the delivery of service to primarily a senior base. In the past, they have found the operation of the system to be very frustrating.

Mr. Hart: Mr. Speaker, I thank the member very much for not answering my question.

The interesting thing is that my riding of Okanagan—Similkameen—Merritt, has one of the highest percentages of senior citizens in the country. The hon. member should study that and pay attention to when the west speaks, because we do know what we are speaking of.

The hon. member spoke of consultation. No other party in this House has spent more time in consulting with the people of Canada than the Reform Party of Canada. Recently I held a series of townhall meetings in my riding. These are not just townhall meetings where we go out and speak; they are interactive workshops where people participate back and forth. In these series of meetings we identified the deficit and debt as the number one enemy in Canada right now.

(1215)

We are looking at a social program system that spends some \$80 billion a year. We are looking at interest payments of \$40 billion to \$44 billion a year. That is what is robbing the social safety net. I support some of the items in the bill wholeheartedly. I can say that we have to improve on the administration but I want specifics.

I will ask the member the same question. What can he and his party suggest that will save some money on social programs, specifically old age security?

Mr. Gallaway: Mr. Speaker, I find it very interesting that the hon. member is on the cutting edge of consultation. Once again it would appear that members opposite are the only ones who in some way, as I stated earlier, are able to discern what the public wishes.

He stated that during recent townhall meetings in the west the number one issue was the debt and the deficit. At the same time

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members opposite stated that during the election. This party on this side of the House dealt with that during the election and the finance minister is dealing with it now.

In terms of identifying issues I do not think members on that side of the House are in some way on the cutting edge of knowing what Canadians are thinking. I would agree to an extent that they may know what is going on in certain very limited regional areas of the west, but I do not think that in the mainstream of Canada they are able to discern what is on the minds of Canadians.

Mr. Hart: Mr. Speaker, I remind the member that not only are there Reform Party of Canada members in western Canada. They are from coast to coast and we do have townhall meetings right across the country.

Can the member just give me one area? I think all of Canada should be able to come to any member of Parliament and ask for one area where money can be saved in a specific program.

For the third time I would like to ask the same question. Will the member identify one area in old age security where we can have substantive savings, and will he tell us the figure we would save?

Mr. Gallaway: Mr. Speaker, it is a hallmark of members opposite that they do not like to speak about the legislation before the House. They would rather speak about their grand scheme of Canada and their identification through their unique patented processes called townhall meetings.

As a result of all the townhall meetings they are apparently having in Nova Scotia, Quebec, Ontario, British Columbia and other provinces, why does the member opposite not tell us the results of what Canadians are telling them in terms of what the number one issues of the day are?

Mr. Silye: On a point of clarification, Mr. Speaker.

The Acting Speaker (Mr. Kilger): Perhaps the member would like to speak to a point of order.

Mr. Silye: I rise on a point of order, Mr. Speaker. According to the Standing Orders I understand that when members ask ministers of the crown questions in question period they do not necessarily have to answer. In debate and under questions and comments do members of Parliament have to answer?

The Acting Speaker (Mr. Kilger): Clearly the Speaker does not deem the matter to be a point of order; it is more a matter of debate.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe, B.Q.): Mr. Speaker, as the member for Richmond—Wolfe, I am pleased to participate in this debate on Bill C-54, which concerns an

extremely important group of people in our society, to whom we owe a great deal.

A society which respects its seniors is one which respects its past as well as the wisdom and the maturity that come with it.

(1220)

Such a society tends to create a healthy environment for future generations and it is the Bloc Québécois' goal to promote and build such a society, and not to destroy a country, as Liberal and Reform Party members like to think.

In Canada, 21 per cent of seniors, that is 625,000 of them, live in poverty. The proportion of old people with low incomes is always greater than for the population as a whole. In 1992, the average income of families made up of seniors was 30 per cent lower than that of other families. Between 1982 and 1992, the average income of seniors increased by 6 per cent, compared to 10 per cent for the rest of Canadians. In 1992, the average income of seniors living alone was \$18,434, while that of other persons in the same situation was \$25,000.

This reality of the Canadian society certainly does not support claims by the Prime Minister to the effect that Canada is a good place to live.

It must be recognized that Bill C-54, which amends the Old Age Security Act and in particular the Canada Pension Plan, includes several measures which will have a positive impact on programs for seniors. However, this legislation is clearly inadequate when it comes to alleviating the problem of poverty among our seniors. On the contrary, some provisions of the bill reflect a strong desire by the government to increase social controls and to pinch pennies at the expense of the poorest Quebecers and Canadians.

Bill C-54 contains some positive provisions, like the ones making the application process for Old Age Security benefits, the guaranteed income supplement and the Canada Pension Plan more flexible. For example, spouse's allowances will now be automatically converted into Old Age Security benefits when recipients turn 65 years of age.

This bill also includes some more provisions that could improve the lot of the elderly in both our societies. For instance, guaranteed income supplement and spouse's allowances will now be paid to the recipients even though their applications were late. Individuals will now be able to cancel assignments of pensions at any time, assignments meaning the transfer of all or part of a pension to a spouse.

Recipients will also be able to ask the federal government to directly reimburse the various provincial benefits they have received while they wait to become eligible for Old Age Security or Canada Pension Plan benefits. To exempt benefits from seizure and to let older people who want to appeal decisions to do so by making requests for reconsideration

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instead of appeals are two more examples of measures aimed at improving the lot of the elderly in both our societies.

However, with Bill C-54, the federal government is proposing a piece of legislation that has absolutely no scope and that reflects its unwillingness to reduce poverty among the elderly. True to form, the government has deliberately chosen to increase its control over the poor people, while maintaining the parameters for an artificially rich society, which is, in fact, debt-ridden and on the verge of bankruptcy.

All of our social programs have been called into question because of the deficit, spending controls and especially the failure of the government to act. In the last budget, the measures concerning contributions to the unemployment insurance fund and the proposed changes to the age credits for the elderly clearly indicated the direction in which the government is going.

(1225)

When public authorities attack the most destitute and vulnerable among us, as does the Liberal Party of Canada, it is the sign of a society with no plan for the future, a society which protects the rich.

Let me remind you briefly that all taxpayers who are 65 or over may claim a tax credit equivalent to 17 per cent of \$3,482 at the federal level and to 20 per cent of \$2,200 in Quebec. The change made in the last budget aims at reducing this credit for senior citizens with a net revenue exceeding \$25,921 and at eliminating it completely for those with a net revenue of over \$49,100.

We have to wonder if the government considers that a senior citizen with a \$25,000 revenue is rich. Obviously, the meagre efforts to reduce spending are made on the back of the most destitute members of the middle class. In this way, Bill C-54 is the logical result of the first Liberal budget and goes well with the reform of the social programs proposed by the Minister of Human Resources Development.

In reality, Bill C-54 is part of the same budgetary reduction process as the social program reform. Thus, public pensions are as much under scrutiny as unemployment insurance and manpower training. Similarities between the first budget, the social program reform and Bill C-54 can be seen mostly in two aspects of this bill: first, the savings measures considered by the government, and, second, the greater number of organizations given access to personal information on senior citizens, which means an extension of the control measures.

As for the savings measures, the government says that the retroactive period needs to be reduced from five to one year to be in line with Old Age Security and the Canada Pension Plan. It should be noted, however, that every time we pay heed to this

need, the result is always a downward adjustment. All things considered, the government is again tightening program requirements for the elderly.

Also, the government will have to explain what it thinks is wrong with the current clauses on Old Age Security overpayment. It is worth mentioning that, under the present legislation, the government can go back at most two years. By eliminating that limit to the retroactive period, the government would collect \$2 million more. Since pensioners enjoy some protection from possible mistakes by government officials, the minister should indicate from whose pockets that money will come from.

Furthermore, I submit that it is indecent for this government to propose measures for deferring benefit payments when there is an appeal. The implementation of such measures could put many pensioners in a very precarious situation. The proposed measures would not have a major impact on most pensioners, but they nonetheless reflect the direction taken by the government since its election, namely cutting social programs, despite the commitment it made during the election campaign not to attack these programs.

The proliferation of control agencies, which was mentioned earlier, is another aspect of the bill to which the Bloc Québécois is opposed. Governments are interfering more and more in everyone's private life and they accumulate ever more detailed information on each one of us. As we know, there is currently a public debate on the Canadian Security Intelligence Service. New facts are being uncovered. We know since the 1970s that the inquiries on government management are made beyond public scrutiny and kept secret.

Although the gathering of some data is often necessary to process certain files, the government should always justify its new intrusions into people's private lives.

(1230)

The government has not yet demonstrated the need to increase the release of information regarding seniors in both our societies. The Bloc Québécois will not support this provision of the bill unless the government demonstrates this need.

Moreover, we think that the provisions regarding the penalties for illegal release of information are clearly inadequate. The clients of social programs must be protected in a very effective manner against any abuse that could happen in the passing on of information. The legislation should provide for special penalties for this kind of offence.

For these reasons, I will support the amendment proposed by my colleague, the member for Argenteuil—Papineau, which reads as follows:

That the motion be amended by striking out all the words after the word "That" and substituting the following:

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"this House declines to give second reading reading to Bill C-54, An Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, because it does not provide a penalty under the Criminal Code for the disclosure of personal information concerning beneficiaries to persons who are not legally authorized to such information pursuant to Access to Privileged Information."

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Mr. Speaker, I would, in fact, have a few questions to ask the hon. member. He mentioned the average amounts paid to senior citizens as compared to the national average in Canada. When he mentions \$25,000 and \$19,000 are these gross or net amounts?

Mr. Leroux (Richmond—Wolfe, B.Q.): Mr. Speaker, perhaps the hon. member for Bonaventure—Îles-de-la-Madeleine did not listen carefully to my speech, because I made it very clear that these figures were for net incomes.

Mr. Gagnon: Mr. Speaker, if that is their net income, their gross income must be around \$35,000 or nearly \$40,000. The average income of a family of four is almost \$45,000. Therefore, those individual incomes are way above the national average for a family of four.

At any rate, I want to make one thing one thing clear. This government has no intention of tampering with old age security. All Liberal governments, and especially the present one, have always preserved the vested rights of senior citizens, and more particularly those received or accrued by people who have been contributing for at least 50 years. Through their contribution, they shaped Canada as we know it today. Everybody recognizes, as well as I do, the great efforts made by our senior citizens. Believe me, we are the first ones to look after the have-nots.

Once again, I hope the hon. member of the opposition understands there are 800,000 people on welfare or unemployment insurance in Quebec. All kinds of suggestions are being made to meet the needs of Quebecers and make our economy more efficient and create more jobs. But all I hear in this House is a condemnation of the government of Canada. I will send the ball back in his court and ask him, for example, what the experts did at the regional level.

In this matter, I listened to Quebec's Minister of Health who still has not made a decision on the problem of medical specialists who are needed in outlying regions. Pensioners come and see me to say that they need specialists. We have hospitals in Maria, Chandler and Gaspé. But no. Quebec's civil servants prefer to send them to Rimouski, Quebec City or even Montreal. Unfortunately, the Government of Quebec does not often respond to my constituents' real requests for social services and health services. Of course, this is provincial jurisdiction, but I say that it is wrong to blame the federal government, Mr. Speaker. Indeed, what do we hear very often? That it is the Government of Quebec, the member's head office, which does not meet Quebecers' real expectations and needs.

(1235)

Mr. Leroux (Richmond—Wolfe, B.Q.): Mr. Speaker, the member has a short memory. I think he cannot see past the tip of his nose. I must remind the member that the Parti Québécois government was elected only a few weeks ago and that, for the past ten years, it was his Liberal friends in Quebec who had been managing the health care system.

I would like to remind the member, who does not seem to be too firmly grounded in reality, that money you have to live on is not what appears on paper but what you have left in your hand. With an income of \$25,000, I say that you live in poverty. If the member looked at the government's statistics, he would know that with \$25,000 you are in dire straits. Many times, when you are paying for your groceries, you wonder if you should not put an item back on the shelf because you do not know if you are going to have enough money to pay the bill.

The money in your hand is a far cry from what appears on paper. When the amount on paper is \$50,000 and you are left with only \$25,000, it is because the government took the other \$25,000. This is what it means.

Does the member realize that, while there are 800,000 unemployed people, his government has just taken some extraordinary steps cutting social programs and training, and that the Minister of Human Resources Development has just announced an astounding proposal asking students to get deeper into debt, under the pretence of making it easier to have access to training? What the minister is telling university and post-secondary students is this: "We are giving you better access to funding from banks and credit unions so that you can get deeper into debt and we are cutting grants and bursaries". We know very well that to get a bachelor's degree now, a student piles up a debt of about \$9,000 or \$10,000.

A student who goes as far as the doctoral or post-doctoral level leaves university \$40,000 in debt. That is what your government is doing!

That government is doing nothing to stimulate employment. They invested in infrastructure, which is not a bad program, as everyone admits, except where do young people get jobs in the infrastructure program? Where do women find work in the infrastructure projects? Nothing, zero.

The Prime Minister said that when we see trucks rolling in the streets, the economic recovery will be under way. That is a very short-sighted way to look at economic recovery and it is especially short-sighted to think that you will put people back to work just by digging in the streets. It is an old, well-known model that works in some ways, but they did not think of training. They did not think of investing in young entrepreneurs. What the government is doing is the opposite of what it

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announced during the election campaign. It was elected with NDP-style advertisements that said, "We will protect social programs. We will create jobs". It was elected with many promises that are now completely rejected.

The finance minister's budget and all the reform proposals clearly show us that they are doing the opposite and can only think of cutting \$15 billion from operating expenses in the budget at the expense of all the poorest people, in order to protect their friends, the richest people who back that regime.

I would conclude with this. If only this government were honest enough to apply the red book, as they said in their advertisements, every time they refer to it, we could at least be working on the economic recovery in some ways, but they are not doing that, on the contrary. They are acting to the detriment of the very poor, women, young people, training, education. Again I say to the hon. member: If you have \$25,000 in your pocket, you are poor in a society where everything costs more, with taxes on food, medicine, the basic needs of families, rent, etc. You may have \$50,000 on paper, sir, but that is not what you have in your pocket. Remember that!

(1240)

Mr. Gagnon: You are a liar!

The Acting Speaker (Mr. Kilger): The 10-minute question and comment period has expired. Resuming debate. The hon. member for Winnipeg South.

Order! The hon. member for Richmond—Wolfe on a point of order.

Mr. Leroux (Richmond—Wolfe, B.Q.): Mr. Speaker, the hon. member for Bonaventure—Îles-de-la-Madeleine has just called me "a dirty liar". I think it was very clear. What I am saying concerns verifiable facts; I cannot accept this comment.

The Acting Speaker (Mr. Kilger): I paid close attention to what was said between members and I would ask the hon. member for Bonaventure—Îles-de-la-Madeleine to please withdraw his comments to the hon. member for Richmond—Wolfe.

Mr. Gagnon: Mr. Speaker, it appears to be a rather passionate debate but it is still outside—First of all, I did not have the floor and it was really a private discussion. I will, however, make amends. True, I made such a comment but, unlike the hon. member who steadfastly refused to apologize to the Prime Minister of Canada, I at least have the honour of apologizing to him. I hope that in the future he can benefit from his experience with me in that when I make a mistake, I apologize. I would have liked to hear the hon. member opposite say the same thing to the Prime Minister of Canada the other day.

The Acting Speaker (Mr. Kilger): The matter is closed. I thank the hon. member for Bonaventure—Îles-de-la-Madeleine for his co-operation. I have no intention of reviving another matter that occurred one or two weeks ago.

Resuming debate. The hon. member for Winnipeg South.

[*English*]

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, I thank my colleague in the House for his intervention. It sets a model for the House that perhaps we should all think a bit about.

Despite the debate that has taken place over this last while in the House what this bill purports to do is simply bring the administration of the programs administered by the Department of Human Resources Development into the 20th century. It is simply an attempt to modernize the way we deliver services to people, to use the advantages which computers and information technology offer to us to allow us to better identify what services we are providing to whom, to ensure that we do not provide services to people who do not have entitlements to that service, to make it easy to access information quickly and to make the overall operations of government more efficient and more effective.

The fact is that this has been a movement that has been taking place in the private sector throughout this last decade. The fact is many governments at all levels are moving in this direction and it is about time the federal government caught up.

I commend the Minister of Human Resources Development for being able, given all the things he is having to deal with, to move forward with such an important initiative at this time.

I want to talk a bit about one aspect of it and to preface that I want to remind members of a couple of things. People historically are nervous about change. It was not that long ago when telephone answering machines were introduced and people used to complain all the time if they got a machine, they do not want their phone answered by the machine, they do not want to have to talk to a machine. Today when you phone somebody, if they do not have a machine you are annoyed because you cannot leave a message.

It was not that long ago we were concerned about electronic banking machines. People do not want to deal with a machine, they want to deal with a real person. I would ask most members of the House to reflect on where they do their banking. I bet the majority of them use their cards, go into the teller 24 hours a day, 7 days a week because it is much more efficient, much more effective and much better service.

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That is what we are talking about here. We are talking about using those technologies to bring better, faster, more effective service to people.

Because of these concerns about technology there has always been a fear about if information is given to the government, how will the government utilize that information. There have been, and necessarily, strong prohibitions against the transfer of information among government departments.

(1245)

Between that time, when we first began to introduce these programs and now, the House has enacted privacy legislation. It has enacted all sorts of protections and our use of technology has become much more efficient so that we know how to provide secure access. If a bank can provide secure access to my money 24 hours, seven days a week and prevent somebody else from getting at it then the government can provide secure access to confidential information that it holds in its records.

The bill identifies certain kinds of information that will be shared between legitimate users of the information within government to provide more efficient, more effective and faster service to citizens. When we talk about one-stop shopping, when we talk about service to citizens, this is what we are talking about.

I would like to concentrate on those provisions aimed at improving information sharing between government departments. The protection given to the information which old age security pensioners, unemployment insurance claimants, Canada pension plan recipients and children's special allowance beneficiaries must provide has always been high. The reasons for this are clear.

The Department of Human Resources Development is required to collect personal information in order to determine if an individual is eligible for a benefit and in what amount. Should clients feel uncertain about the confidentiality of this information, they might be reluctant to provide such information. In such a case the department would find it almost impossible to administer these programs.

Nevertheless there are situations in which the strict protection afforded this information actually prevents the government from giving its clients the best service possible. In some cases it sets up artificial barriers which hamper the service or action which the client is requesting. In other cases it prevents the government from making use of technology which could save the taxpayers of Canada money and avoid stressful overpayments for beneficiaries.

There was a member opposite talking about what specific savings would arise. This program will produce savings to government in the delivery of government services.

I am sure that all members have had to respond to many constituent queries concerning program and benefit information, changes or the resolution of difficulties. In such situations it is often unclear exactly what sort of information can be shared. When this involves OAS, CPP, UI or CSA benefits, MPs and their staff must contact the Department of Human Resources Development to request information about their constituent's particular case.

Some would argue that a constituent request for a member of Parliament to intervene on his or her behalf constitutes permission or authorization for the department to share information with that MP about the individual. However, it is not clear in law under which circumstances information can be released to MPs.

Public servants must therefore weigh off the requirement to protect client information against the need to provide proper service. One of the amendments in the bill would eliminate any uncertainty with respect to CPP, OAS and CSA legislation and so permit public servants to provide client information to members and their staffs acting on behalf of clients.

Another amendment would help departments provide better service to common clients. Because of the age group of their clients, the Departments of Human Resource Development and Veteran Affairs have many clients in common. Furthermore, if the circumstances under which a veteran qualifies for certain benefits from the Department of Veterans Affairs as well as the amount of benefits depends in part on what benefits he or she receives from the old age security and the Canada pension plan.

To determine benefit eligibility, the Department of Veterans Affairs requires information on that person's entitlement to OAS and CPP benefits.

While the OAS act currently allows the department to share some types of information, the CPP legislation does not. This has resulted in substantial overpayments to some veterans who have reported incorrect benefit amounts to the Department of Veterans Affairs. Many of these overpayments are difficult or even impossible to collect because of the hardship this would cause low income veterans.

The amendment in the bill pertaining to the Old Age Security Act would allow the Department of Human Resources Development to provide information to veterans affairs on common clients for the purposes of administering all acts pertaining to veterans. The amendment to the CPP would allow information sharing with veterans affairs for the first time and on the same basis as OAS.

The effect of these amendments would be to minimize overpayments to clients, eliminate the distress caused to veterans in overpayment situations and bring consistency and comprehensiveness to the OAS and CPP provisions.

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Another amendment would enable the Department of Human Resources Development to give better service to disabled Canadians trying to re-enter the workforce.

(1250)

Under current provisions of the Canada pension plan, disabled contributors who are unable to work may qualify for a CPP disability pension. The CPP administration is currently evaluating a project which offers rehabilitation to those disability pension recipients most likely to benefit from it.

These services would be provided by private rehabilitation specialists. However, in order for these professionals to evaluate the situation of disabled persons and the services he or she might require to get back into the workforce, they need access to client information. Current Canada pension plan legislation prevents the Department of Human Resources Development from providing this information directly to such professionals.

One of the amendments in the bill would enable the CPP administration to provide this information directly, thus reducing the present annoyance of the department having to give the information to the client who in turn has to pass it on to the rehabilitation specialist.

Two other amendments would allow certain information to be released under specific circumstances to enable the Government of Canada to proceed with two important initiatives. In one initiative the Correctional Service Canada is embarking on a program to charge federal inmates a portion of their income as room and board.

One amendment in the bill would allow information on CPP and OAS benefits paid to inmates to be transmitted to Corrections Canada for inclusion with other income information for assessing the room and board to be charged.

Another amendment would allow disclosure to the Minister of Justice, the Attorney General for Canada and the commissioner for the RCMP of OAS, CPP and UI client information in order to assist activities undertaken in Canada to investigate, prosecute and extradite persons suspected of war crimes and crimes against humanity.

Finally, another amendment would enable the provision of client information to Canada Post via computer tapes or other electronic means to print benefit award and denial letters. Should Canada Post be contracted to undertake this activity, strict conditions would be placed on the types and circumstances of this sharing.

Canada Post would be subject to government contractual agreements. Canada Post would continue to be obliged to protect the confidentiality of the mail and to abide by the provisions of the Privacy Act. It is important to emphasize that sharing information in these circumstances in no way lessens the protection given to confidential client information.

Those authorized to have access to this type of information would be bound by the legislation and any person releasing information illegally would be guilty of an offence punishable on summary conviction.

In conclusion, the amendments will be of great benefit both to Canadians and the federal government departments serving them. They will provide better service levels for Canadians and eliminate unnecessary work and red tape in dealing with government departments. They will eliminate much hardship for clients by reducing the incidence of incorrect payments.

As well, they will provide savings to the Government of Canada and in some cases result in additional revenues. Finally, they will permit the federal government to further the goal of justice in Canada.

For all of these reasons, I feel the House should support the bill and get on with its passage as quickly as possible.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I appreciate the comments of the member for Winnipeg South. He is correct in pointing out that this is an omnibus bill that covers a lot of territory as far as our social programs are concerned. I agree with him on the idea that we are in the 20th century.

I especially appreciate his comments regarding the Department of Veterans Affairs. We must not put veterans in distress when they have gone to war for this country and especially when next year is the 50th anniversary of the end of the second world war. That is very substantive in this bill.

I would like to try to flesh it out some more. We are all in this place to try to come up with ideas to make the programs and bills that are put before us better and more effective, more efficient. We are all here with that common goal.

He talked about efficiency and how the programs will be more effective, that this technology is a movement that is taking place. I do not think anyone in the House would disagree that it should be done.

The access to information is also something that I can feel very comfortable in supporting with some assurances that it does not go too far. He mentioned several areas. One he briefly mentioned but did not go into too much detail with was the UIC program. If we are to come up with ideas, we should talk about some substantive ideas the member would bring forward that would save the country some money in regard to UIC.

(1255)

The Reform Party of Canada has stated that this program should be actuarially sound, that it should be a true insurance program that would save the government some \$5 billion in delivering the program to its clientele. Whether the member agrees or disagrees with that concept, I would like to hear from him what his specific ideas are that could save the program and save Canadians dollars.

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Mr. Alcock: Mr. Speaker, I want to try to direct the member's attention to a particular area. We all like to stand up and talk about the grand ideas that will transform programs and save billions of dollars, however impractical, inefficient or incredible those ideas might be. What I am trying to talk about in this bill is something that my mother used to say to me and I suspect other mothers said to their children: "If you look after the pennies, the pounds will take care of themselves".

This is not about a massive restructuring of government programs. This is about, in many little steps, doing the work of government better, more efficiently, faster, giving better service and at the same time, saving money. There are all sorts. Computer programmers have come to government for the last 20 years and said: "If the government will just build this system, we will be able to deliver better service and save money". Unfortunately that has not always proved to be the case.

However, we have learned over time the techniques necessary to do exactly that. If we look at what has happened in the private sector: we have seen massive changes in management; a flattening of management hierarchies; more direct delivery at the service level and the use of expert systems.

Each one of the programs I mentioned here keeps a file on people with information on their names, addresses, postal codes, all of that identifying information. Why do we need to have four or five such databases? Why not one? Think about that between departments.

Canada Post was mentioned. Canada Post is building or is near finishing a database that has the name and address of every single Canadian in it. Why do we need to replicate that? Why can we not take advantage through proper information sharing of that information to save us money. Will this produce \$5 billion savings? No, I do not think so. Will this flatten out the need for new resources, provide better service and save money along the way? Yes, it will.

Mr. Hart: Mr. Speaker, I appreciate the member's comments on the question. I do not mean to stand here and offer grandiose ideas to the people of Canada. We are trying to come up with solutions to very complex problems. As we move very rapidly on the train tracks, there is a brick wall straight ahead.

It does not matter how effective, how efficient and how far we have advanced technologically with our systems if we do not tackle this massive problem of deficit and debt. We are spending some \$44 billion dollars a year on interest alone on the money we have borrowed. This cannot go on forever. We are going to end up in a situation with very effective delivery services, but no money to deliver to the people in need anyway.

I would like to ask the member again if he could give me one substantive idea that we, as the House of Commons, could sink our teeth into regarding social programs, in particular the UIC program, that could save a substantial amount of money for the people of Canada.

Mr. Alcock: Mr. Speaker, I am slightly bemused because I did exactly that. I heard the Speaker has a written speech that he uses asking for specific information from members, because he asked the identical question of the member from my party who spoke last time.

(1300)

I gave him a specific example. I can give him a number of specific examples. I would refer him first to the budget document from last February in which the Minister of Finance detailed specific reductions in the Human Resources Development portfolio. I can refer him to many speeches and statements by the Minister of Human Resources Development talking about a restructuring of the \$38 billion social service envelope. I can refer him to the framework document that the Minister of Finance brought down earlier this week.

These are grand discussions, these are huge programs that affect millions and millions of Canadians and I find it very difficult to understand how any member could stand up and wipe out the benefits for millions and millions of people without any thought and discussion.

What we are proposing to do and what we are doing is taking a very difficult debate to the people of this country and asking them to participate in an exercise that is going to be painful for all of us. We are not deciding that in this Chamber based on a few throwaway comments from a few members.

I really find this debate right now very difficult when a member stands up and so quickly and so easily asks to deprive seniors of their pensions, or to deprive UI recipients of their benefits. I find this intolerable.

I would like to see from that party some specific suggestions that take into account the nature of this country. You cannot do what this member just suggested with UI without bankrupting some of the provinces. He should stop and think a bit before he starts carrying that debate forward to the public.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I do not like the tone the member adopts in even suggesting that I was wiping out benefits to people in need in this country. That is not at all what I said. That is a total misrepresentation of what I am saying here.

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Very quickly, all I am asking for are some substantive ideas. This country has waited. We saw a social program action plan that was supposed to be presented in April and now we are still in the discussion stage.

I feel very strongly that what has happened here is that the government spent all its time when it was here on this side of the House discussing and criticizing but not coming up with a substantive plan. Right now it finds itself in a quagmire and does not know what to do. It is too busy looking at itself, as the member says.

Let us give the Canadian people some credit. They have watched this progress over months and months now and all that is coming out are bills that skirt around the edges of the real problem.

I would like to know substantively once again if this member can give us a substantive and direct figure and an idea that will help us save money in social programs today.

Mr. Alcock: Mr. Speaker, let me give the member two. Let me refer him to this bill, this bill which he throws away and says is nothing. This bill is a major modernization and improvement of services that will produce reductions in the cost of administering programs. That is a fact—this bill.

You want to make savings in UI, you want to—

The Acting Speaker (Mr. Kilger): Order. I know this is a place for vigorous debate but please direct your interventions through the chair.

Mr. Alcock: Mr. Speaker, I apologize for that. I am not arguing with you. If the members opposite wish to contribute to this debate and want to save the people of Canada money then let us have a debate on getting people back to work, let us have a debate on getting this economy going, let us have a debate on getting people trained. I do not hear a single idea coming forth. I have never heard the words 'research and development', I have never heard the word 'investment' come from that side of the House.

Let us have a debate about it. Let us get people back to work. Let us get people off UI. Let us get people into high quality, high paying jobs. Then we will see a difference.

(1305)

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the purpose of this act is to improve service to clients, to allow for more efficient program administration and in the case of the Old Age Security Act, OAS, and the Canada pension plan, CPP, to increase consistency between these programs.

To the degree to which technical items in this bill achieve those ends we certainly support this bill.

However, let us look at these major programs and the need to address them not only from a purely technical point of view but at the programs and their viability and their serviceability and

their achievements. Are they doing what they are intended to do?

This brings the operations of the various pieces of legislation more into harmony with one another and it does correct various minor flaws and omissions in the legislation. It addresses the section on appeals and on confidentiality of information.

The only significant change that exists is that under clauses 9 and 23 of the act affecting clauses 18 and 37 of the OAS act, the crown can now attempt to recover accidental overpayments from more than a year ago provided this would cause no undue hardship. Inquiries should be made in the human resources development committee as to whether this really is the meaning of this section and if so how significant such a provision could be financially and why it was made.

What about the big picture? The government has been in power for one year. The government prepared to be in power for four years and developed the red book, the infamous Mao red book.

During the election campaign the current Prime Minister travelled across the country holding up this red book, pronouncing that he had the people and he had the plan. Where he did not have the people he duly appointed them in those ridings where they could not get elected.

Now he finds out that the plan, which is not very democratic in my opinion, he and the finance minister and many others in the front row on the benches of the government had was no action plan whatsoever.

What has this government accomplished after one year? It has the plan. It supposedly has the people. Here we are 12 months after almost to the day when this government took over. After cancelling the EH-101 contract, after cancelling the Pearson airport contract, after reversing its election campaign promise on NAFTA, which of course we supported—it finally saw the light on that one—what has it done? As far as legislation in this House, we have had housecleaning bills, housecleaning bills and more housecleaning bills.

In January the first bill brought before this House was Bill C-2, an act to amalgamate the Department of National Revenue and taxation with customs and excise in an effort to improve efficiency and effectiveness. This is the very same justification and tremendous adjectives and rhetoric it is using to promote this bill. It is a small technical bill and the government makes it appear it is doing great wondrous things for seniors and pensioners.

What did that bill accomplish from back in January earlier this year, efficiency and effectiveness? They have been really effective at the borders. They are seizing books they should not seize. They have been really effective collecting taxation. Since they took over there is \$6 billion in taxes uncollected. There are more dollars uncollected in GST. The more we look into this the more we find out that this government has done less instead of

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more, the more we find out that this government is less efficient and effective than more.

Today we have before us Bill C-54, another housecleaning bill and the government makes it sound as if it is better, improved, more efficient and more effective.

I ask the Canadian public to listen to what this government says, to what its front benchers say because the difference between what it says, what actually happens and where we will end up is like day and night.

(1310)

Let us get back to this bill specifically. Let us look at the Canada pension plan, the CPP. It is a compulsory pension plan based on earnings. Upon retirement it pays 25 per cent of former salary up to \$8,000 per year. Only former contributors are eligible. CPP is left out of the federal budget and not included in the analysis. The annual cost is \$13.2 billion for the government's share of this program.

The present value of the Canada pension plan based on some sound assumptions is several billions of dollars. The payments will have to rise 6 per cent to 7 per cent of income or an increase of three to four times for Canada pension if we keep the current method of funding. Will future generations be able to afford this? Will the young Parliamentary Secretary to the Solicitor General be collecting his money like he earlier said he would?

Why not begin now to fix the problem? It is ignored by the finance minister in his planning for economic development. It is ignored by the finance minister in his budgetary process and it is ignored in this bill.

The present value of public service unfunded liability just for the federal government is \$100 billion. This number was given to the finance committee as recently as last night by a prominent economist. Once again, why not begin to fix this problem of unfunded insurance now?

When the finance minister declares that Canadians do not want to make cuts, when the Prime Minister declares that Canadians do not want to make cuts, because as the prebudgetary consultative process goes across this land and as they discuss with Canadians and in committee as to what they should do and what they cannot do, it will be the special interest groups that will organize, flood and distort the prebudget conferences which primarily exclude the rank and file average Canadian.

The finance minister and the Prime Minister will announce that they have no choice but to raise taxes, first of all because of their commitment and because come hell or high water, as said by the finance minister, he will meet his deficit targets.

When both the finance minister and the Prime Minister have a ready made excuse, which is what this whole two month process is all about the way I see it, they will look to raising taxes.

As recently as yesterday the finance minister said if the Canadian public will not look at cuts, if the Canadian public will not look at the sound economic planning of the finance minister, they have no choice but to raise taxes because of their commitment in the red book.

The finance minister will have to look to RRSPs for taxes. He will do that because it is too obvious. It is too big an area to leave untouched. It is too tempting. It is too easy. He just needs the excuse and it will be there.

These prebudget hearings are merely invented to help the government, the finance minister and the Prime Minister to develop an excuse based on the results of the so-called deliberations across this great land to interpret these submissions to their own pleasure at the expense and pain of the Canadian taxpayers.

In any case, when he does look at taxing RRSPs I hope he proceeds to consider the following. I hope he does not tax RRSPs. If he does I hope he also then adheres to the principle of fairness which was enunciated in the red book, which is enunciated by the finance minister in his purple book, which is enunciated in the grey book by the finance minister. We now have three books that are committed to the principle of fairness.

An hon. member: He should write a comic book.

Mr. Silye: I believe the finance minister should write a comic book. He likes to give answers quite often in a comedic fashion.

(1315)

If he is going to tax RRSPs for all Canadians across this land, then he should also consider taxing those funds the government puts into MP pension plans, that portion which is a seven to one ratio that we put in as MPs. That government portion should be taxed in all the public service pension plans as well.

We like to pride ourselves as not only listening to people and looking at what the problems are, but coming up with solutions based on what causes the problem. What causes the problem in both OAS and in CPP is that there are insufficient funds to look after future generations. Why not consider combining OAS and the GIS, the guaranteed income supplement, with the CPP into a single guaranteed annual income program for the elderly? It would be phased in gradually to preserve benefits for the current generation of pensioners. This would pay more to the poorer seniors and less to the wealthy seniors.

The principle and problem I am trying to resolve is the fact that what I pay into CPP today and what I have paid into it is less than what future generations are going to have to pay when they

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have to pay for me. That is because it is only funded by current premiums. It is not set up on an actuarially sound basis. That is what we should be looking at to solve that problem.

Let us look at OAS. OAS is a universal pension scheme. It pays a pension to all but the wealthiest seniors with benefits up to \$4,547 per person and is taxed back at 15 cents per dollar of income above \$53,000. The annual cost is \$14.4 billion.

There is also a guaranteed income supplement for those seniors who truly need it. This particular program has to be preserved. This program must continue. We must make cuts elsewhere in the budget so as not to affect the seniors guaranteed income supplement. It is imperative that the \$4.3 billion subsidy in this area is protected and guaranteed. Those are the seniors who truly need it. Not only do they need their OAS but they need their GIS.

What we should do is perhaps combine OAS with the CPP, a solution to ensuring there is something left for those seniors who really need it and for those who need extra over and above their CPP there is a guaranteed annual income. Their income levels are topped up based on whatever level we define as the bare minimum required for food, shelter and clothing.

We should develop our social programs, design and target them to those people who truly need them. If the funding could come from the government to those people through the raising of funds directly for those people rather than through the various complex methods we are now using through the Income Tax Act it would be more clear and obvious and less costly administratively. It would also be more effective and efficient. More money would go into the hands and pockets of those people who truly need it.

Earlier today I debated under questions and comments with the Parliamentary Secretary to the Solicitor General. He stated that he was a Liberal and I agreed; I figure I have learned that much. He also said he felt there would be enough money in the Canada pension plan for him despite the fact that the contributions he is currently making do not allow for the unfunded liability. With that extra great incremental cost that will be there he still believes he does not have to worry.

I understand he is only 32 years old and he is not worried. I know 60 year olds who are five years away from collecting it who are worried. I know 63 year olds who are worried. I think the parliamentary secretary should be a little bit worried.

He also stated that as a Liberal he believes in the principle of universality. This was a great concept the Liberals subscribed to even back in 1968. I remember that when I was in university. Universality had a purpose then. Universality had a reason for the majority of Canadians to follow it. There was nothing wrong

when the principle of universality was introduced at the time that it was. However this is 1994, not the 1960s. Although the principle of universality has a lot of merits and would be great if we could afford it, that is the point: we cannot afford it.

(1320)

We must look at and develop programs that help the seniors and students. Once they are developed what we need to do is not adhere to a principle of universality but adhere to a principle of universal access for those people who need to tap into these great programs. These great programs the government spends hours, days, months and years developing should be available and accessible universally, and portable all across this land. That is the way to address our social programs.

As long as this government continues to believe in the principle of universality and thinks we can live the life of Riley at the expense of future generations, then it will never solve the problems that face this country. It will never really address them with an action plan. One or two years from now the government will be coming up with another book of another colour looking for further discussion and further consultation.

I also debated with the government whip on a TV program. He told me that this plan of the Minister of Human Resources Development would be one that would help solve the problems of our social programs. I told him on television—and he can look at the tape—that it would just be a discussion paper, that there was no action plan at all. He disagreed and I said I would eat my words. Well, I do not have to. Now we know.

Not even the government members know what the senior cabinet ministers are doing. They are just tinkering with the system. It is a complex system, but rather than addressing the big major problems, they are avoiding them.

In conclusion, I have a seventh point, if I could find it here. My fellow members are saying to end, to finish, but I still have a couple of minutes. Do I have anything left to say? If I had another 15 minutes I would repeat it all because the members opposite as usual do not listen.

We know what the purpose of their bill is; we know they are not addressing the problem. But the purpose of my speech is so that hon. members across the way can accept some constructive criticism and perhaps solve the problems that truly face this nation and we can get on with an action plan for this country, not a discussion plan.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, this was such a good speech I almost felt like not asking a question. Almost. But I was really urged to do so when some of the member's own colleagues seemed to disagree as to how excellent his speech was. They seemed to urge their colleague to sit down rather prematurely. I would not have

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suggested that because of the immense respect I have for the member across the way.

I heard him say a few things in his speech which I believe to be—how should I say it—factually incorrect. One of them is with regard to the MPs' pension plan. In his remarks—and I disagree with him as to the figure—he said the taxpayer subsidizes \$7 to \$1 for what the MP contributes to the system. I think that is a bunch of nonsense.

Going beyond that, and I do not know how he concocted the reasoning but perhaps he could explain it to us. He alluded to the fact that the benefits of that were non-taxable and that the \$7 to \$1 which he says the government puts in should be taxed. Perhaps there are more creative accountants who do the book-keeping for people who are members of the Reform Party when they receive benefits from pensions, but I do not receive any MP pension and heaven knows whether I ever will. However I intend to pay my taxes. I am sure that Liberal colleagues who have come and gone and who are now receiving pensions do pay taxes on those benefits. Those benefits are in fact taxable. I challenge the member to indicate to us why he feels they are not taxable. For what reason is he attempting to convince Canadians that what is factually incorrect is a reality. That is how I put it to be kind.

(1325)

I also want to challenge him on another issue. The member talked about the fact that he wants a guaranteed annual income. We heard that. I agree with that proposition. He said we should have a guaranteed annual income and he also said moments later that we should end universality of pensions. Recognizing that universality only applies to the basic pension it is a form of guaranteed annual income for people who are beyond a certain age.

I do not understand how the hon. member across the way could advocate both of these things together. I do not think it is reasonable to suggest we should end universality and replace it with a system that he qualified as a guaranteed annual income. How does that make sense at all? How is it essentially different from that which exists right now for people who get nothing more than the minimum amount? Perhaps he could explain that for the benefit of all members.

Mr. Silye: Mr. Speaker, to begin with I would like to state that as a rookie parliamentarian I am fast learning what those with experience do. They like to twist things. Whatever it is you say they like to twist and flip it, just as the member opposite did when he stood up and said that I think we should have a guaranteed annual income. I did not say that. What I said was that we could consider it. I said let us solve the big problem. We could consider it.

Also members opposite, especially the Minister of Human Resources Development and the Minister of Finance, said that in the social policy debate when the hon. member for Calgary North talked about what the federal government had to do to meet their deficit targets, the cuts it would have to make. The cuts this government has to make to meet its targets are not the \$9 billion being talked about in the newspapers today. Over the next two and a half to three years it will be cuts of \$15 billion that will have to be made. That is the point our member on the committee made at a press conference.

This government proceeds not only in Question Period but at any opportunity it gets to say that the Reform Party is recommending cuts of \$15 billion in social programs. That is not true. The government itself is recommending cuts of about \$9 billion in social programs. It is not saying it. Secret memos are circulating from minister to minister. It does not come clean with the general public. It likes to twist things.

Yesterday the member for Calgary West asked why go over a wide chasm in two leaps. The finance minister got up right away; why not do it in one, was the implication. That was my inference. What was the finance minister's inference? His is: "Let's twist it and use it against them. The public is gullible; the public will really listen to me. I have a good routine. I can really deliver this. Unlike the Reform Party, we would not do it in two steps". He missed the point, as they continually do. Similarly, the government whip has just missed the point on taxing and the point I made about the MP pension plans.

During my speech I may have said \$7 to \$1. If I said that it is inaccurate and I am wrong. That is not accurate so to that degree I will agree with it. The amount of money MPs put into the pension plan and the amount the government puts in on our behalf is not matching dollar for dollar. It is not matching two for one. It is not matching three for one.

There are two parts to it. There is a 4 per cent and a 7 per cent. The 7 per cent part, not the pension plan itself but the 7 per cent, the registered annual allowance or whatever it is, I do not even know the initials it is so complicated, the ratio of what the government puts in, what the taxpayers put in, versus what MPs put in is seven to one. If he cares to refute that then he can rise any time he wishes.

(1330)

This is the kind of twisting government people do once they get power. I do not understand. In business I get nowhere by misrepresenting the facts. I get egg on my face and I get the door closed in my face the next time I come around. Perhaps that is why people in Canada always turf out a government: they find when members are over on this side they say one thing but when they are on the other side they do another.

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This is one thing the Reform Party will not do. What we say here today on this side, what we put in our blue book and our policy book, and what we work hard to do to find out what constituents want and the voters want, we will do when we get over on that side. Mr. Speaker, I assure you we will be over on that side and we will do what we said we would do from this side.

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, my friend opposite to whom I paid rapt attention talked about the gullibility of the public. I would suggest, given the results of the election almost a year ago, the public was not gullible. It was sensible when it elected 177 Liberals.

In any event it is my great honour to rise in the House today to speak in support of Bill C-54 which seeks to increase the efficiency of a number of income security programs and, by doing so, to improve client services.

I am sure all members of the House have either heard complaints in the media about government runaround or they have had to intervene themselves on behalf of constituents with problems. I know that I have.

Frankly these problems usually involved programs delivered by Human Resources Development Canada. As members are no doubt aware this can be time consuming for clients and time consuming for our staffs, for ourselves and for human resources development employees. Improvements have to be made to this situation. That is clear to me and it is certainly clear to the minister.

The income security programs branch of Human Resources Development Canada which administers the Old Age Security Act and the Canada pension plan, the two programs most directly impacted by the bill, is committed to addressing the challenge of improving client services. To do so the branch has undertaken a three-year project to implement computer services and high technology systems in order to replace existing systems which are clearly antiquated.

The government wants to be proud of the service it provides to its many ISP clients across Canada. As well frontline staff and all other staff in the public service sincerely want to be able to work more efficiently because they realize the impact that their work can have on benefit recipients or on those seeking information about those programs.

Many of the amendments contained in the bill complement the redesigned project. For instance, expanded information sharing provisions and improved consistency between the Canada pension plan and the Old Age Security Act will alleviate many of the frustrations benefit recipients have had to deal with in the past.

There is another type of client service provided for in the bill which I should like to mention. It involves two amendments to

the Canada pension plan, the direct result of client representations to the government and requests for change.

In 1987 significant changes were made to the Canada pension plan which made flexible retirement possible for the first time. In recognition of the fact that Canadians wanted more say in when they would be able to retire, the Canada pension plan was amended to allow people to take their retirement benefits as early as age 60 and as late as age 70. For those taking early retirement between 60 and 65 years of age the benefit was reduced. For those taking late retirement between 65 and 70 the benefit was increased.

Upon introducing flexible retirement it was determined that it was only necessary to pay 12 months of retroactive retirement benefits to persons who delayed their benefit until after they were 70 years of age. It was felt that persons retiring at some point between 65 and 70 no longer needed this option because their benefit entitlement would be increased to reflect the fact that they had not taken their retirement benefit five years before, at age 65.

Experience has shown that there are those individuals over 65 years of age who would rather have up to 12 months of retroactive retirement pension than the actuarial increase in their monthly pensions. For this reason one amendment in the bill would allow persons to delay applying for retirement benefits past age 65 and to have the benefits paid retroactively for up to 12 months if they chose. The nice thing about it is that it is done at their election and is not something the government forces on them.

(1335)

Another amendment to the Canada pension plan is also a reflection of the plan responding to input from the clients it serves. I am referring to an amendment which would allow former spouses divorced between 1978 and 1987 to waive the three-year limit for making application for a division of pension credits.

As I am sure many members are aware, when credit splitting was first introduced into the plan in 1978 it was only available to individuals who divorced or had their marriages annulled on or after January 1, 1978. As well, one of the conditions for a credit split was that application had to be made within three years of the date of the divorce or annulment.

In 1987 credit splitting was extended to separated spouses and the time limit was removed for divorced spouses but only if the divorce occurred after January 1, 1987. While this was certainly a major step forward in the pension protection afforded women, it did not recognize those women who had missed out on the time limit that had been in place. The further back we go in time, the more women we have in divorce situations who did not work or contribute to the Canada pension plan during their married lives.

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The rationale for not removing the time limit for the group divorced prior to 1987 was that the government would be changing the rules of the game after the fact. By this reasoning, a divorced spouse who had not had his or her credit split had a right to expect that he or she could make his or her retirement plans in the knowledge that CPP pension credits would not be split. There was one group left out of this attempt at fairness: former spouses who wanted a credit split even though the three-year limit had passed.

I am sure all members of the House would agree with me that divorced spouses who stayed at home to raise their children and to attend to the countless challenges which are part of taking care of a home deserve a fair share of the pension protection earned during the time the couple was together. The amendment would allow the three-year time limit to be waived and therefore would allow a credit split where both parties agree in writing.

Passage of the legislation will supplement other initiatives under way within the department which will improve customer service and will allow the employees of the department the opportunity to provide excellent service to an ever growing client population. Over the next few years the introduction of a better way of doing business, supported by new technology, will renovate the department's systems and update those which are at least a quarter of a century old.

Because our client service will be greatly enhanced, future seniors in need will receive rapid and responsive service. This will at least give the department the tools and technology they need to provide the excellent service Canadians expect and Canadians deserve.

I am proud of the way the government has risen to the challenge to provide even better and more responsive service at a lower cost. In spite of the important role played by technology, I am pleased the initiative has not lost sight of its real intent which is to help to provide for the security of Canadians. It is clear that Canada's income security programs faithfully reflect the needs and the characteristics of the people they serve. It is for this reason that I am supporting the bill and that I urge all other members to do likewise.

The bill is one example of several undertakings the government has made in connection with the red book promises. We have promised, particularly in the human resources area, that we will streamline programs so that their administration costs less, their service is better and the people who need money, the people who need support, will be the ones who get it. The amendments to the Canada pension plan and to other income security plans have taken us a long way toward fulfilling that promise.

The next step is the overall social security review, during which time we will be consulting with Canadians based upon our discussion paper. We will be hearing from Canadians what their

position is and what their beliefs are on how we can provide them with better income security programs at a lower cost.

(1340)

Those members who are critical of the program should get busy, get out there, have townhall meetings in their ridings, find out what their people are saying, find out what they want from our government, and let us know.

This is a consultative government. This is a transparent government. This is an open government. This is a government that will deliver responsible government services in an efficient and timely fashion.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I listened very carefully to the speech of the member and I appreciate her comments. As we have said before, we agree with many things that are in the bill.

With regard to the Canada pension plan I was wondering if the member might be able to answer a few questions for me. First, the facts of the situation are that our population is aging. In 1986, 9 per cent of all Canadians were eligible for the Canada pension plan. It is estimated now that by the year 2031 the ratio will have doubled.

I truly hope the program continues. I have contributed to the program and when I am 65 years of age I hope that it will be there. People like myself have 23 years to go before we can collect it. Quite honestly for my age group, and I am sure many members would agree, it just does not appear feasible that the program will be around.

Has the member recognized the problem of the aging population and the fact that between now and the next few years the portion we contribute to that program will have to triple for it to remain solvent? The program is going to be a problem in the future. Can the member comment on that?

Ms. Cohen: Mr. Speaker, I cannot quarrel with my friend's numbers because I do not know if they are accurate or not.

The government is a Liberal government and it was a Liberal government that put in place the Canada pension plan in the first place. For a question like that to come to me is especially appropriate because the late Right Hon. Paul Martin, Senior, was a key person in putting the pension plan in place and I hold his riding today, a fact of which I am very proud.

I can assure the member and the listening public that under a Liberal government the Canada pension plan will not falter; it will not fail. Yes, even my friend opposite in 23 years' time will get his Canada pension plan payments.

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, the hon. member suggested a number of times in her

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speech that these changes would achieve a much lower cost in terms of administration of the program.

How much are these savings and how would they be achieved? I would ask her to be specific if she could.

Ms. Cohen: Mr. Speaker, we are fortunate to live in 1994 when technology has reached a point that by its use we can implement mechanized and virtually foolproof office procedures and administrative procedures that are much more efficient and less labour intensive than 25 years ago when the services we currently have were put into place.

The nice thing about the Canada pension plan is that it is a unit. Administration comes out of the plan itself so that the lower the administration goes, the more money we have to make payments to our friend who in 23 years is worrying about how much money he is going to get every month.

(1345)

Mr. Hanrahan: Mr. Speaker, I asked the hon. member if she could be specific. She referred to replacing civil servants with technology, but that does not tell me in any way that there will be savings or how much these savings will be.

Ms. Cohen: Mr. Speaker, I did not refer to replacing civil servants with technology. I did not say that at all. What I did say was that we could mechanize offices and make more efficient the administration that we have. There will still be civil servants. This will never be, at least in our mandate, a totally mechanized system.

The Canada pension plan is absolutely precious to Canadians and certainly to the Liberal government which established it in the first place. When we look at the Canada pension plan we know as a government that it is important that we continue to streamline it so that the money in this plan goes to its clients and not to inefficiencies which have been built into the system, particularly over the last nine years.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est, B.Q.): Mr. Speaker, old age pensions are a subject of concern to me because, so far, the legislation put in place by the government of Canada has dug into the pockets of the unemployed and limited access to funds for the poor. This government seems to be in the habit of attacking the most vulnerable and seniors, who are certainly among the most vulnerable members of our society.

But Parliament should have every respect for these people who deserve to retain full pensions wherever possible. After all, the quality of life that we enjoy today, we owe it to their work, their hard work. And when we talk about wanting to reorganize old age pensions, it causes us and them concern.

Of course there are problems. Our population is aging and the demographics of an aging population can cause problems. But the government should state clearly—and make it really clear—today and in the weeks to come, that it has no intention of

reducing the entitlements of our seniors. That is what matters and causes concern because so far, the government has made promises regarding the protection of entitlements for the disadvantaged, promises it has definitely failed to fulfil.

The government made cutbacks in the UI program, in programs providing support to the disadvantaged, in community programs. I wonder: could the hon. member rise in this House today and state clearly and firmly that her government intends to fully maintain all existing entitlements for the seniors of this country?

[*English*]

Ms. Cohen: Mr. Speaker, with this cold, this laryngitis and this temperature, this member can barely stand at all. However I am happy to stand in the House and say to my friend opposite and to all Canadians that the senior citizens of Canada are absolutely, perfectly, totally and completely safe with the Liberal government in power.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I am so happy to hear from the other side of the House and this member that the Canada pension plan is such a sacred and important program that all Canadians can rejoice in knowing that they do not have to fear down the road that there will not be such a program.

With a program such as this, I am sure that the Liberal government, when this program was developed, looked into the future a little bit and had a vision. If it did, surely this program would have a reserve fund. However, I am afraid that the Canada pension plan does not have a reserve fund to ensure that Canadians down the road, 23 or 25 years from now, will be assured that when they pay into a program they will actually receive benefits. No, there is no reserve fund. The way the Canada pension plan system works—I would like the member to comment on this—is that the people who are working today pay into the Canada pension plan. The money they pay into the program does not go into a reserve fund and it is not held in a sacred trust for their retirement. That money is used to pay the benefits of the people who are collecting today.

(1350)

We are headed down a road and there is a wall. At some point in time we are going to hit that wall.

I would like the member to please comment on this. If this program is so valuable to the government why is it not actuarially sound?

Ms. Cohen: Mr. Speaker, I just love to hear this stuff from over there.

I am from Windsor. I may not have mentioned that any more than two or three times today. Windsor is on the Canada-U.S. border for those from far away who maybe have not been there. Detroit is so close that people go there for lunch and get back in an hour. When we go to Detroit we can see what happens when

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people start talking about debt walls and knocking money off of our social programs for the sake of the bottom line.

Over there we can see seniors in the gutter because they have no other place to go. We can thank a right wing governor for that, a guy whose policies sound very much like the policies of the current Canadian Reform Party.

The Canada pension plan is fiscally sound. The government is sound. The government will be here for a long time and so will the Canada pension plan.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, B.Q.): Mr. Speaker, it is always a pleasure to rise in this House when you are in the Chair.

I am pleased to participate in the debate on Bill C-54 because this legislation, which looks to be an harmonization measure, could have a significant impact on the poorest people in our society. It should be pointed out for the benefit of those viewers who may have just joined us that Bill C-54 amends four very important acts providing the basis of income support measures for the poorest Canadians.

Indeed, Bill C-54 is an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act. It is therefore a piece of legislation which targets the two main pillars of our social security system, namely social assistance and social insurance.

It should also be pointed out that this is a bill which deals primarily with income support measures for our seniors. As you know, several experts claim that, on the whole, the problem of poverty among seniors is not as bad as it once was. Consequently, the old assumption that poverty and old age went hand in hand is probably not quite true any more. However, the fact remains that, compared to the national average, that age group still has the highest percentage of low-income individuals.

Let us take a look at the 1992 figures. That year, about 16.8 per cent of all Canadians were considered to be low-income individuals. However, the figure was 20.6 per cent in the case of our seniors. Consequently, the government has to be very careful when reviewing any legislation affecting seniors, for we have not necessarily done everything we could to ensure that people over 55 have a decent income to live on.

(1355)

And I think we will have to consider this in connection with the bill before the House today. I must admit this bill contains a number of positive elements, but we must not forget that in this situation, the government is firmly resolved to do everything it possibly can, and this often includes measures that unfortunately affect people who are vulnerable.

It has to be said, and we as the Official Opposition have a responsibility in this respect, that Bill C-54, ostensibly an attempt at harmonization, is intended to give the government a

chance to save money. In this respect, in the way it treats seniors, it is consistent with the last Martin budget, because you will recall that the budget brought down last February substantially reduced the tax credit for seniors.

Before the budget, seniors in this country could count on an age credit, which meant they could claim 17 per cent of their taxable income. This gave seniors in this country a tax rebate of roughly \$610. We all know that the last budget launched a shameless attack on this tax credit and deprived the neediest in our society of a tax rebate to which they otherwise would have been entitled.

Although Bill C-54 is supposed to be about harmonization, it must be pointed out that its purpose is also to make it possible for the government to get money back from the neediest in this country, through our tax system. However, since we have always taken a very positive approach, I would like to take a few minutes, and it certainly will not take long, to describe the more positive aspects of this bill.

There is the fact that it will be possible, in some cases, for spousal benefits to automatically become OAS benefits, without having to go through all the red tape that is so onerous for Canadians.

Other positive points—and I see my time is running out. Yes, I will sit down like a good boy at 2 p.m.

The Speaker: My dear colleague, we will hear the rest of your speech after Question Period, if all goes well, but 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*]

NATIONAL INFERTILITY AWARENESS WEEK

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, it is my pleasure to inform the House that October 17 to 21, 1994 is the first National Infertility Awareness Week.

Infertility is a condition that affects approximately 500,000 Canadians. Although not life threatening, it can have a profound effect on a person's life. Since 1994 is the International Year of the Family, the theme for the first National Infertility Awareness Week is "Infertility in the International Year of the Family".

The Infertility Awareness Association of Canada is a national charitable organization offering support and education to individuals with infertility concerns. During National Infertility

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Awareness Week the organization and its many volunteers will feature public awareness events across Canada.

Please join me in congratulating the Infertility Awareness Association of Canada on its excellent work and in wishing them all the best for a very successful national week.

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[Translation]

JOB CREATION

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, B.Q.): Mr. Speaker, the Liberal government is launching a major media campaign under the theme: "Jobs and Growth". It is putting on quite a show!

However, having carefully reviewed the three documents tabled regarding social programs and finances, we are forced to recognize that the federal government is putting forth no positive job creation measures. It is nothing but an empty slogan.

The government has set specific deficit reduction targets but none regarding job creation. The government has no constructive job strategy or policy. Yet this is the government that had put job creation at the forefront of its election campaign.

What initiatives did this Liberal government take? It has cut in social programs to force the unemployed onto welfare, thus passing the buck to the provinces.

The federal government is short of ideas. It should let the provinces take over; they are in a much better position to look after their own economic development.

* * *

(1400)

[English]

NATIONAL SCIENCE AND TECHNOLOGY WEEK

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, this is National Science and Technology Week. I would like to take the opportunity to pay tribute to a remarkable young woman from the riding of Cariboo—Chilcotin.

Ciel Patenaude of Horsefly, British Columbia will be facing the world next May in the International Science and Engineering Fair in Hamilton, Ontario. Ciel and her 31 teammates will be representing Canada for the first time in this world series of science fairs, competing against 1,000 high school students from 30 countries.

I am pleased that more and more women are becoming involved in science and engineering. I am especially proud that Cariboo—Chilcotin will be represented at the International

Science and Engineering Fair. I wish Ciel and her teammates all the best in the upcoming competition.

I will be looking forward to Team Canada bringing home the gold.

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MUNICIPAL ELECTIONS

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I rise today to congratulate the fine men and women of Halifax West who put their names forward to serve as school board members and municipal councillors.

To those whose bids were unsuccessful, I extend my thanks and appreciation for their commitment to our communities, our schools and our children.

To the councillors elected last Saturday I offer my sincere congratulations and best wishes. I have enjoyed working with the town of Bedford, the county of Halifax and the city of Halifax on the infrastructure program. It is already paying big dividends in communities across the country with 100,000 jobs.

I ask all members to join me in congratulating the women and men who work so hard to make our communities better places to live in and our schools better places to learn.

* * *

NATIONAL DENTAL HYGIENE WEEK

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, it is my pleasure to bring to the attention of members of the House and all Canadians that October 16–23 is National Dental Hygiene Week. The purpose of this campaign is to remind Canadians that oral health is important. By improving our oral health we can improve our overall health.

This year's campaign focuses on teens and addresses issues such as smokeless tobacco, gum disease and general mouth care. Natural teeth are meant to last a lifetime and good home dental care can help teens and other Canadians reach this goal.

Dental hygienists are staging mall displays, visiting schools and community centres and working with local media to increase knowledge of oral health. Fact sheets focusing on teen oral health issues are also available.

The Canadian Dental Hygienists Association is to be congratulated for mounting a promotion which also highlights the role of dental hygienists in helping Canadians to achieve good oral health.

I am sure all members of the House congratulate the Canadian Dental Hygienists Association and wish it much success in this very important campaign.

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NATIONAL HOMEMAKER/HOME SUPPORT WORKER WEEK

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I would like to bring to your attention today the tireless efforts of support workers across Canada on the occasion of the National Homemaker/Home Support Worker Week. This week was established to recognize the outstanding work of over 60,000 homemakers and home support workers across Canada.

These support workers provide more than five million hours of home based care each year to the elderly, the disabled, AIDS victims and others requiring palliative and long term care at home.

I am confident that all my constituents in the riding of Perth—Wellington—Waterloo and the members of the House share my appreciation for the job these workers perform and encourage all Canadians to take the time this week to recognize the valuable contribution that home support workers provide to our communities.

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[Translation]

NATIONAL DEFENCE

Mr. Jean-Marc Jacob (Charlesbourg, B.Q.): Mr. Speaker, we learned earlier this week that the Department of National Defence was participating in a missile firing competition using F-18 aircraft.

The Canadian delegation was over 60 strong. While cutting in social programs, not only did the government allow missiles costing \$400,000 a piece to be fired, but the Department of National Defence also offered free air transportation to Florida for Canadian media covering the event.

There is something indecent about this “charm the media” operation and the use of public funds for that purpose. Fortunately, most media outfits declined the Department of National Defence’s offer.

When will the government realize that this country’s means no longer match its ambitions and that the Department of National Defence must stop such frivolous spending?

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[English]

TOBACCO

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, recently the Imperial Cancer Research Fund released the staggering results of the longest and most extensive study ever undertaken into tobacco use. Their findings show that

smoking causes 100 times more deaths than it prevents and at least half of these smokers will be killed by their habit.

(1405)

These statistics are shocking but even more shocking is the fact that in the six months since the government rolled back the taxes, sales are up 41 per cent.

This sharp increase in overall consumption is directly attributable to the drop in prices. The federal Minister of Health said it is time for Canada to share the expertise it has gained in its efforts to reduce smoking in Canada.

The government is guilty of negligence with its policy in this regard. It should now do the right thing and scrap the tobacco tax rollback which has backfired so badly. Anything less will cost us hundreds of millions of dollars in lost GNP, increased costs in health care, and untold human suffering and death.

* * *

PORT OF SAINT JOHN

Mrs. Elsie Wayne (Saint John, P.C.): Mr. Speaker, the business and traffic in the port of Saint John was extremely good this past year. The port set a record for total port throughput by handling just under 20 million tonnes of cargo over a 12-month period. As well, total traffic is up 11 per cent over the same period last year.

Yesterday a Canadian Press story from Halifax, Nova Scotia, referred to a senior official from CP who stated that the city of Saint John and the port of Saint John would be negatively affected by his company’s bid to take over the CN Rail line and to sell off the rest of its Atlantic operations.

At a time when the port of Saint John is active and many people earn their living at the port, we must not lose our rail infrastructure.

I urge the Prime Minister and his government to ensure that the rail links to and from the port of Saint John are a priority with any of the government’s discussions with CP.

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HAZEL MCCALLION

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, I rise in the House today to welcome the mayor of Mississauga, Hazel McCallion, who is visiting Ottawa.

While the mayor’s party affiliation has always been a mystery, her politics are clear. Born in the Gaspé, she has served the public for 27 years, 16 years as mayor of the ninth largest city in Canada.

Mississauga is debt free with almost half a billion dollars in reserves. All public buildings, including the new city hall, are mortgage free. A \$60 million Living Arts Centre is currently under construction, thanks to the mayor’s personal fundraising

efforts and to the recognition of the Minister responsible for Infrastructure that such projects are a worthwhile use of infrastructure money.

Again, I wish to welcome Mayor McCallion to our fair city. I would also like to issue a warning to batten down the hatches. She usually stirs up a pile of trouble wherever she goes.

* * *

CANADIAN FOSTER FAMILY WEEK

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, on behalf of the Ontario Association of Childrens Aid Societies, I wish to bring to the attention of the House that this is Canadian Foster Family Week.

In this International Year of the Family the celebration of the contributions of foster parents is even more significant. It is important to recognize that nearly 5,000 Ontario foster families provide much needed care, nurturing and stability for children in need of protection, many having suffered from abuse and neglect.

Between 1982 and 1992 the number of foster families available to care for children dropped substantially. This created personal challenges for the Childrens Aid Societies and in some cases required the separation of siblings and a move far from the child's home community.

Canadian Foster Family Week provides an opportunity for members of this House to recognize the contribution of foster families in their respective communities. We must alert the general public to the need for more foster parents to care for children who need the special love and care that foster parents can provide.

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NUCLEAR WEAPONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier, Lib.): Mr. Speaker, I would like to take the opportunity to state on the record my opposition to the decision of the Chinese government to continue the testing of nuclear weapons.

For the third time in the past year China has detonated an explosive nuclear device, an action clearly out of step with the negotiations currently under way in Geneva to reach agreement on a nuclear test ban treaty. Indeed China is the only one of the five nuclear states not to adhere to the moratorium on nuclear testing in effect for the duration of these negotiations.

The Chinese government claims that the devices being tested are limited in scope and to be used for defensive purposes only. Regardless of such claims, I would like to echo the concerns of many of my constituents and I think most members of the House, to tell the Chinese government that we do not appreciate this kind of testing and would like to see it stopped at this time.

(1410)

[Translation]

S. O. 31

EMPLOYMENT

Mrs. Francine Lalonde (Mercier, B.Q.): Mr. Speaker, the Prime Minister has spoken at great length about Canada's generous system of redistributing wealth from one province to another. And yet, in its reform of unemployment insurance in the last budget, the federal government went looking for close to \$1.4 billion in the pockets of unemployed workers in Quebec and the Maritimes. Close to 60 per cent of the initial cuts are affecting these regions, which are hard hit by the job crisis.

Now, as a result of social program reform, these regions will again bear the brunt, with cuts in the billions of dollars. Quebecers will not accept a reform whose sole objective is to slash programs. Although opposition to the reform is widespread, Quebec's response to this attack will be quite different. When it attains sovereignty, it will be sure to implement a full employment policy, using its own resources.

* * *

[English]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

Mr. Cliff Breitzkreuz (Yellowhead, Ref.): Mr. Speaker, in just 31 days a group of MPs will be swaggering up to the trough and stuffing their snouts into it. Yes, 52 MPs will become eligible to slurp from the insanely rich MP pension fund November 21. Potentially they could suck \$53 million out of the pockets of Canadian taxpayers.

Canadians find it absolutely unacceptable when the Prime Minister says he is dedicated to spending cuts and continues to allow this kind of taxpayer abuse.

The national debt is now \$534,994,000,000. Canadians demand the Prime Minister act now to stop national trough day before it is too late.

* * *

GUN CONTROL

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, once again we have had another Canadian citizen fall victim to a fatal gun shooting.

Last week Stephen Braithwaite lost his life after a parking lot gun battle at an after hours club in North York. According to police reports at least two automatic or semi-automatic weapons were used in this gun fight.

Canadians are wondering what these guns are doing on the streets in a public place and how they were obtained.

Oral Questions

This is not an isolated incident. Police have reported that there have been quite a few other gun related incidents at these clubs over the past month. Law-abiding citizens living around these after hour clubs are extremely concerned. They cannot properly raise their families when they are constantly living in fear.

I call on the government to initiate a solution to this problem. Let us work with the provincial governments to clean up our streets.

* * *

NATIONAL FORUM ON HEALTH

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, today's launching of the National Forum on Health marks the dawn of an exciting new era in Canada's medicare.

For too long Canadians have been concerned about long waiting lists, rising drug costs, the scarcity of rural physicians, inefficiencies in the system, quality of home care and many more.

At the same time, they know Canada must cope with costs due to new technology, new drugs, our aging population and the emergence of new diseases.

The forum, chaired by the Prime Minister, will bring together Canada's wealth of talent and knowledge in the health care field such as that of Dr. Noralou Roos of Winnipeg. It will engage Canadians in developing solutions to challenges facing medicare, taking into account its five basic principles and all the major determinants of health.

The National Forum on Health will set the framework for Canada's renewed vision of medicare as we approach the 21st century. Let us applaud the government.

* * *

INFRASTRUCTURE PROGRAM

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, I want to read you an excerpt from a letter: "I am writing to further offer my strong support for the project because of the significant job creation this project will provide—One of the main objectives of the infrastructure program is to promote public and private sector partnerships that will not only improve the local and regional economic climate but also help Canada as a whole attract corporations by providing prime business opportunity—".

One would logically assume that the Prime Minister or the minister responsible for the program would have made this statement.

(1415)

The fact is that the member for Simcoe Centre made this statement in support of infrastructure programs in the city of Barrie despite condemning them yesterday.

The national infrastructure program has been a catalyst for job creation. If the Reform Party followed our government's example perhaps the public would not be so cynical of politicians.

* * *

SOCIAL SECURITY REFORM

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, social security reform is a very serious issue for all Canadians. It offers alternatives to address the serious challenges we must face.

In Atlantic Canada social security reform left many unanswered questions in relation to seasonal employment. I commend the minister of human resources for responding to these concerns and for creating a special committee to study the question of seasonal workers.

[Translation]

The committee in question is addressing a serious concern of Atlantic Canada. Special attention must be given to seasonal workers. Social program reform is not only important, it is necessary. I encourage all Canadians to become involved in the consultation process and to express their opinion on the future of our social programs.

ORAL QUESTION PERIOD*[Translation]***COMMUNICATIONS SECURITY ESTABLISHMENT**

Hon. Lucien Bouchard (Leader of the Opposition, B.Q.): Mr. Speaker, very serious allegations have been made recently about CSIS's infiltration activities. Now come revelations from a former officer of the Communications Security Establishment, another federal agency, who in a book published this week mentions the existence of a special unit called "French Problem" that is responsible for intercepting Quebec government members' telephone calls or having these calls intercepted by foreign services.

For his part, the Prime Minister said yesterday in this House that since he entered politics, he knew nothing about any spying on the sovereignist movement by federal services.

My question is for the Deputy Prime Minister. How can the government pretend, as the Prime Minister did yesterday, not to be aware of federal agents spying on Quebec's pro-sovereignty movement, when the reports of the Keable and MacDonald commissions showed the extent of the RCMP's illegal activities in the 1970s, such activities as planting bombs, burning barns and stealing the Parti Quebecois's membership lists?

Oral Questions

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I want to draw the attention of the House to what the Prime Minister said yesterday, that the activities of the CSE are totally subject to Canadian laws, including the Criminal Code, the Canadian Human Rights Act, the Privacy Act and the Charter of Rights and Freedoms, and they obey the law.

Hon. Lucien Bouchard (Leader of the Opposition, B.Q.): Mr. Speaker, can the Deputy Prime Minister from her seat clearly assure this House that the federal intelligence services, CSIS and the Communications Security Establishment, have not and do not engage in electronic eavesdropping on elected officials and members of the Bloc Québécois, the Parti Québécois and the Quebec sovereignty movement and do not have others engage in such activities for them?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I repeat, the activities of the CSE are in no way directed against Canadians, including people involved in politics.

Hon. Lucien Bouchard (Leader of the Opposition, B.Q.): Mr. Speaker, we note that Mike Frost's revelations report that interception services do each other favours, some spying on the ministers of others, and so on.

We all noted that the Deputy Prime Minister carefully avoided giving the clear, specific assurance which I asked of her. On such a serious subject involving respect for the law and democracy in Canada, a refusal to deny is the same as an admission.

Mr. Speaker, I ask the Deputy Prime Minister to tell us clearly if we must conclude from the evasive answer she just gave that the federal services are now engaged in such electronic eavesdropping?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in no way was I evasive. What I said and I repeat, in French and in English, if the hon. member cannot understand, is that the CSE is subject to Canadian law, including the Criminal Code, and to all Canadian laws. They do not take any action against people in Canada who are in politics.

(1420)

Mr. Michel Bellehumeur (Berthier—Montcalm, B.Q.): Mr. Speaker, my question is for the Deputy Prime Minister.

I wish to remind the Deputy Prime Minister that the Communications Security Establishment is not accountable to any review agency. The disclosures made by a CSE spy, Mike Frost, raise the whole issue of electronic surveillance of the sovereignist movement by federal services.

Why is it that, unlike CSIS, the Communications Security Establishment, whose budget is estimated at \$200 million a year—yes, Mr. Speaker, \$200 million a year—is not subject to

any external parliamentary control whatsoever? Who monitors the spies in this country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I have said it many times and I will repeat it for those who did not understand. The CSE is subject to the Criminal Code of Canada. It does not spy on Canadians or on those who are involved in politics, whether they belong to the Parti Québécois, the Liberal Party or any other political party. Is that clear enough?

Mr. Michel Bellehumeur (Berthier—Montcalm, B.Q.): Mr. Speaker, does the Deputy Prime Minister not admit that, given the recent and very serious allegations concerning both CSIS and the Communications Security Establishment, the government should set up a royal commission of inquiry, as requested, to shed light once and for all on these allegations?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, many books are circulating this week. One is by Claude Morin, one by Joe Clark, and there are others. Are we here to say that all that Claude Morin writes is true? We in the government want to deal in facts.

[English]

We want to deal in facts. If the member is interested in slinging the mud, if he believes every word that is written in every book that is flying around town—

The Speaker: Order. My colleagues, I would again ask you to please not use any props while you are in the House of Commons. It just leads to bigger and bigger props.

* * *

HEALTH CARE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, a funny thing happened on the way to the health care forum.

The provincial governments which have jurisdiction over health care and pay the bulk of the bills are not being allowed to lead the health care reform process. They are sitting on the sidelines.

The Prime Minister would not even agree to share the chairmanship of the forum with the premier of Saskatchewan, the province that pioneered medicare.

My question to the Prime Minister is when is the federal government going to stop alienating the provinces by pretending to lead the health care reform process and let them lead the reform of social programs for which they are constitutionally responsible?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the federal government spends \$16 billion of hard earned Canadian taxpayers' money on the health care system. We have a direct interest and a

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direct fiduciary responsibility. I am sure that the Reform Party agrees with that.

(1425)

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Deputy Prime Minister has declined to notice that the provinces spend 46 per cent of the money spent on health care and private individuals and insurance companies pay 28 per cent and the federal government is now a junior player.

We are wondering who is going to supply the fiscal facts of life at the health care forum. The Prime Minister and the health minister are not strong on math, and the finance minister is here.

My question is for the finance minister. The finance minister has said that everything is on the table in his spending review. This is the new fiscal reality. Can the finance minister confirm that federal health care spending is on the table and is the Prime Minister communicating this fact at the health care forum?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, one of the things that we have made very clear is that not only do we need smaller government, we need smarter government and better government.

Some hon. members: Hear, hear.

Mr. Martin (LaSalle—Émard, Lib.): They are applauding me and not the leader of the opposition. You had better watch out, Preston.

The reason for the health care forum is that we recognize full well that costs have to be kept under control and we have to be able to deliver services better. We also understand very clearly—because this is the party that brought medicare and hospital insurance in—that we are going to protect the social programs of this country.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I had a call from a woman in Saskatchewan the other week. The hospital in her community was being completely shut down because of lack of funding. She and others in her community wanted the option of continuing to use the facility even if this required some fee for service. What she wanted is expressly prohibited by the Canada Health Act.

My question for the Deputy Prime Minister is if the federal government cannot maintain funding for health care, will it at least give provinces and communities options other than shutting down hospitals by opening up and reforming the Canada Health Act?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I am a little confused because on the one hand we hear every day from the Reform Party how important it is to be responsible for Canadian tax dollars.

In the light of that responsibility the Prime Minister has committed to a national examination of how to spend our \$16 billion federal health care investment better.

The leader of the third party tells us we should leave it up to the provinces. Unfortunately that is not what his critic said. On January 27 in *Hansard*, page 472, Mr. Grant Hill said the federal government should be standing up and setting national standards for our health care.

Who is speaking for the Reform Party, the leader or the health critic?

* * *

[Translation]

TAXATION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, B.Q.): Mr. Speaker, my question is for the Minister of Finance. Yesterday, in answer to a question in this House, the Prime Minister left open the possibility that he might renege on his commitment not to increase taxes when he said, and I quote:

—if people do not want us to make cuts, the alternative is to raise taxes.

So, I ask the Minister of Finance: Are we to understand that the Minister of Finance is contemplating a tax increase for the middle class since, except for cutting indiscriminately in social programs, he is unable to cut where it is really necessary, that is in the government's operating expenditures?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the Prime Minister was very clear yesterday when he said that we really want to lower the deficit by reducing government spending. However, if we cannot reach our goal that way, we will definitely consider other alternatives, including tax measures. Again, I invite the hon. member to make constructive suggestions and I ask him this question: Does he really think that we will eliminate a \$40-billion deficit merely by reducing the government's operating expenditures, which amount to \$20 billion? The hon. member, who is an economist, should learn how to add.

(1430)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, B.Q.): Mr. Speaker, we have already made seven recommendations to the Minister of Finance. If he wants another one, I will tell him not to raise taxes, as promised by the Prime Minister during the election campaign. He must not do it.

How can the Minister of Finance claim, as he has been doing for four days, that all taxpayers will have to help reduce the deficit when he excludes at the outset the major corporations and the richest families in the country by not taking all appropriate means to ensure that these people pay their fair share of taxes, nothing more but nothing less?

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Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, again I say to the hon. member that he should read the budget tabled in February. He will see that we closed loopholes, such as the \$100,000 capital gains exemption, and that we launched the most comprehensive reform ever regarding corporate tax. We closed all kinds of loopholes for corporations. The hon. member should really do his homework.

He says that we must not tax and we must not make cuts, but we have to eliminate the deficit. The problem with the Bloc Quebecois is that it does not know how to add, how to multiply or how to subtract. It only know how to divide.

* * *

[English]

HEALTH CARE FORUM

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, it was really nice to be referred to by personal name by the Deputy Prime Minister in the House today. Might I express what I actually said in *Hansard*. I said there was a place for the federal government in national standards as long as they paid the bill.

The Prime Minister this morning addressed the national health care forum and he stated: "The forum is not an intergovernmental body". A good sense of humour. "This body is missing arms, legs and head".

Will the Deputy Prime Minister admit that this \$12 million is being spent to make a minor payer look like a major player?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the member has acknowledged that the national government has a role to play. We are footing the bill to the tune of \$16 billion.

On the one hand he is suggesting that we should have no national input, and on the other hand his leader is saying: "Turn it over to the provinces".

What we want and what the Prime Minister is trying to do is to go to the Canadian Hospital Association, to go to the Canadian Nurses Association, to involve the Canadian Public Health Association, to involve the players who are delivering the service on the ground, to see if there is a way that we can spend our \$16 billion investment a bit smarter.

Mr. Grant Hill (MacLeod, Ref.): And that will take four years, Mr. Speaker? Here is the format of the forum that should have been: short and sweet; dialogue from all the provinces, other nations, nurses, physio, disabled and natives; everyone present; and specific goals. All MPs would then consult with

their constituencies. The time frame: about a month; results: dramatic.

This is the consultation Canadians want. This is the consultation Canadians deserve. This is the consultation Canadians need. Will the government give us that kind of consultation?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I remind the hon. member that when the Prime Minister launched the promise of the forum as he did in the red book, he did so with the express purpose of bringing the stakeholders around the table.

That is why the Consumers Association of Canada has endorsed the forum. The Canadian Public Health Association has endorsed the forum. The Canadian Medical Association has endorsed the forum. The Canadian Nurses Association has endorsed the forum. The Canadian Hospital Association has endorsed the program.

The players are around the table. We think this \$12 million investment will yield dividends in a system that is currently costing us \$16 billion. Is that money not being well spent?

* * *

(1435)

[Translation]

MIL DAVIE SHIPYARDS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, B.Q.): Mr. Speaker, my question is directed to the Minister of Natural Resources. We are informed that the shipyard in Marystown, Newfoundland, was unable to deliver on a \$35-million subcontract for the Hibernia megaproject. Without calling for tenders, the contract was transferred directly to the shipyards at Saint John Shipbuilding Limited in New Brunswick.

My question is this: Would the Minister of Natural Resources confirm that this \$35-million contract was transferred directly, without tender, to Saint John Shipbuilding Limited in New Brunswick?

[English]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, let me explain to the hon. member the process by which that decision was taken. It was a decision of the Hibernia management board. That board is one on which the federal government has one representative out of five. That is by virtue of our 8.5 per cent equity interest in the Hibernia project.

The federal government does not have the intention of micro-managing projects like Hibernia. The decision was a day to day management decision taken by a properly authorized board.

*Oral Questions**[Translation]*

Mr. Gilles Duceppe (Laurier—Sainte-Marie, B.Q.): Mr. Speaker, this is all very interesting. However, considering that MIL Davie already bid on this contract in 1993, unlike Saint John Shipbuilding which never bid on the contract at all, will the Government of Canada, as a full partner in Hibernia, need I recall, exert the necessary pressure to reverse this decision and give the contract to MIL Davie, or will it do everything it can to close down MIL Davie, which might gladden the heart of the Minister of Transport?

[English]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, let me reiterate that the federal government has no intention of involving itself in the day to day management of the Hibernia project.

However, if my hon. friend would like to discuss with the Hibernia management consortium the reasons for its decision in relation to moving part of that contract, not the entire \$35 million contract, to the Saint John shipyard, I will be happy to provide him with a name after question period.

* * *

CORRECTIONAL SERVICE CANADA

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, my question is for the Solicitor General.

At 2 a.m. this morning it was reported that convicted murderers, Allan Kinsella and Serge Damien, escaped from the Bath minimum security prison.

Allan Kinsella has 29 adult convictions, previous escapes, a history of parole violations, and was recently denied early parole under section 745 because a jury felt that he was still a threat to society.

Why would this convicted murderer be incarcerated in anything less than maximum security?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, there is a correctional service investigation under way into the circumstances of the escape. I am asking for a report on the classification of the prisoner who I understand has been in a medium security institution since about 1986.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, although it was recorded at 2 a.m. today, the escape actually occurred at 11 p.m. last night when the murderers placed a ladder against an alarm fence. The escape went undetected for three and a half hours because no one took the time to check the alarm.

Lives are at stake in my riding because of this escape. The Solicitor General is responsible for what happens in prisons. What action will he take to ensure that it never happens again?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I have asked for an immediate, thorough investigation into the matter. In light of the investigation I will take all necessary steps to deal with any problems that are identified.

* * *

(1440)

*[Translation]***FORESTRY DEVELOPMENT**

Mr. René Canuel (Matapédia—Matane, B.Q.): Mr. Speaker, my question is for the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec. We would like to remind him that the Eastern Quebec Development Plan affects 5,800 woodlot owners in that area. The Bloc Québécois has been asking the same questions for months, but the federal government has yet to confirm its intentions regarding the Eastern Quebec Development Plan.

What is the government waiting for to go ahead and extend the plan until a regional forestry development agency is created?

[English]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, I would like to inform the hon. member that the minister responsible for regional development in Quebec and I will be meeting with eastern woodlot owners, municipal development corporations and representations from that region on Monday, October 31.

[Translation]

Mr. René Canuel (Matapédia—Matane, B.Q.): Mr. Speaker, the minister has been telling us for several months now that she is going to meet with these people, but she keeps on postponing her visit. Do you realize that your lack of action, the inaction of your government, is creating an unhealthy climate of uncertainty for the 5,800 woodlot owners in these regions? They are very worried.

[English]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, let me simply reiterate that my department and I have been in discussions with the woodlot owners from eastern Quebec over the past 10 months.

As I have already indicated this afternoon, the minister for regional development for Quebec and I will be meeting with the woodlot owners. We are very aware of the importance of the issue for eastern Quebec and we will be working on options for the future.

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CANADIANWHEAT BOARD

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

The Canadian Wheat Board has come under attack in recent weeks, attacks designed deliberately to weaken the board and force farmers to accept a dual marketing system.

What assurance could the minister give prairie farmers that the government continues to strongly support the Canadian Wheat Board and opposes a dual marketing system for wheat?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the Canadian Wheat Board is a strong pillar of our grains industry. The record shows, I believe, that the board has done an extraordinarily good job. However there is controversy among farmers about marketing systems and about the role of the board.

We need to have a legitimate and respected mechanism to respond to that controversy. I am in the process now of selecting up to five eminent westerners to lead this effort. I hope to be able to announce them and their specific mandate by about the end of October.

Some hon. members: Oh, oh.

Mr. Goodale: It is interesting to hear the reaction of the Reform Party which only likes to shout in the rabble and not hear the facts of the case. That is what is wrong with the debate about the Canadian Wheat Board because of the volume level of those who would rather not let the other side have their say.

We are trying to establish a forum where there can be a thorough exchange of information, where the discussion can be structured and cross-examined, and where technical detailed information can be reviewed and put forward.

* * *

JUSTICE

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, recently the Supreme Court ruled that extreme drunkenness is a viable excuse for rape.

Citing this ruling on Tuesday in an Ontario court, a drunken man was given a light sentence for sexually assaulting a woman. It appears that he will probably serve the sentence in a halfway house while still going to work.

On October 3, I asked the Minister of Justice what his plans were to eliminate such nonsense. The parliamentary secretary said they would come forward with a report.

I have two questions: Where is this report and what are its recommendations?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I stated before, this is a very serious question. The Minister of Justice is concerned with it. He is taking it very seriously. The department is working on it very carefully.

(1445)

It is not possible to make new laws in a few days. Good laws are going to take a little while but I can assure the House that this will not take any longer than absolutely necessary.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, Canadians are growing tired of hearing the response of more deliberations and general intentions. They want action. The Reform Party is prepared to introduce an amendment to the Criminal Code to deal with the intoxication offence. Would the government give unanimous consent today for speedy passage of this amendment?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I appreciate the hon. member's offer for assistance but it is very difficult to make an amendment to something that the justice department is working on and has not yet presented to the House.

* * *

[Translation]

FERRIES

Mr. Michel Guimond (Beauport—Montmorency—Orléans, B.Q.): Mr. Speaker, my question is for the Minister of Transport.

Following the *Estonia* disaster, Finland and Sweden ordered their ship owners to weld the bow doors on this type of ferry. In Canada, four ferries similar to the *Estonia* face deep-sea weather conditions that are as difficult as those on the Baltic. One of these ferries, the *Bluenose*, is operated by the federal government under the Bahamian flag.

Since several experts recognize that this type of ship has major safety risks, can the minister explain to us what he has done to avoid a tragedy with the four ships in service in Canada?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, of course everyone who knows about the tragedy which happened overseas understands the importance of the hon. member's question. We dealt with the issue immediately. We know that the British Columbia government was concerned about its ferries which might present problems. The four ferries, the four ships to which the hon. member referred have been

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evaluated. This very afternoon, I will be meeting with the president of Marine Atlantic to assure myself that the necessary action is being taken in Canada.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, B.Q.): Mr. Speaker, since the *Caribou* and the *Bluenose* have already suffered storm damage to their outer door, does the minister not believe that it is his duty as Minister of Transport to take much more significant action than simple tests and checks?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, we all understand the importance of this question. It is a very serious matter. We recognize that technology could have some problems.

As I indicated, I am meeting with the president of Marine Atlantic this afternoon. We have had the Coast Guard do an evaluation of the four vessels in question. The only thing I can hope for is that where these vessels travel as they conduct their conveyance of passengers and vehicles that they never run into the kind of hot wind the hon. member often comes up with.

* * *

DANGEROUS OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Solicitor General.

Investigations after the fact are meaningless. This is the 11th hour for Helen Leadley and her family who live in my riding. This is also the fifth time that I have risen in this House to challenge the rationale for giving Robert Paul Thompson an escorted temporary absence tomorrow.

Will the Solicitor General explain to victims everywhere why such a dangerous criminal who has killed before while out on a day pass has been given the opportunity to do so again?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this temporary absence is being made on the decision of the head of the institution, on the recommendation of the National Parole Board.

I am informed the prisoner will be out for a two hour visit in shackles and leg irons, escorted by two guards. I hope the hon. member will agree that the risk is under control.

(1450)

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I agree with nothing. I am asking, I am beseeching the Solicitor General who has the legal opportunity to intervene in this situation. I have had a legal opinion given to me and indeed he can do this. Why will he not do this before another innocent victim is murdered? Excuses of shackles mean nothing.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I understand the hon. member's concern. Like her, I do not want to see risk created by such absences for anyone. My understanding of the legal position is not the same as the hon. member's.

I again repeat to her that this individual will be out for a couple of hours in shackles and under the escort of two uniformed guards. I hope the hon. member on reflection will again be willing to consider that the risk is under control.

* * *

SOCIAL PROGRAM REFORM

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Human Resources Development.

The discussion paper on social security reform could have serious implications for seasonal workers. This is a critical issue in Atlantic Canada where many people have no choice but seasonal employment. What measures is the minister taking to ensure that the UI changes will be fair to seasonal workers?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to thank the hon. member for her question and also congratulate her on the excellent work she has been doing on social security reform.

A working group has been created by the government on seasonal work and UI. It is formed to look at practical solutions to the concerns of seasonal workers and the industry. The members represent a good regional balance as well as the interests of both seasonal and non-seasonal workers and employers. Its role is to engage interested parties from business, labour, industry and associations to provide guidance in this particular issue.

* * *

[Translation]

TELECOMMUNICATIONS

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, B.Q.): Mr. Speaker, my question is for the Minister of Canadian Heritage. On January 1, 1995, more than six months after *Newsworld*, RDI, the new French-language continuous televised news reporting service that francophones across Canada had been promised is expected to start broadcasting.

Can the Minister of Canadian Heritage confirm that the CBC does not currently have the funds required for RDI to start broadcasting, as planned, on January 1, 1995?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I have no information at hand that would allow me to confirm any such thing. However, the Chairman of the CBC is committed to negotiating with cable operators for the

distribution of the RDI. I am keeping track of the negotiations and, so far, they are progressing well. This means the service should be in operation early next year.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, B.Q.): Since the hon. minister is kept so well informed, Mr. Speaker, my supplementary question concerns cable operators. Can the minister confirm whether there is any truth in the rumour that cable operators have already asked to distribute RDI at no cost for the first three months?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I do not interfere in negotiations between the CBC and cable operators. I will see where they lead. Then, we will see whether or not the CRTC will follow up the CBC's request for mandatory distribution.

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[English]

AGRICULTURE

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food.

Today in his hometown a rally is being conducted by farmers who want more options on how they market their grain. Could the minister please explain to this House why he has decided not to be present to listen to these farmers?

(1455)

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member only tells part of the story. In fact there are two rallies taking place in Regina today, one in favour of his point of view and one in favour of the other point of view. He should be a little more even handed.

I was invited to attend one of those meetings. I indicated that because the House of Commons was sitting and because this happened to be a cabinet day and a busy agenda from the point of view of agricultural interests, it would not be possible for me to be in Regina.

I did say to the people who invited me that I would be prepared to meet with their representatives at another mutually convenient time in the near future. I also said that if they had a written record of their proceedings I would be more than happy to receive it and consider it.

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Mr. Speaker, I find this ironic. Every time I bring up a question to this minister in the House on issues like car allocation or non-performance of railways he says: "I have consulted all players".

Oral Questions

Does this minister consider farmers non-players? Why is he not listening to them today?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the question refers to some farmers. It is my intention in this very important debate about grain marketing systems to make sure that I listen carefully and accurately to all farmers. I would advise the Reform Party to do the same.

* * *

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway, N.D.P.): Mr. Speaker, my question is for the Secretary of State for Asia-Pacific. It concerns the upcoming visit of the Prime Minister to China as leader of a trade delegation.

I have before me a document which was prepared by the deputy chair of the Immigration and Refugee Board of Canada. It documents widespread human rights—

The Speaker: Order. I would ask the hon. member to put his question without the use of a prop. Just put the question please.

Mr. Robinson: Mr. Speaker, will the secretary of state assure Canadians that the Prime Minister will vigorously and publicly raise human rights concerns including China's arms sales and nuclear tests during his upcoming visit to China on November 4?

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, I would like to thank the hon. member for his question.

Human rights is indeed a very big item in the government's foreign policy agenda. In all possible fora in multilateral institutions, Canada has never backed out from taking a very strong stand on human rights issues.

However we never believe that confrontation is the best way to go. Canada has been involved behind the scenes in many programs dealing with human rights issues in China, through CIDA, through co-operation, dialogues and so on. These actions will help the government in China to understand and respect human rights.

* * *

EMPLOYMENT

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Human Resources Development.

As stated in the green book on social security reform, in this age of ever changing technology and work environment training is key to getting and keeping a job.

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In light of recent and pending layoffs in my riding, can the parliamentary secretary explain how this government will ensure that laid off employees obtain effective and timely retraining?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to thank the hon. member for his question and his concern about seasonal workers.

I would like to make it very clear that the key objectives of the social security review are to help Canadians get jobs and keep jobs, to help those who are the most vulnerable in our society and to do that in a sustainable manner.

In the green book we speak about employment enhancement programs that include training and upgrading. It is essential for us to upgrade the skills of the Canadian public so that we can compete in the ever competing world in the 21st century.

* * *

(1500)

PRESENCE IN GALLERY

The Speaker: Colleagues, I draw to your attention the presence in the gallery of Mr. Wen Shizhen, governor of the province of Liaoning, People's Republic of China.

Some hon. members: Hear, hear.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, B.Q.): Mr. Speaker, as is customary on Thursday, I wish to ask the Leader of the Government in the House what the business of the House will be in the next few days.

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Madam Speaker, I would now like to present to this House the weekly business statement.

This afternoon the House will continue its consideration of Bill C-54 respecting the Canada Pension Plan and the Old Age Security Act. If this is completed the House will revert to consideration of the departmental reorganization bills: C-46, industry; C-52, government services; and C-53, Canadian heritage. We will follow that with report stage and third reading of Bill C-36 regarding the Split Lake agreement.

Tomorrow the House will begin second reading of Bill C-55 regarding Yukon surface rights. If this is completed the House will return to the same back-up list I have set for today.

On Monday next the House will resume the debate on social security reform.

Also, I am hereby allotting Tuesday as an opposition day.

On Wednesday the House will resume its consideration of those uncompleted items I have already mentioned.

This completes my statement, Madam Speaker.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Madam Speaker, pursuant to Standing Order 83(1) I wish to table a notice of ways and means motion and explanatory notes relating to the implementation of the agreement establishing the World Trade Organization, and I ask that an order of the day be designated for consideration of this motion.

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[Translation]

SOCIAL SECURITY PROGRAMS

The House resumed consideration of the motion and of the amendment.

Mr. Réal Ménard (Hochelaga—Maisonnette, B.Q.): Madam Speaker, if I may, I would like to reiterate that Bill C-54 is particularly significant because it substantially changes some aspects of four pieces of legislation that are ultimately central to income support for the most disadvantaged in our society.

As the Official Opposition, we had an opportunity to say that we see in this bill a number of positive points but we still have three concerns which I will be happy to discuss with you.

Before being interrupted in a friendly way by our Speaker, I had explained to the hon. members that we were happy with two positive aspects of the bill and I was about to discuss the third point, which will give OAS and spouse's allowance recipients an avenue of administrative recourse without them having to appeal to another court. We agree with this effort to simplify administration. We are also pleased that this bill allows recipients to settle overpayments quickly and to avoid more red tape.

(1505)

We have three main concerns with this bill. Our first concern lies at the centre of democratic life and concerns access to personal information that would be extended to other departments. This concern—that the bill before us allows other departments and agencies to access information on recipients—is the subject of an amendment to the bill.

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It must be understood—and I think it is important for our viewers to understand it as well—that this bill adds to the list of departments and agencies that will have access to the information given by program beneficiaries. This list will grow so much that even Canada Post will have access to this information, although it has not been explained to us why Canada Post would need this type of information. We think there has been an oversight, a lack of accuracy which, in the long term, could lead to abuse.

The list of departments and agencies which will be able to access this information is also expanded. The result is that the Correctional Service of Canada, the Commissioner of the RCMP, the Department of Justice, the Attorney General and any other person designated as a health care professional will have access to that information.

No justification has been made for expanding that list. Yet, such a measure could lead to abuse and to violations of the principles of democracy.

I draw your attention to the fact that the Correctional Service will even be allowed to prosecute inmates who are pensioners to ensure that these people continue to pay off debts incurred in the past. We would have liked the act to provide more details where it authorizes any person designated by the minister as a health care professional to have access to information by name.

Why not be more specific? Why not say exactly what we are talking about? Why be so vague? You will agree with me that past experience has demonstrated the importance, for the legislator, to specify who, and in what specific circumstances, can have access to such information. I see the Minister of Revenue nodding his head. Heaven knows how important access to important information by name is for his department.

We would have liked this bill to provide some bench marks, to be more specific regarding the managers and the officials who will have access to such information by name, as it concerns the private lives of individuals. In fact, we know from past experience that failure to do so by the legislator results in abuse which, in turn, leads to representations before administrative tribunals or courts of law.

This is the reason for the amendment tabled by the hon. member, and I hope that this House will adopt it. In fact, I will read that amendment again, so that viewers can understand what the Bloc Quebecois is trying to do.

(1510)

Our position is that we agree with the essence of this bill. We agree that it provides for a substantial reduction in administrative procedures. However, considering some of the concerns we have about the bill, we ask that:

“this House declines to give second reading reading to Bill C-54, An Act to amend the Old Age Security Act, the Canada Pension Plan, the Children’s Special

Allowances Act and the Unemployment Insurance Act, because it does not provide a penalty under the Criminal Code for the disclosure of personal information concerning beneficiaries to persons who are not legally authorized to such information pursuant to Access to Privileged Information.”

There is quite a contradiction here. We have legislation that is intended to protect the privacy of Canadians, and we have legislation before the House today that fails to provide any mechanisms for laying charges or imposing formal sanctions, in the case of public employees who might be guilty of unauthorized disclosure of information.

You do not have to be a member of the Canadian public service to know that this has been known to occur in the past. Why did the minister not propose mechanisms to prevent such practices?

So this is a serious concern. Madam Speaker, this is a fundamental error which should be corrected, and that is what we are doing, as part of the responsibilities and duties we have as an Official Opposition that takes those duties very seriously.

Our second cause for concern is that clearly, Bill C-54, in addition to streamlining certain administrative procedures, reflects an austerity policy the government claims to support, an approach reflected in somewhat haphazard cuts of up to \$7 billion over the next few years, cuts which, as they were in the past, will be at the expense of the less well-off in our society.

Our listeners and members of this House should recall that in the past, those who failed to apply for old age security benefits within the prescribed period could do so retroactively for up to a maximum of five years, which gave people considerable leeway.

Today, the government wants to reduce this period to one year. Aside from the somewhat shortsighted, financial considerations that might deprive Canadians of the basic right to get their pension benefits retroactively over a period of more than one year, there is no indication of what this is supposed to accomplish, since it is not a measure that will benefit Canadians.

The government is getting ready to put an end to the five-year retroactivity provision which is in force until this bill is passed. In an effort to balance its budget, the government wants to reduce, arbitrarily and without giving any explanation, retroactive payments to pensioners. It is estimated that up to 1,200,000 people availed themselves of this right to recover retroactively their Old Age Security pensions.

This is an important issue. There are many reasons why people may have to apply retroactively for old age pensions. Instead of getting five years of retroactive benefits they will only get one, and we believe that it is unfair. We are totally against it.

There is another administrative measure aimed at balancing the budget we disagree with because we believe that it is not in the best interests of our fellow citizens. Let us keep in mind that

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when we are talking about Old Age Security, we are not talking about wealthy people.

(1515)

We are talking for the most part about people who are not financially independent. We are talking about people who are depend largely on transfers from the government, namely Old Age Security.

Therefore, the other point about which the opposition is in disagreement with the government is the elimination of the deadline for the recovery of overpayments. We have to realize that, when you are dealing with social legislation, any kind of legislation under which civil servants, managers, must review applications, interpret the act and justify their decisions, human nature being what it is, it might happen that, even with the best of intentions—and we do not doubt the good intentions of civil servants in Quebec, in Ottawa or elsewhere—overpayments are made. It means that people are given rights they were not entitled to, in the strict sense of the law.

From now on, the government will be able to ask that money paid in excess be reimbursed and there will be no time limit for this; to use a legal expression, there will be no statute of limitations. In the past, when overpayments were made to recipients, we could not ask for the amounts owing to be remitted after two years had gone by. Today, the government is assuming the right—a right basically unprecedented in social law—to recover overpayments at any point in time.

This means that, under this legislation, if someone incurred a debt 15 years ago and an erroneous decision was made concerning this person, we could recover this money. I can see my hon. colleague nodding. I guess she agrees with me. It is always a pleasure to receive support from the opposition, a support as unusual as it is unsubstantial. No limit will be put on establishing overpayments. This is a practice that hardly seems to be in the interest of our fellow citizens.

We have concerns about another thing. We realize that this bill provides for an appeal procedure enabling our fellow citizens who receive old age security and a pension under the Canada Pension Plan to appeal, to go before an administrative tribunal and challenge decisions that were made and that they disagree with. Such review tribunals are commonplace, of course, in administrative and social law.

There are review tribunals for the CSST, for income security, for the motor vehicle insurance bureau, and that is how it should be. We are not concerned so much about—seeing that I have but one minute remaining, I will make this my conclusion, as I was about to close—the existence of appeal mechanisms, as about the minister having the power to discontinue the payments of benefits when no decision has been made under the appeal procedure.

Therefore, while recognizing that some administrative adjustments may be in order, we cannot support this bill without the

amendment put forth by the Official Opposition, which would have the effect of really limiting the actions and powers of those who will be handling personal information data banks. So, we have every confidence that the government will approve the opposition's proposal. I thank you for the speaking time I was given.

Mr. Jean Landry (Lotbinière, B.Q.): Madam Speaker, I listened very attentively to my colleague and I would have a question for him. Just now, he told us about \$7 billion in cuts to the poorest people. I would like him to give us some alternatives to these cuts. Where else could one cut, except at the expense of the very poor? I would like the hon. member to give this government some alternatives.

Mr. Ménard: Madam Speaker, as you see, this is a very relevant question, which shows us how deeply committed our colleague is. We have always had quite a clear position on this.

(1520)

The opposition party operates on the principle that full employment has been possible in small countries which had all the instruments they needed to bring it about, but it is not possible in the Canadian context since two levels of government take action which is often contradictory.

We see now that countries with an unemployment rate of 3, 4 or 5 per cent, which is called frictional unemployment and is acceptable, are those which have acquired mechanisms for joint action and co-operation. They have been able to bring together around a table at the national level people from labour, management and professional corporations to set macro-economic objectives.

Of course, such a solution is not possible in the Canadian context because two levels of government are in competition without regard for efficiency.

The second solution that we think we can contribute concerns a thorny issue which is a disgrace for this government, namely family trusts. We know that plugging this loophole could save billions of dollars.

Finally, when it comes to corporate taxation, we see that companies pay less tax in Canada than in other OECD countries. We think that corporation taxation should be reviewed. If Mr. Martin were a courageous man—and we on this side of the House long ago realized that the Minister of Finance does not really qualify as courageous—he could have reviewed corporate taxation in February so that the government could collect the amounts which it is now lacking.

We have three approaches: one involves a political reconfiguration, one that will be possible when two sovereign states with all the powers they need can deal with each other as complete equals; this means sovereignty for Quebec and a redefinition of what English Canada should be. The second approach of course involves the tools at the finance minister's disposal, if he has political courage and integrity. Certainly,

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when you form a national government as the Liberal Party does and you take money from your election fund so that your party can live, you get that money from the private sector and you have close ties to those people, so it is not easy for a finance minister to raise money for his party and also to revise the tax system in favour of the less fortunate. However, in Quebec, we do not have that problem, since we have passed legislation on democratic financing.

Mr. Antoine Dubé (Lévis, B.Q.): Mr. Speaker, I wish to ask my colleague if reducing the deadline from five to one year indicates, in his opinion, that the government is contemplating cuts to retirement plans?

Mr. Ménard: Madam Speaker, I am pleased to respond to the key question asked by the hon. member for Lévis. I would like to point out that the hon. member for Lévis has always shown affection and concern for the less fortunate, for whom he has been one of the most distinguished spokespersons since he was elected last October. I want to commend him for that.

Our concern about reducing the deadline from five to one year is, who will pay for this? Who can claim retroactively an OAS cheque or a cheque—

The Acting Speaker (Mrs. Maheu): Sorry, sir, but your time is up.

[*English*]

Hon. Roger Simmons (Burin—St. George's, Lib.): Madam Speaker, on Bill C-54, an act to amend the Old Age Security Act, the Canada pension plan, the Children's Special Allowances Act and the Unemployment Insurance Act, any sane, reasonable scrutiny of this bill would very quickly indicate to almost any informed reader that this has to be what has become known in Parliament as comma legislation, that is to say legislation which seeks to make certain technical changes but substantively has very little impact.

(1525)

There is a need for comma legislation, technical legislation, to tidy up the business, to make it of more service to the people it is purporting to serve. That is the reality, this is in effect comma legislation. It is legislation that will seek to do a number of important but relatively minor things in the scheme of things.

That is not to say they should not be done. I support the bill and in a moment I will state two or three reasons why I support the bill. However, if we accepted as the reality of the bill and then listen to some of my friends opposite, we would wonder if we are both talking about the same piece of legislation.

As I listened to a bit of the debate this morning for some strange reason I found myself deciding that what I needed to do was reread an old poem that I learned and taught in high school called "Matilda".

An hon. member: "Waltzing Matilda"?

Mr. Simmons: No, not "Waltzing Matilda", the other "Matilda". I will not read it all, just a couple of lines that are very much to the point. Matilda, growing tired of play and finding she was left alone, went tiptoe to the telephone and summoned the fire brigade.

We know the story. It was a false alarm. There was no fire. She did it so many times that a few weeks later when her aunt was away at the theatre, that night a fire did break out: "You should have heard Matilda shout. You should have heard her scream and bawl". We know the rest: "For every time she shouted fire, they only shouted little liar". They did not believe her because too often she had used the dramatic overstatement to draw attention to her situation. Why did they not believe her? Along the way by overstating the simple and the untrue she had worn out her credibility.

In a more modern idiom, she was Chicken Little: "The sky is falling. These big bad Liberals over there want to put a comma in the legislation. The sky is falling, the world is coming to an end". That is what we have been hearing for the last couple of days.

I say to my friends in the Reform Party and the Bloc Québécois that I spent some time in opposition provincially and federally. If they want to check the record I said some fairly dramatic things from time to time. One has to learn that there is a time for making dramatic statements and there is a time for standing up and calling things exactly as they are.

Let us look at this particular bill. This is no occasion for pulling your hair or threatening the end of reality or saying the sky is falling or screaming fire when there is no fire. There is no fire here at all.

The Unemployment Insurance Act would be amended here, for example. Listen how drastically this foul government wants to amend the Unemployment Insurance Act, then decide whether the sky is falling.

Bill C-54 has no impact whatsoever on eligibility criteria or benefit structure of the UI program. What else is there in the program other than the benefits and the eligibility? It has no impact on those matters at all. Here is what it would do, though. It does contain one little amendment, giving the minister the discretion to disclose UI client information only to the commissioner of the RCMP for the purpose of conducting investigations and prosecution, for purposes of ensuring compliance with the law. That is the amendment. That is the sky is falling

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amendment we have been hearing about for the last day or so in this particular bill.

On the proposed amendment in this bill to the Children's Special Allowance Act, no change again in eligibility criteria or the benefit structure of the CSA program—not a wit of change proposed in this.

(1530)

There are two amendments though, both advanced for reasons of administration. I believe hon. members are familiar with those. I can read them into the record if they wish.

Let us come to the question of changes for OAS, old age security, and the Canada pension plan. Again we read that the government's sin here is in finding ways to make it a little less onerous for the people out there who are receiving these benefits, instead of having them fill in forms ad nauseam every year as they are required to do now in order to qualify for those supplements. That is what the bill is about. You would wonder if you listened to some of the speeches.

The bill is what I called earlier some comma legislation. I have some advice to give to my friends in all parties including myself. Save the fire call for when there is a fire. When there is some legislation here that we have some real discomfort with then get up and say so. Then people will recognize that we know what we are talking about. Screaming fire when there is no fire creates false insecurities out there. People are asking: "What are they doing to the old age security?"

I will tell them what we are doing with the old age security. I will tell the people watching exactly what we are doing to the old age security in this bill. Instead of that silly form people have to fill in every year, we are going to see to it that they have to fill it in less often, sometimes only once. That is what the bill is about.

What are we doing to the UI? If somebody is out there trying to beat the law, we are going to make it harder for them. If this bill passes, we are going to allow the commissioner of the RCMP to have access to client information for the purpose of prosecuting a person if they are in that particular category.

I identify with those objectives. I have no difficulty at all with those objectives. That is why it gives me great honour and pleasure to rise in support of Bill C-54, because when passed the amendments here will directly benefit and assist over 4 million Canadian seniors, in particular the 1.4 million seniors who are currently receiving the spouse's allowance or the guaranteed income supplement, commonly known as the GIS.

The proposed amendments will allow these seniors, the majority of whom are women, to receive the benefits to which they are entitled with a minimum of red tape. Let us look at a few of the features of the programs we are talking about. Then let us

look at why these amendments although small in one way are nevertheless important.

The foundation of the retirement system is the old age security benefit. The OAS pension is paid to individuals 65 years of age and over who meet certain residence requirements. That benefit though is not enough for certain seniors. That is the reason we have additional benefits which are income tested.

The GIS is a monthly income tested benefit payable to seniors with low income, while the spouse's allowance is a monthly income tested benefit payable to the 60 to 64-year old spouse of an OAS pensioner as well as to low income widowed persons in that same age bracket of 60 to 64 years.

The amount of these additional benefits is determined on a sliding scale of income with the maximum paid only to those pensioners with no income other than the basic old age security pension. While having outside income can reduce the amount of the supplement or the allowance, this reduction does not completely offset the benefit since only one dollar of supplement is lost for every two of other income. This ensures that pensioners will be better off for having saved and prepared for retirement.

The GIS and the spouse's allowance are both income tested benefits, and so they are normally based on a recipient's income in the preceding calendar year in accordance with the Income Tax Act. For example, the benefits for the period from April 1994 to March 1995 are based on the income for 1993.

(1535)

Each year before the benefit can be calculated and paid in April, seniors must fill out a renewal application, including a complete statement of income. Of course, most seniors also fill out their income tax form at about that time with the very same information that they provide on their annual GIS application form.

There in a nutshell is an example of unnecessary government red tape, where the senior sits down, paper in hand, fills out a form putting in certain information related to income and mails it to the income tax people; then goes over to the other end of the table and gets another form, using the same pen and putting down the same answers to the same questions, then mails it off to the old age security. They wind up in offices almost across the corridor in Ottawa or wherever these forms go.

While they may appear so, these two systems do not operate in isolation. The income security branch of Human Resources Development Canada pays the benefit initially on the basis of the GIS application. Later on, usually in the fall, it verifies the income that the client filled out on the application with the assessed income figures received from Revenue Canada to determine if the payments to be made are still correct. However, pensioners often very rightly wonder why they have to give the

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information twice and why it takes so long to cross-check the information.

The amendments to this bill will serve to eliminate some of that duplication so that in the future not all seniors will have to fill out the same information twice for two government departments. As well, it will simplify the process of transferring information between the departments, which is already allowed by legislation anyway.

Let me emphasize that the desire to improve and simplify administration is not confined to one department or set of programs. Last year, for example, Revenue Canada introduced three new tax returns for people with straightforward tax situations and one of these returns was for seniors who meet certain requirements regarding age, level and type of income. That return is mailed to people over 65 who have been retired for at least a year with income under \$50,000 and receiving most of their income from pensions and investments and receiving old age security benefits.

The simplified tax return which I was just mentioning has large print and provides preprinted amounts for old age security, guaranteed income supplement benefits and Canada and Quebec pension plan benefits. Any lines from the standard tax form that are not needed by seniors are deleted and the accompanying guide is easy to read with large print.

I realize that if I read very much more of this I am going to have everybody sound asleep, including myself, because it is such ongoing straightforward logical information. I thought I would read just a little of it to demonstrate to the House that while some of the speakers have almost had cardiac arrests telling us about the pitfalls of this legislation, the reality is that it could not introduce a mild headache let alone a heart attack.

This is a fairly simple bill. Let us get on with it and allow the government to produce the enabling legislation to simplify those forms for senior citizens and the other matters which I have outlined here, administrivia but necessary nevertheless.

The second point, to reiterate, to all of us here in this House including myself is save the fire screams for fires. I spent slightly more time in opposition than I did in government and so I am very much committed to the role of opposition in government. I happen to believe very firmly that the less effective an opposition is the less effective government is.

I understand my friends from Elk Island and Okanagan Centre, I understand that they want to muse on the possibility of when I will be back in opposition.

(1540)

I not only happen to accept that possibility but in time would look forward to it. If it is anything that is more debilitating than

too long in opposition, it is too long in government. That is the very point I am trying to make to my friends. Good government consists of a good government bench and a good opposition bench as well. To put it differently, if we do not have a good opposition we do not have as effective a government.

One of the mixes of this particular House which is different than any other chamber that I have been in, both other sessions here and in the chamber in Newfoundland where I had the privilege of sitting for 10 years, is that we have a completely new mix in terms of a party, the Reform Party, which heretofore had only one seat in the House and the other, the official opposition, which heretofore had six or seven seats in the House. Almost the entire opposition bench, not to mention a good many of the government bench, is here for the first time. That is refreshing in the context of not getting bogged down in hanging on to all the old things.

It is a particular challenge when one has to come in here on the day one arrives and help make good government. Helping make good government includes being appropriately critical.

Some people talk about the free vote. We have free votes. I am not being tongue in cheek. We have free votes as do all the other parties. We are now finding, having been here a year, that most of our free votes take place in caucus where they should take place. That is why we are a party and not a conglomerate of 52 members or 54 members or 170 members. We are party because our real fights take place. If you saw the exchange, Madam Speaker, I had with a minister in a caucus yesterday you would wonder why the two of us are still in the same party.

Mr. Hermanson: Tell us about it.

Mr. Simmons: It will cost you but I probably will.

To conclude on this point because it is important for me as a parliamentarian, there are going to be vociferous, strenuous debates in this House. I participated in some of them. Whether colleagues on this side or colleagues on the opposite side, in order to know where they are coming from we have to know if they are Matildas or not. We have to know if they scream fire all the time even when there is no fire. We have to know whether they flag something when it really needs to be flagged.

I say to those people in the Bloc and in the Reform Party as well as in my own party that when the day arrives when they spot something genuinely wrong with the legislation I want to be the first to know. I hope they will count me as enough of a friend to tell me so I can be on the side of right.

Sometimes we engage in partisan rhetoric but there comes a time when you cannot stand with your party because something is genuinely at odds with what you believe. To have that kind of rapport with parliamentarians we have to know that they are not a bunch of Matildas, they are not a bunch of Chicken Littles,

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they are not a bunch of people who scream when there is absolutely no need for screaming.

I have much pleasure in supporting the bill and invite hon. members of the House to do likewise.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, I followed with interest the presentation of the hon. member for Burin—St. George's. He had the typical Liberal approach to problems, don't worry, be happy. He was even discussing cardiac arrest. I am sure if he had a cardiac arrest he would still be saying: "Don't worry, be happy, there is no problem here. Do not bother calling the doctor. We are just fine and if we are not who cares".

He was saying there is really not much in this bill, there is no change. There are a couple of little administrative things here and there. I am quoting him close enough that he will not protest. He is saying there are some little minor administrative changes but basically this bill leaves everything as is with regard to OAS and CPP and the other issues that it deals with.

I would suggest that is probably the problem. That is why we are speaking rather energetically about this bill. It is lack of action. We have seen that from this Liberal government ever since it took office: "We are not going to do anything, no changes. We will diddle around a little, change the administration, have the appearance on the outside as though we are doing something, but everything continues as the status quo".

The hon. member said we should not be suggesting the sky is falling and let us not be alarmists. Perhaps the sky is not falling but I assure the House the foundation is crumbling away and the whole building will fall in on itself.

(1545)

The government talked about studying. It is becoming almost gritting for one to hear the ongoing remarks that we are going to study this or investigate that. Right now we are having a conference on health but the players are not there. We have talked about fish but there are no fish so we are going to study that. We are studying peacekeeping and defence yet we have no plan. Now we are diddling around with OAS and CPP but we are not really coming to grips with the issue. The foundation is still crumbling.

I wonder how we can study so much and still be so unintelligent and not know what to do about the problem.

I suggest to the member, rather than lecturing the Reform Party about free votes, he look at the seriousness of the situation and be concerned about his constituents who may not have OAS or CPP because while he is looking for the sky to fall, the foundation is crumbling away beneath him.

Perhaps the hon. member would like to respond to the fact that we have a younger generation coming up that has no expectation whatsoever of reaping any benefits from OAS or from CPP. This generation, our generation, has been irresponsible. We have not balanced our budgets. We are creating a debt that is going to be placed on our children that they will never be able to pay. They will not even be able to sustain the social programs that we enjoy. That is unconscionable.

I hope that the hon. member will become a little alarmed and want to change some things to provide a better future for his children and his grandchildren.

Mr. Simmons: Madam Speaker, I want to get this glass just about half full so I can demonstrate something. I say the glass is half full.

Mr. Hermanson: It's leaking.

Mr. Simmons: The member from Kindersley—Lloydminster wants to insist it is half empty.

Mr. Hermanson: It's going down. There is less now than there was before.

Mr. Simmons: That is the difference between us. One can put a negative spin on anything one wants to. If he is saying to four million Canadian seniors that relieving them of the burden of those forms every year is diddling, in his term, I hope they heard him.

Mr. Hermanson: What is the sense of having forums when there is going to be no program?

Mr. Simmons: The member makes the mistake of thinking one has the same speech on every piece of legislation. I hear his views. I share many of the views he expressed a moment ago in his intervention. Of course I share many of his views but it has nothing to do with this bill.

If he is saying: "Let's go out and solve the deficit and all you older people, you four million, just wait there with your forms now. Keep filling them out. We are going to rush out and fix the deficit first. We will be back a few years from now and then we will help you with your forms". We can do both. It is not such a big deal. Let us give them a few simplified forms. So work with me on this, Matilda.

[*Translation*]

Mr. Jean Landry (Lotbinière, B.Q.): Madam Speaker, I listened very carefully to the hon. member opposite, who talked about fire throughout his speech. And speaking of fire, I would like to say that the government started the fire, and it is now up to the opposition to put it out.

My question is very straightforward. Earlier, in referring to social security reform, the hon. member mentioned one aspect of unemployment insurance reform. My question is about unemployment insurance and one specific point on which I would appreciate some clarification.

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The government says it will put in place a mechanism to find people who are cheating. I have no objection to that. I would, however, appreciate a little more information on unemployment insurance reform and what it entails. I would appreciate it if the hon. member could expand on the role of the RCMP in apprehending cheaters. Could we have some more details?

Mr. Simmons: Madam Speaker, I would like to say to the hon. member for Lotbinière that my French is still as bad as ever.

[*English*]

Therefore, for the time being I will speak to him in English because I lost the first part of his intervention in French and I apologize to him for that. As he well knows, I like to, when I can, respond to him in his first language. For clarity, let me do it in the other language that I am working on, English.

(1550)

If he is talking about the reforms generally, I say to him that this certainly is the place to discuss everything, but certainly not the agenda item.

This agenda item is not talking about UI reform. We are talking about a very simple administrative change that would make it possible for the commissioner of the RCMP to enforce the law. It is simply that. There is nothing very sinister here.

We have on our statute books all kinds of examples where there is certain access to information for prosecuting alleged criminal offences. Therefore there is nothing sinister in this legislation so far as that item is concerned. It is a very simple administrative provision that would allow the commissioner of the RCMP to have access to certain client information, UI client information for the purpose of prosecution.

If members subscribe to the basic tenet of law and order, then I do not think they can argue with the need for the commissioner of the RCMP to have access to that kind of information. I do not know whether that answers the member's question. I might have missed something else. If so, I would be glad to hear from him again.

[*Translation*]

The Acting Speaker (Mrs. Maheu): I will recognize the hon. member for Lotbinière very briefly, because someone else has a question as well.

Mr. Landry: Thank you, Madam Speaker. When the hon. member opposite spoke earlier, he made a few points about unemployment insurance. Since he has already started to respond to my comments and talk about unemployment insurance, I would appreciate it if he would expand on what he was saying. That was it.

[*English*]

Mr. Simmons: Madam Speaker, I understand my time is just about up so I cannot be as expansive as I would like to on this.

Yes, I say to my friend from Lotbinière, I have many views on unemployment insurance and its application. Some of those views do not agree with some of the options laid out in the discussion paper which the Minister of Human Resources Development put before the public in the last week or so. I will have an opportunity to say that as I have already been saying so.

The time will come when we will have, as a result of those discussions, those public consultations—I have begun the process in my own riding and I am sure the member has in his because it is going to be a very thorough going review—and during the day I will have my say. At the end of the day, based on what kind of a package we come up with, I will do whatever the other members of the House will do. I will make a decision as to whether I will support that package or not.

If he wants my views on the issue in more detail I can give them to him when I have some more time. However I do not believe that one can punish people who through no fault of their own are locked into seasonal employment as opposed to longer term employment, for example.

I do not believe we can have in Canada two classes of citizens. We can have all the categories we want but we have to always apply the basic rule of fairness to all. If I had more time I would be much more specific on that issue. I have some strong views.

I have in my riding several thousands of people who drew their first cent of UI two years ago. I have people who fished for 35 years who never drew one cent of UI until two years ago. They fished for 11 and a half months a year. They took Christmas off and never even bothered to fill in the form even though they qualified for a week or two. They went back out again in January as they had done for many years.

My brief is not for people who have learned to beat the system. There are some of those out there. My brief is for those who are generally out of work from time to time and need the assistance of the program to see them through.

Mr. Ted White (North Vancouver, Ref.): Madam Speaker, I would like to say, as I have done before, how much I always enjoy the speeches of the member for Burin—St. George's. However it seems to me he may have moved a little to the right of me since I last heard him speak.

He talked a fair bit about fire, in calling fire. The member is looking a little puzzled but I can see that he is a little more to the right than he was the last time I heard him speak. A matter of positioning I think, Madam Speaker.

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(1555)

The member repeatedly talked about the Reform Party crying fire. I think he misinterpreted us. We are calling smouldering embers that could burst into a flame at any time. I was rather hoping he would use his glass of water to douse some of those embers but he never did get round to it.

The bill we are debating, Bill C-54, is a bill full of what, I agree with the member, appear to be pieces of legislative housekeeping. Although there are one or two areas that give me a little concern, I will deal with those a little bit later in the speech.

First I would like to remind the House that Bill C-54 amends the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act, and the Unemployment Insurance Act. Clearly we are dealing with amendments to various social programs, programs which cost taxpayers an enormous amount of money and some of which are currently under review as a consequence of the discussion paper that was presented by the minister of human resources.

No doubt we will have to make some cuts to the social programs in order to gain control of federal spending. In case any member doubts the seriousness of the problem I would like to remind the House that the current debt stands somewhere in the region of \$354 billion. This already enormous debt will increase by about another \$2 million in the time it takes me to give this speech.

In case some of the members are rushing to check the *Hansard* of October 7, yes, in my speech that day I said that the debt would increase by \$1 million, but I have twice the allocated time today so there will be twice as much quality content for government members to absorb. It should not be difficult for anyone to see the risk to our social programs posed by this enormous debt.

On Monday morning of this week I was a guest at Windsor Secondary School in my riding. I was invited by a political studies teacher, Mr. Tony Kapusta, to speak about life as an MP and some of the critical issues that are facing the country today. When I asked these grade 11 students to tell me what they thought were the really big issues facing Canadians, they identified Indian land claims, possible separation of Quebec, an out of control immigration and refugee situation, an ineffective Young Offenders Act, and justice problems in general. They also mentioned the debt and deficit in relation to social programs.

I asked these young people, who will actually have to pay off this debt—it will probably be \$600–\$700 billion by the time they are out in the work force—how long they thought it took for Canada to incur this debt. Their guesses included 100 years, 50 years. You should have seen the looks of astonishment when they found out that it has basically taken only their lifetime,

something less than 20 years to incur this \$534 billion worth of debt.

It was also a Liberal government in power when this whole deficit problem began so perhaps it is fitting punishment that many of the same people who were present in that Liberal government of the late 1970s will now be forced to face the problem of the smouldering embers that I talked about a little earlier.

The chief offender in fact may have been the present Prime Minister who, as the Minister of Finance on budget day, November 16, 1978, said: "Significant reductions in the deficit can be expected". The problem is he did not say when.

Now he is quoted in this morning's *Financial Post* as saying that if Canadians will not accept spending cuts in the next budget, then the government has no option but to increase taxes. The whole country is screaming for cuts to government spending and the Prime Minister is still talking about raising taxes.

It took 20 years to incur \$534 billion worth of debt and he is still talking about raising taxes. How are we going to pay it off? Let us imagine for a moment that we could somehow manage to eliminate the deficit this year by cutting \$40 billion in spending. Then let us say we could somehow manage to cut a further \$10 billion from spending and begin applying it to paying off the debt. Allowing for ongoing interest, it would take at least 60 years to pay off the debt. This debt that we have incurred in less than 20 years would not be paid off by our great-great-grandchildren. To achieve that would, as I have just explained, require us to cut about \$50 billion from spending this year, \$50 billion from a total of about \$165 billion or almost one-third of the entire federal budget.

(1600)

The problem is that every day we delay making serious cuts it becomes harder and harder to take the first step. Every day takes us closer to that time when those smouldering embers burst into flames and the interest payments will end up consuming such a large percentage of federal revenues that the entire federal structure will collapse.

What will happen to our social programs then? What will it matter about all the housekeeping amendments in Bill C-54 if there is no money to pay the benefits?

Bill C-54, because it appears to improve the efficiencies of the Old Age Security Act, the Canada pension plan, the Children's Special Allowances Act and the unemployment act, may not in itself be an offensive bill. But the very fact that it deals with aspects of social programs raises serious concerns about how we can maintain these programs for those who genuinely need them before our out of control federal spending destroys the entire system.

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I heard an NDP member in the House yesterday complaining that far too much attention is paid to the deficit. I am astounded that there are still members in the House who have not learned anything from witnessing the collapse of socialism in Sweden. How can they ignore what happened in New Zealand, a country that failed to gain control of its debt? When New Zealand experienced its debt crisis in 1984 there was a labour government in power, the equivalent of the NDP. But all the NDP philosophy in the world did not help them when nobody would buy their bonds. They had no choice but to cut social programs to the bone, to sell off the country's assets, and to deregulate unions; no choice regardless of the NDP philosophy.

Imagine how the labour, let us say NDP, prime minister of the time, the Right Hon. David Lange, must have felt. He had to tell the people of New Zealand that there was no free lunch, that they had been buying their social programs with borrowed money, and that the foreign lenders had decided they were sick of picking up the tab.

Let me read a recent quote from the Right Hon. David Lange:

There was an enormous revolution in the New Zealand economy. The outcome was that in the course of about three years we changed from being a country that was run like a Polish shipyard to one which could be internationally competitive.

Costs are big. People with privileges were dispossessed of them. They crashed. It was tough. But on the other hand there is something fair about a society which is transparent in its reward to people who work and which does not preserve for those who do not, an inevitable flow of taxpayers' money.

There is a key sentence in there from an NDP prime minister. Let me read that key sentence again:

But on the other hand there is something fair about a society which is transparent in its reward to people who work and which does not preserve for those who do not an inevitable flow of taxpayers' money.

The message is that people and companies which are cheating the system will have to be cast adrift. The regulations that permit people to collect benefits when they are earning above the average family income must be changed. Our social services have to be seen to be transparent and fair, available to those who really need them and unavailable to those who have been cheating or using the system to their own advantage.

It is extremely important that we voluntarily trim our social programs so that they are preserved for those who truly need them. The alternative could be having to deal with the aftermath of a New Zealand style debt crisis.

There is a lot of talk in the House too about training programs for people who are out of work. The human resources minister has been running around saying that these programs are going to be part of the new, revised social security system. I think the

evidence is that government run training programs are on average pretty useless.

I see grant applications for UI training programs coming across my desk on a regular basis, as most members of the House must have. I have done a fair bit of in depth analysis of these programs. Typically they claim great success in placement, sometimes around 80 per cent, but on further investigation I have found that often this means that 50 per cent have gone on to a further training course that they could not have done without the first one. That is considered to be placement when in fact it is not a job at all; it is becoming a perpetual student.

(1605)

The present programs are openly discriminatory. The application forms require the training company to fill in a quota of women, visible minorities, disabled people and natives. Instead of being able to choose the people with the best chance of success on the course, the trainers are forced to make racist and sexist decisions about who gets to be trained. It is a disgrace that the government is openly encouraging racist and discriminatory practices in its UI training programs. These abhorrent requirements should be removed from the application forms immediately so that prospects for training can be selected without regard to their ethnic origin, sex or religion.

In Vancouver recently I was listening to a radio talk show and a president of a local training company called to say that he was prepared to train people for existing job opportunities and that he would only ask for payment from the UI system when he made a successful placement.

What an opportunity for the taxpayers. Here is a private company that is prepared to risk its own money to select people, to train them and then to put them into a job and only ask for payment when the job is done. But our present laws do not allow for this option.

I would have thought the minister would be falling over himself to introduce an amendment to Bill C-54 that would allow this opportunity. I am very disappointed he has not done so. Instead of making meaningful changes to help reduce the cost of social programs, he is quietly funding special interest groups to lobby his ministry for retention of their own special interest program funding. Six days before he presented his social services discussion paper in the House, the minister's department had already approved lobbying funds to a special interest group in my riding.

I happen to think this particular group does some pretty good work helping disabled people to gain work skills, but I strongly object, on behalf of the taxpayers of Canada, to the handing out of lobbying funds to organized special interest groups. These

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groups already have the advantage of being organized, with research material readily available to them and the ability to mount aggressive lobbying campaigns.

In a committee meeting on Monday the minister admitted that many special interest groups have already completed their submissions. How can this be? The people of Canada did not even get the chance to see the discussion paper until the first week of October. The minister has left us with the impression that his favourite special interest groups already knew what would be in it and had received special interest funding to ensure that they lobby to protect their own special interest programs.

How can we believe the minister is serious about social program reform when he has apparently already stacked the deck in favour of specific groups, forgetting as usual the most important single group of people: the workers who pay the taxes and who will have to deal with the debt?

Ministers of the New Zealand government thought that they could play that game too but the game had a finite end. They too used to hand out grants and privileges to special interest groups, to farmers and to businesses, but it all stopped because they failed to address the problem of the debt.

An excellent "W-5" program on the New Zealand debt problem was shown in Canada just over a year ago. In case some members of the House did not get the opportunity to see it, I have arranged to have it broadcast on the internal House of Commons television channel in the near future. I will send notice to all members to let them know when it will be shown.

However, as an update, I would like members to know that the minister of finance for New Zealand rose in the New Zealand House about one week ago to make a very important announcement regarding the debt. He had made a mistake about the budgetary surplus of \$600 million predicted for this year. It was not going to be \$600 million after all; it was going to be a surplus of over \$700 million. The prediction for next year was \$2 billion, a surplus of \$2 billion, with tax cuts promised for the following year. How I long for the day when a minister of finance can stand in this House and tell us that there will be tax cuts the year after next.

Talking about the Minister of Finance reminds me that the Canada pension plan is also being amended in Bill C-54. The amendments are of a housekeeping nature, but it brings to mind that the finance minister has refused to deny that he may introduce a tax on RRSPs in the upcoming budget. I am sure government members are receiving plenty of letters about it because I certainly am.

(1610)

Many Canadians have done exactly what the government has been urging them to do. They have been putting aside money for

their retirement in RRSP funds. They have put aside these funds because they are afraid the present debtload will cause the CPP system to totally disappear. Even floating a trial balloon about the taxing of RRSP balances is a cruel thing to do, but to refuse to deny it is being considered is completely unacceptable.

The next RRSP season is due to peak around the time the next budget may come down. Unless the minister puts it on record that he will not under any circumstances tax RRSPs, he will cause a tremendous amount of uncertainty in the investment markets and a lot of stress for taxpaying Canadians.

While the government refuses to assure Canadians that their RRSPs will not be taxed, nothing is being done to bring the gold plated MP pension plan into line with the private sector. In the next month or so a large group of Liberal MPs will become eligible for lifelong pensions after just six years in the role of an MP. They will be sidling up to the tax trough for a combined total payout of around \$53 million. It is a lifelong pension collected as soon as they are thrown out of office in the next election and fully indexed to inflation in later years.

I would like it on the record that I refused to sign the form authorizing 11 per cent of my salary to be paid into the MP pension fund. Despite this, the 11 per cent is being taken against my will, forcing me to bring this topic up regularly until I am permitted to opt out of the plan, or it is brought into line with plans in the private sector.

I am almost out of time. I did want to question some of the provisions of Bill C-54. Clauses 9 and 23 of Bill C-54 affect clauses 18 and 37 of the OAS act and permit the crown to attempt to recover accidental overpayments from more than a year ago, provided it would not cause undue hardship.

Overpayment is overpayment. I am not sure just because the recipient spent the money that there is a reason not to collect it. The key perhaps is whether the crown was negligent in overpaying and by its actions caused the recipient to believe that he or she was receiving the funds legitimately. I hope this area will be studied and addressed in committee in order to determine the true meaning and purpose of the clauses.

Clause 37 amends clause 86(1) of the CPP act and appears to make it more difficult for out of country residents to claim travel costs in the event of an appeal. I am curious to know how much money is expended on such travel claims and hope that one of the government members can clarify this point for me. I am all in favour of eliminating unnecessary government spending, but I wonder if justice is being done by making it financially difficult to appeal a ruling, especially if the appeal is successful.

Finally, none of us want our children to be deprived of all the social services that Bill C-54 addresses. I do hope the government will start to address the problems soon.

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Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I have to start by asking the Chair whether or not any thought was ever given to installing a large gong in the House that members could approach and hit.

I am absolutely astounded at some of the comments. It is irresponsible of the member to create fearmongering about all the different things he talked about. I cannot deal with all of them in the brief time I have, but I would like to address the RRSP question, for instance.

The member will know that the federal government had commissioned a major report. It was reported in today's *Ottawa Citizen* that the study the finance minister had commissioned would not be ready before the next budget. The article fairly reflected the fact that there will not be the information available for the minister to consider any major changes to RRSPs and pensions. There may however be some minor changes that may for instance lower the maximum limit one can contribute to an RRSP.

(1615)

The member is somehow suggesting that every time a question is asked, will the minister do this, he has to say yes or no. That is totally denying the process of discussion with the Canadian public which has just commenced.

Last evening a roundtable of 20 groups representing economic organizations and groups from right across the country came before the finance committee to advise on the process and ways in which the government could address the deficit and the debt. That is consultation which the hon. member is denying. He wants answers and decisions right away before the consultation has even taken place. He discounts the value of communicating and consulting with the Canadian public.

Finally I would simply like to say with regard to MP pensions that I do not think the member is ever going to find any disagreement in this House with the need to reform MP pensions. That is coming. Indeed the Prime Minister said in this House that MP pension reform will be coming.

The government ran on the platform in the red book that included the elimination of double dipping and the delay in pension receipts until retirement age. With regard to those facts, just those two of the many things I could have mentioned, I certainly for one would have opted to take the hammer and hit the gong.

Mr. White (North Vancouver, Ref.): Madam Speaker, the member has accused me of fearmongering and making unacceptable statements. I personally do not consider it fearmongering or unacceptable to express the concerns of my constituents in this House.

I am being showered with letters and phone calls from my constituents demanding that this government deny it is going to tax their RRSPs. That is not an irresponsible request; it is a reasonable request from Canadians.

We often joke on this side of the House that question period is properly named because we never get answers. The minister has a responsibility, studies or no studies, to ensure that RRSPs which are the foundation of Canadians' retirement programs are not going to be taxed. It is very important that he does so.

I stand by the statements I made in my speech. I think the member is irresponsible if he does not communicate his constituents' concerns about RRSPs also into this House.

I would like to mention that he also indirectly accused me of fearmongering with respect to the rest of my speech. I would like to make the note that although Bill C-54 is fairly thick and heavy and full of only minor amendments, it does not help whatsoever in reducing this huge deficit problem that we have, \$40 billion this year.

Imagine how many hospitals and roads we could build and what we could do to upgrade our armed forces, how much it would contribute to reducing child poverty if we had that \$40 billion to spend instead of using it to pay interest on the debt. We could build 12 times as much infrastructure as the red ink book infrastructure program does in one year, 12 times as much in a single year. Vancouver could finally get a freeway capable of carrying its traffic.

We have to do something about the deficit and the debt problem. I stand by every word I made in my speech.

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Madam Speaker, my hon. colleagues have eloquently shared with members of the House many of the details of the amendments contained in Bill C-54 and many other items as well. However because some hon. members may portray these amendments as detrimental to old age security and the Canada pension plan and unemployment insurance beneficiaries, I am pleased to have the opportunity to set the record straight.

These amendments arise out of a genuine desire to improve the service which the Department of Human Resources Development provides its many and varied clients. At the same time these amendments enable the Government of Canada to pursue other important goals while respecting the rights of its clients and those of the taxpayers of Canada.

One of the amendments contained in Bill C-54 would reduce the period that old age security benefits can be paid retroactively from five years to one.

(1620)

Some will suggest that the government is robbing pensioners of their pensions. Really what older Canadian, in fact what not

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so old Canadian has not heard of the old age security pension. It is probably one of the best known of all government programs.

Everyone knows that we have to be age 65 to get the pension. One of the reasons it is so widely known is that it opens doors to other entitlements. If you receive the old age security pension and have a low income you can qualify for the guaranteed income supplement. If your spouse is between 60 and 65 he or she can qualify for the spouse's allowance.

As well once a person receives the OAS pension they receive an OAS identification card. Many seniors use that as proof they have reached the so-called golden age and are entitled to discounts and special rates that businesses, transportation providers and others offer to senior citizens. Let us not forget the benefits that many provincial and territorial governments provide to low income recipients of the old age security pension.

On the other side however some individuals aware of the five year retroactivity period may in fact decide to delay application for their OAS. Their profit so to speak may be eligibility or increased benefits for other provincial or federal benefits because they are not receiving the OAS.

Further, higher income individuals may look at the five year retroactivity period as a means to defer taxes with the so-called clawback of the OAS.

Given then that the old age security pension is so widely known, is one year not a reasonable period during which to expect that a senior citizen can make application for benefits or have a family member or friend do it on his or her behalf? Indeed data from the Department of Human Resources Development show that the vast majority of pensioners apply not just on time but well in advance of their 65th birthday.

Providing a one year retroactivity period is not only reasonable, it is consistent with the retroactivity periods of other related programs. Even within the OAS legislation guaranteed income supplements and spouse's allowance payments can be paid retroactively for only one year.

As well Canada pension plan benefits which many OAS pensioners receive may also be paid retroactively for just one year. Indeed the two different retroactivity periods have been a source of confusion for CPP and OAS clients and have been very difficult to explain.

Furthermore the amendment would also include a special provision for those individuals who fail to apply because of incapacity which could occur because of serious illness. For these people the bill would allow unlimited retroactivity back to the point that the incapacity began.

This approach to retroactivity for OAS benefits is fair and reasonable and I am sure hon. members will see it as such. To

relieve any concerns hon. members may have about this change, there will be a grace period until April 1995. This will enable anyone over the age of 65 who may not have applied for their OAS pension up to now and who could qualify for more than 12 months of retroactive payments to apply under the current rules. This approach is fair, reasonable and I am sure hon. members will see it as such.

I would like to turn to another provision which could cause concern to those not properly informed. This is the amendment to the Old Age Security Act which would remove the existing timeframe restrictions for the recovery of overpaid moneys to OAS, GIS and spouse's allowance clients.

The current legislation allows overpayment benefits to be recovered only if they are discovered and recovery is started in a very short time after the overpayment is made. The provision does not apply in cases of fraud or wilful misrepresentation.

However those situations aside, the restrictions of the existing provisions mean that each year millions of dollars in overpayments must be written off even where the pensioner could easily afford to repay the overpaid amount. It is important to mention that the act already has provisions allowing overpayments to be forgiven if the recovery would cause hardship, the amount is small, or there is no reasonable hope of repayment.

Another proposed provision in this bill would also allow overpayments to be forgiven if they occurred as a result of an error on the part of the OAS administration. The policy for recovery of overpayments also allows for the negotiation of a schedule of repayments to ensure that no hardship would occur to the pensioner.

I should also add that another amendment in the bill would allow Revenue Canada information to be used to verify GIS and spouse's allowance income statements at an earlier stage in the annual process for applying for income supplements. This has been the main source of GIS and SPA overpayments.

(1625)

The taxpayers of Canada expect us to spend their tax dollars wisely, but Canadians are also compassionate. This amendment would be fair to the taxpayers of Canada while at the same time treating pensioners who have been overpaid fairly and compassionately.

The Department of Human Resources Development is required to collect very personal information from its clients in order to determine if they are eligible for benefits. The responsibility for safeguarding this information has never been taken lightly. Indeed, keeping such information privileged has been so important to the department that many of its legislative provisions have been even more stringent than the Privacy Act.

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These tight restrictions on the use of CPP, OAS and UI client information, while guaranteeing Canadians privacy, have prevented justice from being done in one very important situation. I am speaking about investigations into war crimes and crimes against humanity.

The existing provisions of the OAS and CPP legislation allow confidential client information to be released only after a criminal charge has been laid. With respect to UI that legislation prohibits the release of some kinds of client information while in other instances the legislation is vague about such release.

Often the identity of the individuals who have been identified as suspected war criminals cannot be confirmed. This has meant that the RCMP has not been able to conclusively establish the existence and location in Canada of many of the individuals in question and therefore cannot lay charges.

The amendments contained in this bill would allow OAS, CPP and UI data to be used by specific and very restricted individuals within the RCMP for the investigation, prosecution and extradition activities undertaken in Canada in relation to war crimes and crimes against humanity. This information would be used in Canada only. In no instance would confidential client information be made available to foreign governments or agencies and in no instance would the RCMP have access to client information for other than this purpose.

The last thing the government wants to do is erode individuals' rights to privacy, but this right has been used as a cover by those wanting to evade prosecution for unspeakable crimes. The Government of Canada and indeed Canadians no longer want our right to privacy to be used as a shield by those who do not want to be held accountable for crimes they committed against humanity. This amendment would help ensure that it is not.

Finally, there is one more amendment that I want to clarify for hon. members. This is an amendment to the Old Age Security Act and Canada pension plan that is consequential to an amendment being proposed by the Solicitor General. This would allow the Department of Human Resources Development to provide information on the OAS and CPP benefits being paid to pensioners who are incarcerated in federal penal institutions. The intention is that these individuals would be charged room and board based on their income. This information would allow the Solicitor General to receive accurate information from the Department of Human Resources Development on the amount of these moneys so that a fair charge could be made.

Is it right that prisoners receive free room and board at the same time that they may be accumulating income from federal benefits that may also be paid from the public purse? I do not think so and neither do Canadians. Pensioners who are not criminals have to pay for their own accommodation and other needs. It is only fair and indeed responsible that those of penal

institutions do the same, especially when they are receiving federal benefits at the same time.

In conclusion, I hope these explanations have helped to clarify the rationale for a few of the amendments contained in Bill C-54 and I give hon. members the information they need to be able to explain them to their constituents. It is my distinct honour to support this bill.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, B.Q.): Madam Speaker, I welcome this opportunity today to speak to Bill C-54, an Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, introduced by the Minister of Human Resources Development. This legislation contains amendments to several acts that are extremely important to the economy of Quebec, and to Canada's as well.

Furthermore, it gives us an opportunity, as members of the Bloc Québécois, to explain our position on social security reform. On several occasions we have made it clear where we stand on these programs, and Bill C-54 is another opportunity for us to show that we support social programs and that we are prepared to defend the interests of those who are affected by this bill.

(1630)

I think it is important to realize, as I said earlier at the beginning of my speech, that this bill concerns people who receive old age security benefits. This means they are 65 years of age and over. People in this age group may be less aware of their rights and obligations under this legislation, and they may also be more vulnerable than young couples or people in their thirties or forties who can find their way through the legislative maze. That is something we should not forget.

However, in this bill, I am particularly worried about the fact that certain government agencies will have access to information on beneficiaries. The government already had legislation that authorized communication of this information to certain agencies, but Bill C-54 has expanded this authority to include agencies such as Canada Post, the Correctional Service of Canada, the Commissioner of the RCMP, the Minister of Justice and the Attorney General, Members of Parliament and persons designated by the minister as health care professionals.

This authority is very broad. It means giving a large group of people access to a very extensive data bank. That is why, at this stage, we moved an amendment to ensure that no one will abuse this information, bearing in mind that these people are among the most vulnerable in our society and that there is always the possibility that someone could, not necessarily use the information to blackmail them, but use it improperly.

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The amendment we are suggesting is very simple. It says that we refuse to support the bill on second reading because it does not provide for any sanctions under the Criminal Code for anyone who discloses personal information on beneficiaries to sources not authorized to have access to privileged information.

Where I come from, we always say: "Too strong, will not bend". I think a chapter could be included to really ensure that whoever has access to such information will pay careful attention to how it will be used.

This is what our reasoned amendment is about. I will tell you, in my speech, about another reasoned amendment we could have tabled but did not. This amendment also deals with an important matter.

I must say right away that I am not against the bill as a whole. On the contrary, I think it contains some valuable clauses and principles that will make certain things easier. But we must always be very careful with this kind of legislation.

Let us look at certain changes together. Some of these set limits regarding access to information, as I said earlier. They introduce time frames concerning the return of benefits to save money. I have no problem with that.

Others deal with technicalities concerning benefit repayment. They change the appeals system and enable the minister to acquire assets. I have a little problem with that, but I will address it later on.

All in all, the Minister of Human Resources Development saw fit—and we are behind him on this—to make the benefit scheme and plans for the elderly easier and more flexible. Contrary to what the minister claims, as have several other ministers during question period, we do not systematically object to any government proposal. If he listened more carefully, he would realize that we do support some of this government's initiatives, as I said earlier.

At any rate, before dealing with the bill per se, I think it is important, in fact essential, to take a look at the situation of the elderly, because it is not quite as rosy as the government seems to believe it is.

(1635)

I think I should remind the minister of certain figures. For example, in 1992, the average income of elderly families was \$39,439, as compared to approximately \$56,000 for other families. Also, and more importantly, the average income of the single elderly was \$18,434, as compared to \$25,000 for other single individuals. Moreover, some 21 per cent of seniors, or 625,000 seniors, are considered as low-income earners. While this number remains mind-boggling, it must be pointed out that it has gone down over the past decade. The number of low-income seniors has decreased while it has increased in the general population.

However, the proportion of low-income people among seniors is consistently higher than in the general population. So we can see that the situation of seniors deserves special attention and compassion going beyond the Canadian finance minister's obsession with the deficit, but this can improve with time. People in exceptional situations need exceptional, but not drastic, solutions.

Over the years, the federal government has come up with several ways to help seniors. There are the two main programs, Old Age Security and the Canada Pension Plan, as well as some tax measures such as the guaranteed income supplement, spouse's allowance, survivor benefits and disability benefits. All these measures are designed to ensure the well-being of seniors.

It must also be noted that since the Liberals took office, Quebec's welfare rolls have swelled up by 30,000, and that the Minister of Human Resources Development's social program reform will make the situation worse. Employment development requires much more than an infrastructure program. The thousands of jobs the Liberals boast of creating are almost all temporary.

Before we scrutinize Bill C-54, it is important to look at the tendency shown by the government in its first budget, however slim it is. We must remember that the past tells us about the future. The measures in the last budget call into question all the social programs Canada and Quebec have put in place in the last 30 years.

The last budget sets the tone for the government's direction. This little test by the Minister of Finance involves cuts to unemployment insurance and, of special concern for seniors, to the age credit.

The Minister of Finance made the decision to reduce the age credit, so that all taxpayers aged 54 and older can claim a tax credit amounting to 17 per cent of \$3,482 at the federal level and 20 per cent of \$2,200 in Quebec. This credit is non-refundable, that is, it can be deducted from taxes payable but the excess portion cannot be refunded. Any unused portion can, however, be transferred to one's spouse.

The combined federal and provincial tax reduction averages about \$950, while in Quebec the reduction is around \$1,050. The change brought about by the last budget aims to reduce this credit for seniors whose net income is over \$25,921. The applicable threshold for other credits is based on one's income. The amount of that threshold will be indexed according to the fraction of the annual consumer price index increase which exceeds 3 per cent. As I said earlier, the credit will be reduced by an amount equal to 15 per cent of the part of an individual's net income which exceeds \$25,921. That credit will completely disappear when a person's income reaches \$49,100.

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These measures raise questions. Does the government consider that a senior with an income of \$25,000 is a rich taxpayer? That measure does not target the rich; once again it affects the middle class and, this time, more specifically the older people who belong to that group.

The feeble attempts to reduce spending are made at the expense of the poor, the unemployed, the welfare recipients and the middle class. We cannot say it often enough. The more we repeat it, the greater the chances the minister will finally understand.

(1640)

The government has difficulty understanding what fairness implies. In fact, this government seems to adhere more to the notion of unfairness. After all, where is the fairness in this double standard whereby, for the 1993 taxation year, old age security pensioners whose net incomes exceed \$53,215, see their pension clawed back at a rate of 15 per cent, which gradually increases to the point where the whole pension is clawed back for pensioners whose income reaches \$83,215?

Moreover, in his social policy reform, the Minister of Human Resources Development excluded programs for seniors. However, the fate of our seniors is sealed in the budget of his colleague, the Minister of Finance.

On page 41 of the Budget Plan, the minister says that: "the government will[—] release in the coming months a paper which will examine the challenges and the opportunities posed by Canada's aging society. The paper will examine what the aging society will need in terms of services and what, if any, changes are required to the public pension system to make it financially sustainable". This leaves the door open to a lot of things.

He goes on saying: "The paper will also examine what, if any, changes should be made to the tax treatment of contributions to, and income buildup in, registered pension, profitsharing, and retirement savings plans".

If the Minister of Finance is going to take care of senior citizens instead of the Minister of Human Resources Development, we can conclude that the Liberals are seeing senior citizens as economic factors, just like interest rates, rather than a productive human resource. And that should worry us.

Now, as to the bill and its main cost cutting measures, I must say that it is comforting to see that the government is trying to put some oil in the gears of a very heavy bureaucratic machine. These are the positive aspects of the bill, the ones we can agree with.

It is nice to know that those applying late for their pension will be able to get up to a year's worth of payments. That is a good thing although, in the case of OAS, this is a reduction from five years to one. As well, clients can be forgiven OAS benefit

overpayments that are the result of an administrative error or erroneous advice from department officials. This too, I think, is fairer.

In addition, the timeframe restriction for the recovery of guaranteed income supplement overpayments will be removed. I find this a bit dangerous. If the errors were made by civil servants and the situation is allowed to drag on for several months, several years, this is dangerous for the person at the point where the government notices the error and claims its due, the overpayment. No limitation is mentioned, however, and this needs to be looked into. If I were an older Canadian, this would worry me. I would want to ask the department how this would be dealt with.

In addition, we are told that the government hopes to recover 1 to 2 million dollars with this measure. The Minister of Human Resources Development will also be able to postpone payment of benefits pending a review or an appeal. This sets off warning bells. It is an opportunity ripe for patronage. What will go on? The minister reserves the right to postpone certain payments, certain decisions. I do not like things that are not clear and this point is not clear.

Claimants could thus be deprived of benefits that they need to live, and that are often their only source of income during this entire period.

There are a series of clauses of a somewhat technical and administrative nature that I will not dwell on, given that we are in agreement. I think that if there are any points on which we do not agree and that should be raised immediately, I will do so.

First of all, the government is saying that it has reduced the period of retroactivity from five years to one in order to increase consistency between the Old Age Security and Canada Pension Plan programs.

(1645)

It must be noted that every time such concern arises, the result is a downward adjustment. It boils down to the government making even tighter the qualifying conditions for programs for the elderly. Therefore, the government will have to explain how the existing provisions on old age security benefit overpayment do not provide it with adequate protection.

As it stands, the act provides that the government may go back up to two years. Eliminating this time limit would enable the government to recover anything between one and two million dollars, as I said earlier. Considering that beneficiaries are afforded protection against potential mistakes by civil servants, these two provisions seem to be in contradiction. This clause would really need to be clarified so as to not generate a conflict between citizens 65 and older and the government.

I must reiterate in this House that people over 65 years of age tend to be less inclined to put up a fight. They may be less affluent and more vulnerable in this respect. Perhaps the gov-

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ernment will take advantage of this situation to claim repayment of benefits whenever it feels like it.

Moreover, in case of appeal, the minister could defer payment. But the minister himself admits that a major portion of beneficiaries have no income besides old age security benefits. That being so, many beneficiaries could find themselves in an extremely difficult situation when this provision is put into application.

At the end of the day, while they will not have a substantial impact of recipients in general, these provisions nonetheless reflect the direction this government has taken since coming to power, that is to say, to cut in social programs.

I also have reservations about a few other provisions and one, in particular, whereby clients required to repay to Revenue Canada amounts claimed from old age security using the revenue-tested reduction rate will be able avoid repaying by asking that benefit payments stop. This should be clarified in the bill, to facilitate the interpretation of the act.

I mentioned earlier that we had moved only one reasoned amendment, while we might have moved two. At least, we considered the possibility. I think it would have provided the government with a great opportunity to include some kind of safeguard in this bill. With everything that is now going on in the House, with everything that we want to cut—and when I say “we”, I mean the government—with everything that the government wants to cut, in wide swaths, billions and always in the same direction, of course. But there were times when they frightened elderly people in Quebec, on several occasions; the federal government frightened seniors—In the 1980 referendum, they said, “If you vote for sovereignty,” even though that was not the question, “the PQ and the sovereignists will cut your old age pensions”.

That was the time for the federal government to put a provision in the law, in this law, in Bill C-54, to guarantee this income for people in need, to put a clause in the law saying: “We guarantee that you people 65 and over who need your pension will have it, whatever cuts are made in social programs; we will not cut your family income and we guarantee these old age benefits for you”. But no, there is nothing like that in the bill.

If I were a senior, I would be worried about that. I would call the department to find out what is going on. “Why do you not guarantee this sum of money? We need it. In many cases, it is our only source of income”.

No, there is nothing.

That being said, I think that I have presented enough material to show that on the whole, Bill C-54 has some good features, but it should be amended to make it more humane, fairer and more equitable for everyone.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I listened attentively to the member’s speech. It is obvious that he has looked carefully at the legislation and is speaking well on behalf of his constituents.

(1650)

I did want to raise a couple of points, however. I would like to hear the member’s comments because I get the sense that there was an indictment that the government was somehow going after seniors. This is an unwholesome way to put the issue.

As we all know, the finance minister’s last budget included a clawback in the old age exemption for seniors. That meant that once seniors had an income over the \$25,000 level it started to be reduced until they reached just over \$49,000.

To help explain the situation or understand the equity of the situation the member could have indicated that the clawback mechanism that is applied to the old age exemption is exactly the same clawback mechanism that is applied to the child tax benefit. That is the tax benefit that replaced the family allowance system we had for many years. That means people with children who made over \$25,000 all of a sudden started losing that child tax benefit as well. That happened in the prior year.

What is worse for families with children is that last year they also lost the exemption for their children on the income tax return. As a father of three, I know how much that cost me as well.

One thing we have to ask ourselves is that if there is a cut in the old age exemption, is that simply an issue to do with seniors? I think not. When there are changes to the benefits levels that Canada can extend to its citizens, it is not just the people who enjoy them today, it is also the people who were hoping to enjoy them tomorrow. That means that I will never get an old age exemption. I have already lost a child tax benefit that most people ahead of me had taken advantage of.

All of a sudden we have to consider that any changes in the tax structure or in the deductions of the tax credits do not simply affect those who are presently benefiting from those benefits but also those who are to come later.

Last night the finance committee had a round table for some six hours with economists from right across the country. If members want to hear some draconian measures they should listen to some of these economists who, the member might be interested to know, were saying across the board cuts of 5 per cent or 7 per cent on everything, all programs.

Those kinds of things I do not think we will see this government embrace. There are certainly major changes that have to be made but they have to be done in a way to make absolutely sure—I know the member agrees and I know the government is

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of this view—that those in most need are always taken care of in Canada, the best country in the world.

I would be interested in the member's comments.

[*Translation*]

Mr. Bellehumeur: Madam Speaker, I am happy to answer that question. I, too, will ask the hon. member a question by repeating what he has just told me. With what he heard in committee, I wonder who leads in this government. Is it the economists, the IMF, the actuaries? Who leads in this government and where are they going?

Bill C-54 gives me some idea of where they are heading. As I said earlier, they are cutting some very wide swaths and starting to squeeze old age pensions. This is what they are doing today, but what will they do tomorrow? That is why I feel we must be wary of this bill. It must really be examined from all angles to see what is happening in this department.

I am being told: "The hon. member seems to think that this bill attacks seniors or others". I not only think so, I am sure of it. Reducing from five to one year the deadline for claiming benefits seniors were previously entitled to is an attack on seniors. Second, waiving overpayment requirements is another attack on seniors. The government could turn around five years later and ask you to repay the \$300 and change, plus interest, you received every month for five years. I think that seniors have a right to be concerned about this bill.

(1655)

Seniors are also justifiably worried, in my opinion, about the fact that several departments would have easy access to information. The most serious oversight is that, as I said earlier, the bill does not guarantee that people aged 65 and older will get their old age pensions.

The burden of proof is being reversed. Talking about sovereignists and about Quebec, they tell us: "If you become a sovereign country, you will lose your old age pension". But I am telling you that if we stay in Canada—if we decide to stay in Canada, but I hope not—seniors may not collect old age pensions either and I think it is something they will keep in mind when it is time to vote and to really think about this issue.

I think I have given the hon. member enough explanations to show that Bill C-54 is indeed the beginning of an attack on the needy, on those aged 65 and older. That is why we, in the Bloc Québécois, are concerned, why we proposed a minor reasoned amendment to at least ensure that the information will be put to good use. This is one shortcoming of Bill C-54.

The Acting Speaker (Mrs. Maheu): 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 Kootenay West—Revelstoke: Pearson International Airport.

Mr. Martin Cauchon (Outremont, Lib.): Madam Speaker, the issue being debated today is of great interest to this government, since it concerns our seniors.

Bill C-54 essentially aims to improve services to those who benefit from various old age security programs. These include basic benefits, spouse's allowances and, of course, the guaranteed income supplement. It must be noted that this bill does not change the content of those programs.

It does not change in any way the amount of the benefits received by seniors. The purpose of this legislation is essentially to make life easier for the recipients by reducing duplication and the paper burden, something we talked about during the last election campaign. I was very pleased to hear the Official Opposition critic recognize the improvements contained in this bill.

Like us, the hon. member realizes the importance of streamlining as much as possible the procedures and the paper work for seniors to be eligible for benefits. The amendments tabled today will allow some 1.4 million seniors to receive their pensions with a minimum of red tape.

This is a very concrete example which confirms the government's will to streamline the federal administration and make it more accessible for its clientele. The reorganization of income security programs is in response to a growing demand for government services during this period of budget constraints. It is expected that, by the turn of the century, the number of Canadians benefitting from the Canada Pension Plan, the Old Age Security Pension as well as other income security programs will have increased by 40 per cent. During the next three years, social security reform will offer new technologies and services. The main purpose is to provide an efficient response to the needs of Canada's aging population and the government's growing number of clients.

(1700)

This new approach will make it easier for clients to deal with the bureaucracy. In our client-service centres, employees will be able to make decisions immediately, thanks to all the information that will be available to them. This will obviously cut down on the time needed to process applications, and we will be able to tell clients the date of their first payment.

Furthermore, seniors will be able to communicate information changes, including a change of address, by telephone, using the touch-tone key pad. In the case of clients who prefer more personalized service or do not have a touch tone telephone, employees will be available to answer their questions without delay.

Annually, nearly 1.4 million seniors, the majority of whom are women, have to reapply in order to continue to receive their guaranteed income supplement and spouse's allowance. The

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department cannot authorize payments for the new fiscal year until an application for renewal has been filed and approved.

Every year in April, as many as 100,000 pensioners do not receive their benefits on time for various reasons, either because they applied late or because information on their applications had to be checked. Since only seniors on low or modest incomes are eligible for these benefits, any delay in benefit payments may cause problems for the recipients.

In the case of many seniors, income amounts hardly change from year to year. A substantial proportion of recipients of GIS and SPA have no source of income other than their pension. It would be possible to simplify the renewal process for a large number of pensioners. However, no exceptions can be made under the current provisions of the Old Age Security Act. All recipients must file a new application every year. From now on, however, in the case of certain recipients, the minister will be able to waive the obligation to file annual renewals of applications for GIS and SPA.

The minister could, for instance, waive the requirement for a full year. He could also extend payment of a benefit based on estimated income until updated information is available from Revenue Canada. In this way, there will be no need to interrupt payments of GIS and SPA to seniors. Individuals applying for the first time would, of course, have to file an application in any case.

The changes will be implemented gradually in order to prevent any disruption for pensioners and to ensure smooth management.

The present legislation allows the release of confidential information to some departments, provided that certain rules are adhered to. There is no doubt that the management of senior citizens' programs is getting more and more complex. Therefore, good management requires that relevant information be shared and circulated among departments, but according to a given set of rules. For example, if there were better access to information, Canada Post could make available to us its knowledge of new techniques which would accelerate the processing of cheques to clients. However, the present provisions on the sharing of information prevent us from buying services from Canada Post.

(1705)

According to the new provisions, personal information will only be made available according to very strict procedures. Clearly, as a government, we will continue to protect all confidential information on our clients. To that end, the legislation contains very strict guidelines on the release of information to third parties.

We even have special provisions where criminal charges are involved. Information will only be made available under certain conditions, in this particular case if criminal charges have been

laid against the person or if the government is under order from a court to produce documents.

Anyone making available personal information under circumstances not covered by the legislation will be guilty of an offence. This shows that the government is taking the protection of personal information very seriously. Moreover, the legislation provides for penalties for every violation of the rules.

As you can see, the government has been particularly attentive to the protection of personal information on our clients, which is only natural.

I sincerely believe that our opposition colleagues should trust the government in this matter. We live in a free and democratic society based on a fundamental principle which I respect, namely the rule of law.

It goes without saying that when lawmakers produce a bill, they should leave no room for discretionary powers which too often lead to arbitrary decisions. It is therefore very important to understand that even though this bill allows for some disclosure of information, it seeks first and foremost to protect senior citizens. When I say to protect senior citizens, I mean two things. First, to protect them against arbitrary decisions and, second, to protect them so that they have easier access to government services.

Indeed, this bill is aimed at making life easier for all senior pensioners. I repeat that neither the level of benefits nor the eligibility criteria have changed. The benefits these people are receiving now have not been touched. All we are doing is proceeding with an administrative reorganization in line with what I call the new evolutive federalism, a cost-effective federalism which tries to forge ahead and eliminate overlapping, in co-operation with the various stakeholders, namely the provinces, because we keep in mind that the overriding preoccupation of every government should be, first and foremost, the taxpayers' best interest.

I must tell you that in the particular context of this bill, the best interest of senior citizens, whom the party I belong to has always protected and will continue to do so, is taken into account. This bill illustrates the commitment of our party to this important segment of our society whom I call our builders. We are showing them that we care.

We believe that this bill is a fundamental piece of legislation and that it will provide senior citizens with the best protection possible.

(1710)

As a matter of fact, we believe it is the only way to prove our gratitude for their great contribution to the well-being of the Canadian population as a whole.

I will conclude by saying again that, in the past, some governments have tried to reduce the deficits at the expense of that group in our society. Now, according to the basic principles established by the Liberal Party that I represent, I can tell you

that we will never touch the pensions of our seniors, we will never modify those pensions nor will we ever act in any way to reduce their incomes.

If there is a reform, I suppose it will affect more directly coming generations, people of my generation. Senior citizens who now receive benefits from the government, be it pensions or others, have earned them with their work. They have worked to build this country and it would be immoral to start cutting into what we owe them.

When I see members of Opposition acting as scarecrows and trying to scare those people by telling them that the government is trying to reduce the deficit at their expense, I think this is pure and effective demagogy. I repeat: We will not touch pensions. What we do, we do in the interest of taxpayers. We protect them and offer them better access by allowing information to circulate more freely.

On the other hand, of course, as in any bill allowing the release of information, we have established parameters that have been examined very closely. Certain parameters will allow the release of information if this serves the interest of taxpayers and other parameters will forbid such release. Those parameters will be rigorously enforced in cases where there is no need to release information.

[English]

Mr. Tony Valeri (Lincoln, Lib.): Madam Speaker, I would like to congratulate the hon. member on his excellent presentation this afternoon. Can he comment on the type of work the constituency offices actually do, how the amendments that will be brought forward in Bill C-54 will actually help us as members of Parliament to provide a more effective and efficient service, especially to our retirement constituents? In April we received many calls because of changes the retirement population has to comply with when filling out these applications.

If the hon. member could expand on his experience with his constituency office, the kind of work he does during that time and how these amendments would lend themselves to providing a more effective delivery system to our retirement population.

[Translation]

Mr. Cauchon: Madam Speaker, I thank my hon. colleague for his question. Of course, providing information is a fundamental activity. As the hon. member said, it has an impact at the level of our constituency offices. It goes without saying that, when we meet seniors in our electoral ridings, their questions are often varied and deal with various government departments. Seniors may come to us with health problems or problems in their dealings with Canada Post, Veterans Affairs or the Department of Justice.

It is obvious that, with a piece of legislation making communications between departments more flexible, where authorized

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to do so by the taxpayers, it will be much easier for us to obtain information from departments for one thing. The work of these departments will also be made more efficient by the fact that they will not have to access the data bank and request permission to have access to the information. Since it will be so provided in the legislation, departments that meet the prescribed requirements will have access to the information.

In concrete terms, this means that the taxpayers are bound to come out on top. As I like to point out now and then, our duty is indeed to serve the public, and personally, I will be able to serve the taxpayers much more effectively, efficiently and quickly.

In fact, by raising this question, my colleague puts his finger on the core issue of the access to information reform, he touches on the whole philosophy underlying this bill, a philosophy mainly centred on maximizing the efficiency of the federal administration.

(1715)

[English]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Madam Speaker, I found the member's speech very interesting, especially one phrase. The phrase was trust the government. I would like to be able to do that. To many degrees we must trust the government and in many instances we can trust the government.

I was particularly impressed with an earlier member opposite who seemed to be more in line with what the Reform Party was thinking about, taking a position that was consistent with the constituents rather than with the party position at that time. For a while I was wondering whether he was going to walk across the floor or whether he was going to stay where he was. I appreciated that.

I really want to come back to this member's statement when he asked us to trust the government and understand that the purpose of the bill was to protect services to make sure that the pensioners get their pensions and things of that sort. I certainly commend him for doing that.

I am very concerned about the future of the pensions that will be available for our seniors. Of course we do not want to cut their benefits. How does the member opposite intend to make an efficient system distribute money that is not there? How is he going to guarantee that there will be adequate money for the pensions to be paid out? We could have the most efficient system in the world. We could build the best car around, but if there is no gas for it the car will not go any where.

Therefore I ask the member opposite where is the money coming from that he says will be available? He says that they will not touch the seniors' pensions that are there, particularly not those who are getting the benefits now. Does he not realize the benefits that are currently being received by pensioners are coming out of the contributions that are currently being provided? How will he guarantee that will be the case later when

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there will be more people taking benefits than those who are contributing to the plan?

There is no actuarially significant foundation for the Canada pension plan as it is at the present time. Could the hon. member explain in a little more detail how he intends to make sure that we can trust with confidence the government?

[*Translation*]

Mr. Cauchon: Madam Speaker, I thank the hon. member for his question. When we talk about trusting the government, you need only take a glance at the opinion polls in Canada to see that the Liberal government enjoys the support—

Some hon. members: Oh, oh.

Mr. Cauchon: I see that it hurts when people tell the truth, but the Liberal government has most people's support.

Now for the question of where we will get the money to continue paying pensions, I said that the Liberal Party is committed to protecting seniors and old age pensions and that is what we will continue to do. If there is ever a reform, it will be for later generations and not for those who today are collecting the benefits to which they contributed.

We as the Liberal Party and the government are acting responsibly. We are making a social choice based on respect for those who built this federation.

(1720)

Basically, I find it quite odious that such a question can be raised today. Clearly, the answer depends on a social choice, a logical social choice. Of course, if the Reform Party were in power, a party which is obviously suffering from the ostrich syndrome and all they do is try to make cuts everywhere, society would have no services. This government promised something in the election campaign and that is what we are doing: to be a responsible government which will attack the deficit while continuing to meet our obligations and maintain services for everyone. I want to tell you that seniors are a priority for us and we will respect them.

[*English*]

Ms. Margaret Bridgman (Surrey North, Ref.): Madam Speaker, I rise today to address Bill C-54, an act to amend the Old Age Security Act, the Canada pension plan, Children's Special Allowance Act, and the Unemployment Insurance Act. While the acts which the bill amends represent a significant portion of the federal component of Canada's income support

system, the amendments are classified as minor administrative changes. Bill C-54 seeks to improve administrative efficiency.

The Reform Party is supportive of efforts by the government to streamline the delivery of services to the public. Any streamlining is more than welcome. What Reform members would ultimately like to see is an immediate overhaul of the programs to ensure long term financial sustainability for Canada's entire social security system.

The massive debt that has accumulated and the interest payments needed to service that debt taken out of every year's budget have been increasing yearly. The portion of the federal budget pie that goes toward social programs has been shrinking as a direct consequence of the federal debt and the accompanying interest payments. That is why the Reform Party constantly states that the debt is the nation's number one problem and is the greatest threat to our social programs.

Our position has been misinterpreted, misconstrued and misrepresented. We have been portrayed by government and those on the left as ogres with axes in our hands, ready and willing to swing those axes any time we get near social spending. This characterization is grossly unfair.

What Reformers have realized and realized over a year ago is that if we continue on the road of excess debt and borrowing our social programs will by necessity have less and less of the federal pie every year. The longer we ignore the debt problem, the worse the situation becomes for our social program.

The Minister of Finance, in his two-day presentation to the finance committee, presented a good analysis of the way in which the debt affects our economy, our standard of living, our social programs, and it was all for the worst. The minister outlined how the debt begins a vicious circle. I would like to quote from page 3 of the presentation the minister made on Tuesday, "Creating a Healthy Fiscal Climate":

Interest on the debt is doing more than shackling our finances. It is putting a damper on growth and jobs. Lenders looking at our debt demand a premium. That means higher interest rates. Higher interest rates dampen consumer spending and business investment, hurting potential growth and jobs. That in turn reduces the revenue government receives and increases our spending on social programs, increasing the pressure on our deficit. Those higher interest rates in and of themselves also add to our debt charge as we borrow to pay for the higher interest. Those higher levels of debt then put more pressure on interest rates to rise. And the vicious circle goes on and on and on.

I commend the minister for attempting to lay aside partisan politics in his analysis of the effects of the debt. He can expect constructive support and guidance from the Reform Party for viable efforts to control the deficit. He can also expect calls from this party that his own target of 3 per cent of the GDP, a deficit of approximately \$25 billion in two years, is simply unacceptable. It is also unacceptable by his own analysis of the negative effects on the debt. For the sake of long term financial sustainability of our social programs the government should set a goal of zero deficit by the end of this Parliament.

(1725)

The Liberals ran and by many accounts won the election on the issue of job creation. Their main proposal was the \$6 billion infrastructure program intended to simulate job growth in the entire economy. The Liberals saw the program as the key to restoring hope and dignity to those on government assistance.

Reformers on the other hand have consistently put forward the view that the best stimulant for job creation and decreased government dependence is a serious attack on the deficit and the debt. By reducing our deficit we will be setting in motion positive effects that will create jobs which will in turn provide less demand on some of our social programs.

I want to quote the Minister of Finance once more on this subject:

Facing up to the debt challenge is the keystone of a responsible economic policy. If we fail at that, we will fail at everything else. It is not a question of focusing on jobs or the debt. It is question of focusing on both. The debt stands in the way of the growth we seek; in a very real way, it limits our economy's ability to create jobs. The fact is that we will not get the quality of growth we need to generate jobs we want until we gain control of the debt, until we have broken the back of the deficit.

I must applaud the government on the progress it has made in its thinking on this subject. In the first few months of Parliament the Reform Party's views on the debt and cutting of spending were characterized as letting people starve. Now our views are being repeated and strongly emphasized in the process by the Minister of Finance.

My point in talking about the debt is trying to explain its effect on social spending, the so-called vicious circle I referred to earlier. For just as there is a vicious circle for high debt and excess borrowing, there is also a good or a positive circle if we reduce the debt.

The lower the deficit and the debt, the lower the interest rates. Lower interest rates mean more consumer spending, business investments and increasing growth in jobs. That in turn increases employment and decreases reliance on social assistance giving people the opportunity and the dignity to work. The decreasing reliance on social assistance means less pressure on social programs and less pressure on government revenues.

Cutting the deficit is not an end in itself. It is a means to an end. That end is stronger growth, increased employment, decreased dependence on government and perhaps, dare I say it, lower taxes. However reaching these goals requires cutting spending and any real cuts in spending will include cuts in our social programs.

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We in the House should be honest and recognize that the present social security reform discussion the minister of human resources has started is not only about reform but is also about saving money. Unfortunately after a year in the House it is only a discussion paper. It would be more preferable to be an action plan.

The most basic, most effective way the government could save money in this area without hurting the most unfortunate in our society is to target our social programs toward those in the most need. Applying the concept of universality to every social program we have simply undermines the long term financial sustainability of our social programs.

Another basic principle that should be applied to social programs is that they should be meant to be temporary measures to help those who are down, not permanent measures to create an unhealthy dependence on government.

In conclusion, the best course of action the government could take to ensure the survival of our social safety net is to upgrade its deficit reduction targets and to design social programs to target those most in need.

The Acting Speaker (Mrs. Maheu): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

TOBACCO TAXES

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.) moved:

That this House urge the government to introduce legislation to restore the tax on tobacco to the level existing at January 1, 1994, and to apply the revenue from the tax on tobacco to health care.

He said: Madam Speaker, I rise today with varying emotions. On one hand it saddens me to have to present this motion, but on the other hand, it infuriates me.

The motion I am bringing to the House today, a motion to restore tobacco taxes back to the level they were in January 1994 and apply this revenue to health care is something we should not need to be discussing here at all. Unfortunately, I have been pushed to do this, given the tax rollback that occurred on February 8, 1994.

The reason for my sadness is that this reduction enacted by the government poses the single greatest threat to the health care of Canadians in the last 50 years. No legislation will have a more

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detrimental effect on the health of Canadians than anything that has gone on in recent history. This is particularly germane to the youth of the country.

This rollback will cause hundreds of thousands of people to take up smoking, half of whom will die of cigarette related illnesses such as pancreatic cancer, lung cancer and suffer from illnesses such as chronic obstructive lung disease, a disease that tears away at the very fibres of somebody's lungs so that if they were to walk from where I am to where you are, Madam Speaker, they would be severely short of breath and exhausted.

We are not even talking about the pain and suffering that is endured by the hidden victims of this, the families of the patients.

Already in the six months after the rollback the sales of cigarettes are up 41 per cent. The number of people smoking has also increased, especially among youth, going from 23 per cent to 27 per cent now. This trend is completely opposite to what was going on since 1982 when the tobacco taxes were raised and the cost increased.

I am chagrined that the standing committee of management has decided not to make this motion votable. This issue was highly contentious back in February. The vast majority of the public opposed it, virtually every health care professional vehemently opposed it, and yet the government brought it forward.

If this motion had been made votable it would have enabled members to truly represent the wishes of their constituents and vote for this motion which would have such a significant impact on the health and welfare of Canadians.

Before we look at the reasons for my motion and the constructive solutions that I pose, it is wise for us to look at the situation that existed in February 1994. Up until that time Canada was a leader in the fight against tobacco consumption. Interestingly enough, in 1979 virtually half of all 15 to 19 year olds smoked. However, because of the increase in taxes on cigarettes and the cost, by 1991 this percentage had fallen to 16 per cent, something of which Canada was justifiably very proud.

This rate of reduction was unparalleled in the world. The cause of this was cost.

It is estimated that had the proportion of tobacco users in Canada remained at 1979 levels, there would currently be three million more smokers in this country today. All statistics show this powerful relationship between price and consumption.

As a result of these tax increases, a price differential existed between Canada and the United States in the order of \$48 a carton in Canada to \$25 a carton in the United States. This was a double-edged sword and the smuggling of contraband cigarettes became rampant. Cigarettes were exported legally into the

United States but were illegally brought back into Canada, primarily through the reserves in Quebec. Some contraband was brought in through other conduits, private cars and through the mail routes, but they were minimal compared to what was occurring on the three reserves in Quebec.

(1735)

When analysing the smuggling, it is wise to divide up the situation between Quebec and the rest of the country. The smuggling that was occurring in Quebec had a profound effect on the lives of the people living there. Quebec represents 30 per cent of cigarette consumption, 70 per cent in the rest of the country. In Quebec one-third of the cigarettes that were purchased were purchased legally and two-thirds were purchased illegally, a complete reversal to what was occurring in the rest of the country.

Also at this time a tragedy was occurring. The smuggling was occurring right before the noses of our judiciary and our police forces. They were directed to look the other way. Why? To avoid confrontation, to avoid an Oka situation that nobody wanted. It is completely unfair to have a legal situation that looks at the law and enforces the law in one area and in another area does not.

The smuggling not only occurs in contraband cigarettes but also involves drugs, liquor and illegal weapons, all of which are occurring right now. Getting rid of the smuggling of tobacco does not get rid of the smuggling of other contraband.

Outside of Quebec and parts of southern Ontario the smuggling was minimal. This was the dilemma that we were in. How the government reacted was appalling and incurred the anguish of many Canadians and every health care professional in the country. The reaction had the primary effect of increasing legal consumption of cigarettes and decreasing illegal consumption of cigarettes, which was worthy, and eliminating the smuggling of contraband cigarettes which is to be applauded. However there is another way of doing this.

They also brought in to eliminate these channels the export tax of \$8, a pledge to increase enforcement and education against smoking, all of which I applaud.

Now that we have analysed the situation, let us look at the impact that this tobacco rollback had on the financial cost and the human cost of Canadians.

Let us look at the financial cost first. The loss of revenue to the provincial governments is massive. Tax revenues on cigarettes are estimated to decrease from \$5.5 billion to \$2.3 billion per year, a loss of \$3 billion outside of Quebec. In Quebec tax revenues will decrease from \$774 million to \$559 million per year, roughly a \$210 million decrease. The total loss in revenue to the public purse is \$3.2 billion. The loss to gross national product is very difficult to quantify but in my province of

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British Columbia it is estimated that if the decreases go ahead that it will cost \$150 million per year.

Let us look at the human cost, something impossible for us to quantify. For every 10 per cent decrease in cost the overall cost in consumption is between 4 and 9 per cent for the general public. In youth and teenagers the major factor in determining consumption is cost. It results in a 14 per cent increase in consumption for every 10 per cent decrease in cost.

Thus we can see that the tax rollback has had a devastating effect on the health of Canadians, particularly in that group which is most vulnerable, the youth.

As I said in my opening statement, this has already been borne out. By the most conservative of estimates a 50 per cent decrease in price will result in a national increase of 14 per cent in consumption but in teenagers this increase is 35 per cent which translates into 840,000 smokers, 175,000 of which are teenagers.

Let us look at a more realistic view. It is a more chilling view. A 50 per cent decrease in cost will result in a 45 per cent increase in consumption which is close to the 41 per cent I originally mentioned. This is going to add 1.8 million more smokers to the list, of which 250,000 are teenagers. This great effect of consumption will not be in the areas where smuggling was maximal but in areas where it will be minimal. Tragically for the people who live in Quebec and for those in southern Ontario, the effect has already been felt because they have been consuming cheap cigarettes for a while.

(1740)

The World Health Organization recently estimated, after long study, that 50 per cent of all smokers will die as a result of tobacco consumption. It kills in at least 24 ways. Each smoker will get 20 years knocked off their life expectancy.

To put it in more graphic terms, it will result in many times more deaths than all the people who died in World War I and World War II combined.

The increase in health costs are staggering. Smokers currently cost the health care system approximately \$9.5 billion a year. The increase in consumption will result in an increase in health care costs of between \$1.3 and \$3 billion every year. Our health care system does not need this at all, it is in desperate need of funding currently.

The combined increase in health care costs and loss of revenue is between \$4 and \$6 billion per year to the Canadian taxpayer. This does not include the costs we are going to suffer in our loss of gross national product.

The Minister of Health stated that she wants Canada to exchange and share her expertise with other countries in an effort to decrease smoking. Madam Speaker, I hope not. I hope we do not do this. What she wishes to share is an increase in human suffering, an increase in death, an increase in deficits. I hope no country in the world learns those lessons.

The minister also stated that she would do anything to save even one life from the results of tobacco consumption, and in particular the youth. If this is true, then I have some constructive solutions.

First, continue with the \$8 export tax. It was a very worthy move. It has proven it works. We have an example. In February 1992 the then government instituted an export tax of \$8 per carton, the same as was instituted by this government. In four weeks it decreased the smuggling of contraband cigarettes by 60 per cent. It is important to remember this figure.

Second, enforce the law. Do not allow the law to be applied differently in different areas. We have one law in this country. To apply it differently in different areas is a travesty of the law. We must all bear in mind that the smuggling conduits that exist involve other contraband, not only cigarettes. The only way to address the smuggling is to enforce the law. This is imperative.

Also, nobody speaks about the law-abiding citizens who live on the reserves. What about the effects the illegal activities through the smuggling of contraband has on their lives? Why should we apply the law any differently for them than we apply it to people outside the reserves?

These two efforts by themselves will have a dramatic impact on smuggling. As I said before, the export tax alone had a dramatic effect. There is no need to produce these tax rollbacks that are going to have such a devastating effect on the health of Canadians.

In order to decrease consumption, particularly among teenagers, it is imperative that we bring the cost of cigarettes back up to where it was. As I have said before, this is the number one factor in consumption. If we do what I said before, then we would be honestly imparting knowledge to other countries of which we can truly be proud.

The current rollback in taxes is a large blight on the country's health care system. The other aspect of my motion is to utilize the funds from the taxes to apply to a health care system, a system that is in critical shape and needs emergency care.

Our current health care system is caught between a rock and a hard place. On the one hand we have an increasing demand from an aging population and more expensive technologies, on the other hand we have a system of decreasing funding and squeezing an increasing deficit. If we manage to go ahead and apply this money to our health care system we would be able to give it

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an injection of capital that the health care of the people of this country desperately need. Right now the provinces are forced to engage in the deplorable concept of rationing. They are rationing essential health care services—bypass surgery, hip operations, the closure of hospital beds. All these things are occurring and are compromising the health care of Canadians. This past week the head of the Heart Institute here in Ottawa said that the waiting time for bypass surgery is now five months.

(1745)

If one needs a new hip in this country and are in severe pain, that category of people who are in severe pain, 40 per cent of those individuals will wait at least 13 months to get their hip operation after spending that time in severe pain, a travesty in a country that is as affluent as ours.

Another benefit of raising the taxes on cigarettes is that the moneys can be applied to a public anti-smoking campaign. I advise this government that the greatest impact that it will have on youth is between applying those moneys to an anti-smoking campaign for them between the ages of eight and seventeen, the age at which 90 per cent of the individuals who smoke take up this habit, a habit that is the second most addictive one that we know, more addictive than heroine.

To that end I would like to briefly give members a testimonial from a 13-year old girl who wrote a letter that was actually published in *Newsweek*:

Right now I am 13 and I am going into ninth grade and started smoking in the sixth. The first cigarette that I ever had was in fifth grade.

I have tried to quit, but it is very hard when all my friends smoke, too.

Some people think that Joe Camel is directed towards teenagers.

She is referring to advertisements.

I do not think so. If they are trying to get it directed towards teenagers, they are doing a pretty bad job. I am sorry, but a goofy looking camel who smokes his brains out does not quite turn me on. Actually, I have never seen an ad that made me want to smoke a particular brand. All those cigarette ads are practically the same.

She is 13. On health she says:

Since I have started smoking I can hardly run around the block without getting out of breath. A lot of my friends have gotten asthma. My mom and dad quit smoking about 14 years ago, and my mom now has cancer and my dad has had three heart attacks. My grandma quit eight years ago, and she has emphysema. Not only that—my two grandfathers died from the results of smoking. After all these problems, you would think I would know better than to smoke. But I guess I do not.

I cannot tell that I smell when I smoke, but my parents and other can. I remember one time, before I smoked, I left my jacket at my friend Brynn's House. Her whole family smoked. I got the jacket back around five months later, and I had to throw it away because it smelled like an ashtray.

It is funny, but I think it is easier to give up drugs than cigarettes.

I really hate the thought of quitting. But yet, I do not want to do anything that might make cigarettes more expensive to buy. You see, I am really hooked on cigarettes.

I would suggest that the government does not emphasize its advertisements on showing a group of yuppy Rosedale teenagers playing basketball and turning into cigarettes. Rather, we have to face the facts that teenagers believe they are immortal. There is another way of dealing with this. It will not work to tell them that they are going to die of lung cancer or mouth cancer 40 years from now because they believe they are immortal.

I feel it would be far more potent to threaten their sense of narcissism. Tell them that their breath smells foul. Tell them that their hair smells foul and tell them that their skin will become pallid.

In conclusion, I hope that this government which promised to bring back the taxes to where they were and has not made any efforts whatsoever to do this will take it in its heart to look at the facts.

Smuggling is under control. It can continue to be under control with the export tax and enforcement. It needs to apply those taxes to the health care and welfare of Canadians. One does not need to keep a tax rollback and compromise the health and welfare of the people of this country and sacrifice smuggling as a result. One can do both without sacrificing the health care of Canadians.

[Translation]

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Madam Speaker, considering the success of the government's anti-smuggling policy, I would never have expected to hear comments like those the hon. member made today. I admit—in fact, I am proud of it—that I was one of those who pushed for lower tobacco taxes.

(1750)

As you know, I have the honour and the privilege of representing the riding of Glengarry—Prescott—Russell and the Akwesasne Native community. It is indeed an honour and a privilege as I have great respect for my constituents living on the reserve.

I am arguing today against raising the taxes on tobacco, and not because I want cheap cigarettes for myself or my family. Three years ago, I lost my father to a type of cancer believed to be caused by smoking. I do not smoke and smoking is prohibited in my offices. Smoking was prohibited in my offices before it was banned elsewhere on Parliament Hill. That is not the point.

Here in the House of Commons, I raised questions on numerous occasions about the cigarette smuggling problem. I remember that, in June 1993, I asked then Solicitor General Doug

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Lewis—I think it was the last question raised in the House before it adjourned prior to the election—to do something about this problem which was almost out of control in our region. The problem was going from bad to worse.

This is the question that I raised, which I will repeat for you and for all my colleagues: “Almost every night machine gun fire is heard and speedboats are running the rivers at full speed in the dark with their lights turned off pursuing criminal activity. I am not describing life in Sarajevo or Mogadishu. I am describing the practice of tobacco smuggling on the St. Lawrence River near Glengarry in my riding. I want to ask a question to the Solicitor General on the last day of this Parliament. What precisely does the government intend to do to stop this illegal activity which endangers the lives and safety of my constituents?”

That was the last question raised, not the first one. For years I had been asking the government to take action to put a stop to this illegal activity. Nothing was done at the time. The government of the day let the situation deteriorate to the point where in Quebec and in eastern Ontario—the problem did not only exist in Quebec; in fact, most of the Akwesasne reserve is located in Ontario—70 to 75 per cent of cigarettes on the market were smuggled. The level of illegal activity was such that it endangered the lives of my constituents. In fact, some of them were killed. The member opposite talks about saving lives.

[English]

I would like to read a little story written by Claude McIntosh, the associate editor of the *Standard-Freeholder* of Cornwall, from Saturday, July 3, 1993. He was describing what he referred to as the dark side of cigarette smuggling. He recalls a few incidents. Here are a few I would like to share:

A Cornwall welfare recipient switched to a supplier selling cartons \$1 cheaper than his previous supplier. His old supplier fearful of losing other accounts paid him a visit. During the conversation he had his arm broken in an accident. He went back to the previous supplier. Welfare recipients are sought out because they are one, more willing to take the chance and two, available day and night.

Here is another incident. A teacher ordered a disruptive student out of the classroom. On his way out the student reached into his pocket, pulled out a wad of bills and sneered: “I do not need your education”. The student works as a runner in one of the cigarette smuggling cartels with potential to earn more in six months than the teacher earns in one year. He earns bonuses for recruiting other students.

(1755)

Mr. Stinson: Did you report him?

Mr. Boudria: If the member had been listening, paying a bit of attention, I was reading from a newspaper article.

Mr. Hanrahan: Why did anybody not report him?

Mr. Boudria: The member across who just made this remark should know this is no laughing matter. We had all the police officers we could round up trying to enforce the law on the St. Lawrence River in a forested area at night.

This business got so lucrative during one period that they were actually crossing shipments into Canada by helicopter. It got to be that bad. We have a border between Canada and the United States four thousand miles long. One day I was raising this problem with members across who asked why the military was not brought in. Is it the position of the Reform Party, or was it at that time, to have a militarized border four thousand miles long between Canada and the United States?

I am told by people in the know that drug smugglers and others have got out of that business. There was a lot more money to be made in cigarettes. That is where the real money was. That is the situation we had.

I have a report prepared by a forensic and investigative accounting firm known as Lindquist Avey Macdonald Baskerville. That accounting firm had on its staff none other than Rod Stamler, former deputy commissioner of the RCMP, no fool by anyone's account. He described to us how severe this problem was. We had the commissioner of the RCMP give a letter to the Prime Minister which was tabled in this House that said the way to control the crime was reduced to that and only that solution.

I had been saying it to the previous government for years. The previous government would not listen. This Prime Minister, within weeks of seeing the danger to the lives of Canadians and the damage it was doing to Canadian society to see this kind of disrespect for law, took action. I congratulate him.

Mr. White (North Vancouver, Ref.): Now it is going to kill teenagers.

Mr. Boudria: If I get nothing else from my riding in all the years I will be an MP, and I hope that is another long time, I will be happy because at least I was able to do this. At least I was able to do the right thing.

Mr. White (North Vancouver, Ref.): You transferred the problem to teenagers.

Mr. Boudria: I did not transfer anything or pass off anything to anyone else.

The members across say they stand for law and order yet they know and the police have told us that was the only possible action we could have taken, and it was the right action.

They say they are against increasing taxes. The leader of the Reform Party stood here yesterday and asked for a commitment not to increase taxes. Today in the dark hours of the day when few reporters are listening we have a private member's bill from a member of the same caucus advocating an increase in taxes.

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Mr. Grubel: That is a cheap shot.

Mr. Boudria: It is not a cheap shot.

Mr. Breitreuz (Yorkton—Melville, Ref.): It is a cheap shot.

Mr. Boudria: I do not care if the members think it is cheap or not, this is an important issue. It affects the lives and safety of many Canadians, including my constituents.

I want to say one final thing in the moment or two that is left about respect for law. If it is cheap cigarettes that we wanted to keep off the market, cheap cigarettes were there. They were there and they were sold in schools. It was easier to get illegal cigarettes than legal ones with the contraband that we had. That was the reality.

Finally, what kind of message were we giving to young people in Canada when we were tolerating in society a situation in which the smuggler in the school drove the Corvette while the kids who were obeying the law were walking? That was the situation we had. That was the kind of crime we had and \$2 billion a year was made by the underworld in this country. That is what this government was able to stop by its action. I am proud of what it did. Consumption of cigarettes has not increased. On August 18, 1994 the Minister of Health tabled a report. It said quite clearly that smoking had remained flat overall and had not increased. That is the truth. That is the reality. The action taken was the right and proper one.

(1800)

[*Translation*]

Mr. André Caron (Jonquière, B.Q.): Madam Speaker, I listened with interest to the hon. member for Esquimalt—Juan de Fuca, who argued his case so eloquently. I must say that the question of restoring the tax on tobacco to the level that existed on January 1, 1994 is a difficult subject. I will consider two aspects of this question.

First of all, I would like to recall, as did the hon. member for Glengarry—Prescott—Russell, the situation that existed when the tax was abolished. The hon. member for Esquimalt—Juan de Fuca mentioned the fact that the price of a carton of cigarettes in Canada was up to \$48, twenty dollars more than in the United States. The result was a brisk trade in contraband cigarettes. The hon. member for Glengarry—Prescott—Russell referred to the impact of cigarette smuggling in Eastern Ontario and the Montreal region.

However, its impact was also felt in regions assumed to be safe, including my own region, Saguenay—Lac—Saint—Jean, which is 300 kilometres from the U.S. border. We had never had a problem with cigarette smuggling.

During the last six months or year the tax was in effect, we started seeing contraband cigarettes in the region. At meetings I saw honest people take out packs of cigarettes marked with the insignia of the U.S. surgeon general, which meant they were

contraband U.S. cigarettes. I saw this at meetings of normally law-abiding citizens who do not deal with smuggling rings of any kind.

These people took out their packs of cigarettes without a care in the world and thought nothing of it. It had reached the point where honest citizens did not realize they were breaking the law, because as I see it, that is what they were doing. There are taxes which are levied to provide services. At the time we had a situation where honest citizens felt they could break the law. It was a very bad situation.

In fact, a cigarette smuggler in my region was interviewed. Of course, it was all anonymous. You only saw his profile, and you could hardly recognize him. This guy boasted that he made one million dollars in eight months by hauling truck-load after truck-load of cigarettes into an area 300 kilometres from the border. The situation was truly disgraceful.

But even worse, while this cigarette smuggling network was spreading to my own riding, alcohol smuggling networks, clothes smuggling networks, even jewellery smuggling networks were sprouting. In other words, a number of products which, in the past, had never been smuggled, were becoming fair game for smugglers, and this, in an area like mine which is considered too far from the borders and where smuggling is rather unusual.

I think it was time that Canada took steps to curb this smuggling.

(1805)

Of course my colleague from Glengarry—Prescott—Russell was instrumental in this, but you will recall that, for weeks, the Bloc Québécois had been asking the government to roll back taxes on cigarettes because we believed that it was the only way to go. We had tried to bring this plague under control. My colleague described very accurately all the efforts which were made. We had reached the point where we were thinking of bringing in the army. When you find yourself in this kind of situation, you must realize that you have made a mistake, that taxes are too high, that it is too enticing, too tempting for everybody.

As was normal under these circumstances, we lowered taxes on tobacco. And in so doing, we removed much of the cancer that smuggling is.

At the same time, we perhaps avoided another cancer, the one that occurs when citizens start to think that they do not have to follow the rules and to abide by the tax laws. If one can stop paying taxes on tobacco and get away with it, why would one pay taxes on clothing, gas or anything else? Measures had to be taken, I think. And the measures that were taken were adequate.

Of course, this did not solve the tobacco problem. As my colleague for Esquimalt—Juan de Fuca rightly said, this is a huge problem in our society. To me, tobacco is a hard drug. I have friends who have tried to quit smoking but without success.

It probably is as difficult as getting rid of other drugs that are illegal in Canada.

Nevertheless, we came to a point where we had to choose between two evils. I think that, under the circumstances, we temporarily chose the lesser of the two. It does not mean that taxes on cigarettes will be abolished forever. It does not mean that they will not be raised some time in the future—and I think that the Minister of Finance will keep an eye on the situation. I believe that taxes will be raised again, but they will be kept within reasonable limits so that the high price of cigarettes does not become, for some people, an illegal means of making a quick buck.

That does not prevent us, however, from paying particular attention to the growing problem of cigarette smoking.

Like the hon. member, I have also seen young men and women of 15, 16 or 17—I taught in high schools for years and I was stunned to see young 16- and 17-year olds develop a smoking habit. In spite of all the information campaigns and all the pressing requests made, these young people started or continued to smoke. Why? Is it simply a matter of being informed? Let us just say that I am less affirmative than the hon. member; I do not know what the solution is. I do not know exactly what to do to keep our young people from smoking.

I know the situation is very serious and the description made by the member was truly frightening. He may be right in a sense, but then should we prohibit cigarette smoking the same as cannabis, marijuana, cocaine and all these other drugs? I do not think this is possible in a society like ours. I think we will have to compromise; we will have to pursue our efforts to create an awareness and convince young people not to develop this habit. It is important to do so.

I regret to say that I will not support this motion. I believe it is motivated by good intentions. However, under the circumstances and given the situation that prevailed in recent years, it was necessary to greatly reduce taxes on tobacco.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, it gives me great pleasure to speak in favour of this motion tonight, a motion that was brought forward by my hon. friend and colleague from Esquimalt—Juan de Fuca.

(1810)

Members of this House will remember our debates on Bill C-11 and Bill C-32 when we warned the government of the serious health consequences and the human suffering this tax reduction on cigarettes would cost. This motion would correct

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the government's major mistake and would restore that tax on tobacco to the level existing as of January 1 of this year.

Our concerns about the government's tax reduction on cigarettes were confirmed when the Parliamentary Secretary to the Minister of Health appeared before the Standing Committee on Finance on June 7 and advised that the government's goal was "to reduce the demand for tobacco, the number one cause of preventable death in Canada". She went on to say: "The government fully recognized that the action plan to combat smuggling and the tax measures associated with it would pose health risks". That is from a government member, despite what I hear from across the floor today.

It is inconceivable to me and most Reformers how government can rationalize its goal of preventing death with its actions which will increase smoking and cause many hundreds of deaths.

This government does not seem to have the courage or the intestinal fortitude to do what is right. We were opposed to the tax reduction on cigarettes and tobacco products because it will increase smoking and that cannot be denied, particularly among young people. As a result it will increase health costs.

Reformers find it amazing that the government caved in to the criminal element of society so quickly. It sends the wrong signal to those who would break the law. In effect the Liberal government said: "If you defy the law we will change the law rather than enforce it".

Reformers find it hard to believe that the government did not take a more reasonable approach and impose an effective export tax and increase enforcement in the areas where the majority of smuggling was occurring.

Even the commissioner of the RCMP confirmed in February that 70 per cent of the contraband tobacco was coming through the three Mohawk reserves between Cornwall and Montreal. Therefore all this we hear about big borders is simply a smoke-screen. If that was where the problem was, why not have the courage to enforce the laws of Canada? What are we doing now when the criminal element redirects its smuggling activities to alcohol, drugs and guns? Are we going to simply change the law on that as well? One bad decision leads to more problems and not solutions. The government has not solved a thing by what it has done.

The main point I would like to make today is in regard to the government's disregard for the health of the Canadian people, particularly young people. When the government first introduced its national action campaign to combat smuggling in February, we asked the government to tell us what the increased health costs would be. How many people will start smoking as a result of the tax reduction? How many Canadians will become addicted? How many people will get lung cancer and emphysema, heart disease and strokes? How many people will suffer or

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die as a result of the government's tax reduction? How much will it cost the Canadian taxpayer? The government implemented Bill C-32 despite not having the answers to these very important questions.

While the Parliamentary Secretary to the Minister of Health has made it clear that the tax reduction would pose increased health risks, these risks, the costs and the implications for government and the human suffering have not been quantified. Months have gone by with no action by the Liberals.

The Canadian Cancer Society asked the Standing Committee on Finance to complete a thorough evaluation of the health costs and implications of smoking in Canada because such an evaluation has not been done since 1986. Reformers find this appalling.

During debate on Bill C-32 the members of the finance committee listened politely to witness after witness warning them of the serious health consequences. The committee ignored the dozens of excellent recommendations and passed the clause by clause study of Bill C-32 in less than 15 seconds. The clause by clause review of a 62 page bill was done in less than 15 seconds. This is democracy? Is it any wonder that Reformers are pushing for a triple E Senate where we can give some serious and thoughtful sober second thought to the reasoned amendments that we proposed and debated very intelligently?

(1815)

What will the increased health costs be? The Canadian Cancer Society provided the Standing Committee on Finance with some of the estimates prepared by Professor Robert Allen from the department of economics at Harvard University.

Using Professor Allen's most conservative estimates, he predicted that national cigarette consumption would rise by 14 per cent among adults and 35 per cent among young people. Now we find those estimates were very conservative. Actual increases have been 41 per cent, as has been mentioned by my colleague. The tax reduction implemented by the Liberals will increase the total number of tobacco users in Canada by 840,000. Of this number 175,000 would be teenagers. At this rate Professor Allen predicted health costs would rise in the long term by \$1.33 billion per year. That was the most conservative estimate.

Every piece of literature that comes out on this shows there is an increase. How can the government close its eyes and be blind to what is happening? These are Professor Allen's most conservative estimates, as I have said. It could be even higher. It could be as high as 1.89 million new smokers and of these 245,000 would be young people. That would mean \$3 billion in increased health care costs, \$3 billion, three thousand millions.

Still the government fails to even tell Canadians what the impact will be. It refuses to even conduct its own evaluation of health costs and implications, ignoring the health of Canadians. Liberals love to do studies; they love to have commissions. They

like to have all of these consultants tell them things, but when it comes to this issue they close their ears.

During our debate on Bill C-32 we asked the government for a timetable showing when tobacco taxes will start to go up again. None was given. The government acknowledged the dramatic effect that high taxes have on tobacco consumption. It acknowledged that the health promotion surtax will end in three years, but it still has not told Canadians what it plans to do at the end of three years.

During the previous debate we asked the government to make a commitment to raise prices to their level prior to February 8, 1994 at the end of the three years when the health promotion surtax is renewed. Reformers proposed such an amendment, but we were told that only the minister could make such an amendment. The minister chose to ignore this reasonable proposal.

If the government will not support my hon. friend's motion, Reformers respectfully request that the minister introduce a new bill clearly telling Canadians when tobacco taxes will be increased. For the sake of the health of all Canadians, for the sake of all those young people who will take up smoking as a direct result of government's actions, will the government tell Canadians today this is not a permanent tax reduction? Will the government tell Canadians that their health is of more concern to it than the interests of a few smugglers in the tobacco industry?

Government ministers are always accusing us of never telling them what to do. They yell and they shout at us like we do not have a plan, but our blue book has been around a lot longer than their red book.

The Acting Speaker (Mrs. Maheu): The hon. member's time has expired. The hon. member for Essex—Windsor and Parliamentary Secretary to the Minister of National Revenue.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.): Madam Speaker, I must rise today to oppose Motion No. 288 before us. While I appreciate the concern for Canadian health that motivates the hon. member, I cannot agree this is the time for the backward steps he is proposing. It is quite the opposite.

(1820)

I feel there are very good reasons why the federal government should maintain the current level of federal tobacco taxes. Just as important, the government should also adhere to the general practice of avoiding earmarked taxes. Let me explain why I believe this to be true.

Hon. members will recall that just nine months ago we were besieged by the black market sale of tax free exports of Canadian cigarettes which were being smuggled back into Canada. Indeed, contraband tobacco products which often sold for less than half the price of legal sales were accounting for an estimated 40 per cent share of Canada's \$12.4 billion tobacco

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market. The country was confronted with a very serious problem.

Tobacco smuggling was fostering disrespect for our laws and creating serious law enforcement problems. Organized crime networks controlled 95 per cent of the tobacco smuggling. Their tobacco profits helped to fund other illegal activities, including drugs, alcohol and firearms smuggling. Cheap contraband cigarettes were readily available to young Canadians and the problems of smuggling and the attitude of too many Canadians that avoiding tobacco taxes was a sort of game may well have added to the tobacco's appeal to impressionable youngsters.

The consequences were serious. It was undermining the government's health policy objective to reduce tobacco consumption, particularly among youth. As well, many law-abiding merchants were being pushed out of business by the underground sales.

I want to inform the House that the federal and provincial governments were also being deprived of the tobacco tax revenues, \$1 billion for each level of government in 1993, that helped to pay for government services and programs that Canadians expect.

To combat this illegal activity, on February 8, 1994 the Prime Minister introduced the action plan on smuggling. That plan includes an enforcement crackdown, reduced taxes on tobacco products, measures affecting tobacco manufacturers and a health promotion surtax on tobacco manufacturers' profits to provide significant funding for health related anti-smoking initiatives.

The enforcement crackdown entails increased RCMP and customs personnel and equipment dedicated to fighting smuggling. Their efforts are particularly aimed at stopping the flow of contraband at key spots along the Canada-U.S. border.

Federal excise taxes have also been reduced by \$5 per carton. Up to a maximum federal reduction of \$10 we offered to match on a dollar for dollar basis provincial reductions above \$5. Most provinces east of Manitoba have reduced their tobacco taxes.

The action plan also imposed an export tax of \$8 per carton on Canadian tobacco exports. This reflected the fact that 80 per cent of the cigarettes sold on the black market were Canadian cigarettes manufactured for export.

In addition, the federal tax rate on corporate profits for manufacturing and processing tobacco products was increased by 40 per cent. The revenue generated by this surtax will fund Canada's largest ever anti-smoking campaign.

The government has also undertaken to ban the manufacture of kiddie packs which were targeted at young buyers. It also moved to increase the legal age for purchasing cigarettes, increased fines for selling tobacco to minors, restricted vending machine locations and made health warnings on tobacco packaging more effective.

A majority of Canadians believe the action plan is the right approach to address tobacco smuggling. Their belief is well-founded. Our integrated approach is definitely working.

By seriously reducing profit margins it is eradicating both the supply of and demand for contraband tobacco products. It has particularly caused serious disruption to the operation of organized smuggling networks. It has substantially restored the domestic tax paid market for tobacco products.

However, I want the House to know that this initial success does not provide unconditional support for a tax increase that will bring back previous levels. The fact is some amount of tobacco smuggling continues in central and eastern Canada. Moreover the RCMP reports that smugglers have developed new supply and distribution lines to the western provinces where governments have not reduced tobacco taxes.

(1825)

I too would like to see tobacco taxes increased but first we must win the battle against smuggling. To that end, tax measures support enforcement efforts and enforcement efforts take time to achieve maximum effectiveness. That is why this government remains committed to strong action to address smuggling on a comprehensive national basis, strong action which includes maintaining federal tobacco taxes at current levels.

Motion No. 288 also calls for the redirection of tax revenues to specifically fund health care costs. The government is not in favour of such action. All members will know that tobacco tax revenues are an important part of government tax collections. In keeping with our general practice of avoiding earmarked taxes, these revenues are used to fund programs and services across many areas of responsibility. This ensures that the government's flexibility to respond to changing needs and conditions is not constrained. It also protects over or underfunding of the selected area.

I should note however that the use of proceeds from the health promotion surtax is an exception to this general rule. In particular this targeted approach was undertaken on the basis of the measure's temporary nature and specific intent to ensure that manufacturers do not derive any benefit from the tobacco tax reductions.

I share the concerns of all members with respect to low tobacco taxes. I know our government has no interest or intent in encouraging tobacco use. Nevertheless, this is not the appro-

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priate time to reintroduce higher tobacco taxes, nor should tobacco taxes be directed solely to health care. Hence, I urge this House to dismiss Motion No. 288.

The Acting Speaker (Mrs. Maheu): There are two minutes left.

Ms. Margaret Bridgman (Surrey North, Ref.): Madam Speaker, in two minutes I will have to pick something out of my 10 minute speech. I want to thank my colleague from Esquimalt—Juan de Fuca for bringing this topic back to the House for debate.

I want to reiterate what one of my colleagues said previously in relation to the fact that the main issue to address is that we are dancing to someone else's tune. This is the Government of Canada. We make the laws here and because we have some difficulty in enforcing those laws it seems the best way to resolve that issue is to change the laws instead of going out and enforcing the issue.

I would also like to comment on the cost. We all know that if you cannot afford to participate or you cannot afford to buy something, then you do not. That is what the majority of people do. However, what we have done here is we have actually enabled more people to buy and consume cigarettes. It does not matter whether they are young, old or middle aged, the consumption of cigarettes will indeed go up.

We may not feel that effect today from the point of view of how it relates or translates into other services, but we certainly will reap its benefits shall we say from the point of view of taxing our health care services in the future. Here we are debating our social programs and their survival because of our debt and we are implementing an opportunity for people to go out and abuse their health which we will have to address at some time in the future.

(1830)

The Acting Speaker (Mrs. Maheu): I am sorry, the time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

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

PEARSON INTERNATIONAL AIRPORT

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Madam Speaker, my question to the Minister of Transport was a result of a proposal I sent to the minister on October 7.

In that proposal I pointed out that Bill C-22 does not protect Canadians as the minister would have everyone believe. What it does do is strip all Canadians of the right of due process by pronouncing a group of Canadians guilty until proven innocent and then proceeds to remove their right to prove their own innocence.

In his response to my question the minister suggests I want this to go to court to protect my friends. I point out to the minister as I did in my proposal to him that of the group of companies that make up the Pearson Development Corporation only 18.5 per cent have close known ties to the former Tory government.

In actual fact there are far more Liberals than Tories involved in the deal and I have never heard him accuse me of being in this to help the Liberals.

My interest in this matter goes far beyond the subject of the Pearson contract. It goes to a matter of basic justice. If the government can cancel any contract without regard for due process, no one is safe.

The Pearson Development Corporation had a contract with the government. The minister quotes me as stating that I see nothing wrong with the deal. Frankly, I have not found anything wrong. If there is something wrong with the deal, I do not know what it is.

Interestingly enough, according to a secret government document supplied to Robert Nixon, the government also thinks that it is a good deal. Quoting from that secret document, airline rents are in line with other airports undertaking major capital investments. Crown return is considerably better than the crown construction option. The Pearson Development Corporation return on investment is endorsed as a reasonable rate of return by both the Department of Finance and an independent financial consultant.

The parliamentary secretary to the minister stated on October 17 that the government was waiting to get the national airport's program all set up so that it could go ahead and start spending the \$740 million that the Pearson investors were going to spend.

Maybe he should consult with the Minister of Finance to find out where their cash strapped government is going to get another three-quarters of a billion dollars. He should also read his own government's secret document that says that this is not a good idea.

If the government chooses to cancel it, that is its prerogative. However, when a contract is cancelled there are rules to govern this. The government chose to ignore those rules.

To put this in an analogy of a ball game, imagine a game, top of the ninth. Canadian taxpayers are ahead four—nothing against the government. The government says it is pulling the ump and putting in a person of its own. It extends the game until it

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announces it is over, changes the rules so it can get ahead and then announces that the game is finished.

The Minister of Transport has tried this group of Canadian investors on the basis of accusation alone. He has been the judge, jury and financial executioner. If there is any evidence of illegal activity then and only then are the contractors the ones who have broken the rules.

So far the government has not brought forth any such evidence. A judicial inquiry would help clear the air and assure that justice is done. That was my proposal to the minister.

My question was will the minister agree that the Pearson problem is not going to go away and that the proposal I sent him is the only fair and logical way to bring this matter to a just conclusion. The minister did not answer that question. Therefore I ask it again and I await a response.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Madam Speaker, I am very surprised but not unhappy that the member for Kootenay West—Revelstoke keeps giving us the opportunity to explain how far from reality the member's proposals are.

Let us talk about his October 7 letter to the Minister of Transport. In his opening paragraph, he states that all Canadians will be stripped of their rights to due process by this statute.

The Ministers of Transport and Justice have been scrupulous in ensuring that this legislation is specific to one particular deal, the Pearson international deal.

It has only been one year since the people of the Toronto region expressed their opinion on this deal quite vocally and

ultimately quite democratically. They do not want to be tied to this deal. I believe they know very well that their rights are being protected by the government.

While we are truly looking to limit access to the courts by the developers, in case the member has not noticed the consortium is now in court. Even the majority in the other place agreed that members of the consortium could go to court after passage of Bill C-22 if they refused to believe we have the constitutional right to take back Pearson airport in the public interest of Canadians.

I cannot let the hon. member get away with saying they are not asking for any money in their present court case. They are asking for third party indemnity. That means they want to be covered for a lot of money. It is that simple.

The Minister of Transport has most ably presented the costs that the members of the consortium want by way of compensation. They have already submitted claims for lost profits for over \$400 million. Those were the claims they submitted when we only asked them to provide their actual expenses. I cannot wait to see what they submit when they want to present their final bills.

I am absolutely amazed that the Reform Party member continues to persist in making this his issue when he knows that the people of Canada support the government on it.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5) the motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.37 p.m.)

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