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Monday, April 15, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Monday, April 15, 1996

The House met at 11 a.m.

Prayers

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 18 consideration of the motion that this House approves in general the budgetary policy of the government and of the amendment.

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, I will be dividing my time with the hon. member for Lanark—Carleton. It is a privilege for me to speak to the 1996-1997 budget. If I can make some small contribution to the debate—

An hon. member: It will be small.

Mr. Reed: My hon. friend from the Reform Party is alluding to the fact that my contribution will be small, and I agree, but it will be a contribution of some use.

I will dwell a little in the history of where we were, how we got to be the way we are and where we may be going. It is necessary to put this budget and previous budgets into of context to address the financial situation of the country.

In my previous incarnation as a member of the provincial legislative assembly in Ontario, I remember deficit budgeting in its infancy. Every province was guilty of deficit budgeting, as was the national government and virtually all governments in the western world.

One of our senators has described that era as one of mutual seduction, when it was a very popular thing to believe that money came from government; that somehow or another there was an infinite well which could do almost anything.

The political stripe of the government of the day really did not matter. As was described, it was simply a case of mutual seduction.

• (1105)

By the time the government changed in 1984 the national debt had risen to \$166 billion, over a period of 14 or 15 years. Then in the following eight years the national debt climbed from approximately \$166 billion to \$400 billion.

There was a realization during those years that this could not go on indefinitely, that a halt had to be called, and yet there seemed to be an absence of political courage to do something until we were on the edge of precipitous financial situation not only in the country itself but in each province. Every province has gone through the same experience, as my colleagues will remember.

In 1993, when the Liberals came to power, there was a feeling of frustration, a feeling of anger among the voting population and a feeling that government was somehow incapable of getting hold of the finances of the country. Expectations were low. It was a case of whether this ship could be steered through rough waters to safe harbour.

We were very fortunate to have the gentleman who is the finance minister at the present time appointed to that position. I think it was a cup that he might rather have passed by because the position of finance minister in this country is very often the kiss of death politically.

He set out on a course and he stated his course clearly at the beginning. He would take the economy in two year short term projections with a goal ultimately of getting rid of the deficit, paying down the debt, and certainly beginning with that portion which is held offshore.

It was a recipe that some people felt could not be achieved because previous finance ministers had continuously failed to achieve the targets they had set out. My honourable friends will recall previous finance ministers as much as \$10 billion off their targets.

When our finance minister began this quest there was a lot of scepticism that he would achieve it, but achieve it he did and exceed it he did. Then he brought in the next budget, and achieve it he did and exceed it he did.

Today we thankfully head down that path of reduced deficits. I am not prone to quote other people's writings when addressing the House but I think an article in the Ottawa *Citizen* from April 13 is worth noting: "The federal government appears to be sitting pretty

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on its deficit target for the fiscal year just ended. The finance department said Friday the deficit for the first 11 months of the year was \$23.2 billion, down \$4.6 billion from the same period in the previous year. The finance minister set a deficit target of \$32.7 billion for the year ending March 31, 1996".

• (1110)

I know some of my friends in the Reform Party feel this target or this goal is spread out too far. I can tell my hon. friends that had we not done that, had we took the slash and burn direction the Reform Party wanted we could have precipitated a recession of disastrous proportions. It was a matter of walking the tightrope and balancing the situation, moving toward the targets but at the same time not throwing out the baby with the bath water.

What has that accomplished? There is a renewed confidence from the international community in Canada today. Canada is now poised for the greatest growth of all the G-7 countries. Sometimes we tend to look inward too much and we do not look out to see ourselves as other countries see us. It is useful to do that from time to time. Then we can get a picture of where we stand in relation to the people we trade with, to the people we compete with, to the people who pay their taxes in their country, and so on.

In terms of taxation I know we all feel we are taxed excessively in Canada. If we compare ourselves to other members of the G-7 it is not exactly so. There are countries whose levels of taxation, especially income tax, are even higher than those in Canada.

I would be the last person to suggest we should keep a high tax regime and I will be one of the first people to recommend to the hon. Minister of Finance that once the targets of zero deficit are achieved and we begin to pay down the national debt that it reflect in a sharing of that good fortune with the shrinking of taxation. The freeing up of money will be one of the essentials for our future.

Now that we are at the point of a deficit of 3 per cent of the gross domestic product, beginning with 5.7, it now means we are approaching that point at which our growth rate is greater than our deficit. That means the deficit can be paid down more quickly now than it could initially. That ratio is very important. However, it is important to remember that what we have tried to do is have a fair and balanced approach to what we are doing, and I am sure we have succeeded in the minds of most Canadians, although not in the minds of everyone.

We have deliberately tried not to leave segments of society out in the cold but we have tried at the same time to impose a balanced responsibility on every citizen so that we are all sharing the load. After all, we all created the load in the first place. For those of my colleagues who are probably young enough to benefit from certain kinds of government largesse, we are now in a position where we have to make it right.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I appreciate the spirit in which my hon. colleague has couched his remarks. He is a fine gentleman but I surely take issue with some of his comments.

• (1115)

The member talked about the seduction of governments which led us to this debt. To me that is absolute nonsense. Every family, every organizational group whether it be a church or community organization and every business in this country knows that we have to live within our means. They have done that for the last 25 years while this and previous governments have sunk this country into an enormous debt hole.

We talk about seduction. I think it is clear in the minds of millions of Canadians that it was a simple buying of the Canadian vote in election after election. That was the difficulty they had in pulling away from that kind of overspending and government waste.

We look at whether or not this government could have reached a balanced budget far earlier but in fact it has not even set a date for that. All we have to do is look at the provinces the hon. member referred to. All have placed themselves on track for a balanced budget. Provinces such as Alberta, Saskatchewan and Manitoba have reached the point where they are now in a position to debate what they are to do with the surplus. They are deciding whether to reduce taxes or to plug some leaks in some of their programs through further expenditure of money and so on.

We are now approaching a debt of \$600 billion. At the present interest rate, it appears that our interest payment on that debt is going to be somewhere near \$50 billion a year.

I would like my hon. friend to address that issue. Can we deal with a \$50 billion interest payment per year and still protect our social programs including our transfer payments to other provinces?

Mr. Reed: Mr. Speaker, I would first like to respond to the question of seduction since we are both here seducing each other. I want to reinforce the fact that it was an era of mutual seduction. It worked both ways. I will leave a little story with my hon. friend to show an example of that.

In 1977 I ran in an election in Ontario. One of the issues my party brought to the fore in no uncertain terms was the deficit in Ontario at that time by the Tory government. We made speeches in the House prior to the election being called on the subject of government waste, excessive government spending, the largesse that was going on hither and yon which was piling up and accumulating the debt.

When we got into the election my leader hammered this message out for the first couple of weeks until the premier was asked about

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the comments that were being made. He answered the reporters with two words: "Dr. No". That was the end of it.

The Deputy Speaker: I am sorry to interrupt my friend. Time has expired.

[Translation]

Unfortunately, there is no time left for the hon. member for Bourassa to ask his question. Resuming debate.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it is a pleasure to make some comments on the March 6 budget of the government.

As I enter the House each day I like to look at some of the Canadians who come to this place. I wonder what they are thinking about when they come here. I wonder if they are as much in awe of this place as I was when I came to the House, to think of the things that happen in this place. I see young people, grade school children who have come for a visit. I see some older children, parents and grandparents. They are Canadians.

• (1120)

Like every member of Parliament I would like to be sure when I speak in this place, that no matter what the age might be of Canadians who are listening to the speech in the gallery, they will think that something good, productive or constructive was said. From time to time statements are made in this place which are more or less one sided. It makes me think of the cliché that if one is not part of the solution, one must be part of the problem.

During the debate we have had on the budget there has been a lot of talk about Canada's national debt which is about \$600 billion. It is not an amount which people are insensitive to. No one in this place is insensitive to it. This amount was accumulated over the last 25 years. It reflects the amount of money Canadians took out of the system more than they put in. It is the amount of money we contributed to improve the health care plan and social programs in this country. In that accumulated sum, \$350 billion of that is benefits to Canadians.

Governments do not have money. Governments manage the money of Canadians. That \$350 billion has grown as a result of interest and compound interest. The balance of that \$550 billion to \$600 billion of national debt represents interest.

It is in our best interest—excuse the pun—to look at ways we can get our fiscal house in order to not only bring the deficit down but to eliminate it, the shortfall of revenue over expense every year. We have to get to the position where we are creating a surplus so that the surplus can be used to discharge that long term debt.

If Canada had a balance sheet in which all its assets and liabilities were disclosed, we know the liability would be a long

term debt of some \$600 billion. However, the Fraser Institute and the United Nations have said that Canada is the second wealthiest country in the world on a per capita basis. The reason they can say that is that Canada has a wealth of assets.

According to the Fraser Institute, with our resources excluding land value, Canada is worth about \$3 trillion. There really is a dowry or an equity in this country. The money we owe to foreigners and other Canadians for the national debt is not just money that was given away. It was invested in this country. It was invested in our people, our youth, our health.

I see the health minister. I know Canada's health program is the strongest element within Canadian society which holds the country together. It creates the unity within this country and will keep the country united. We have a strong health care system which we are committed to. In good times as well as bad we will not compromise the five principles of the Canada Health Act.

Confidence and stability are the principles which must be reflected in budgets. I hope the people who come here and who listen will feel that in recent years Canada has demonstrated a stability within its affairs, that government has generated a level of confidence, that the right things are happening.

When this government came to office the amount of deficit represented something like 6 per cent of our GDP. The finance minister in his first budget brought it down to 5 per cent of GDP. In the next budget he brought it down to 4 per cent. In the current fiscal year which ends on March 31, 1997, it will be down to 3 per cent. The last time the finance minister addressed the issue of the long term outlook for the deficit he said that in the subsequent year it would be down to 2 per cent.

We are so very very close to delivering a balanced budget. It is something we want to do and I do not think there is disagreement on that. The only disagreement is over the velocity at which it happens.

• (1125)

Some would suggest we have to balance the budget at all costs regardless of the impact on seniors, regardless of the impact on health care, regardless of the impact on jobs and youth. I do not agree. Our budget has to be a compassionate budget. It has to be responsive to the important needs of Canadians, and it has to be done in a fair and equitable way. Are there spending mismanagement or problems in a corporation? Of course there are. In a government? Of course there are. There are always things we can improve upon. We have to look for the things we have improved upon.

I want to talk a little about the national debt because it is not in isolation. There are assets and good things in this country which we have not invested in. They will be with us and are for our children in the long term.

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I say to all the young people: Canada is the best country in the world, one of the richest countries in the world and it is going to stay that way. Canadians have demonstrated that we have the know how, that we can operate in a global economy, that we can act responsibly and that we can work together in a proud, generous, tolerant and prosperous nation. This is what makes the United Nations look at Canada and say that is why we are the best country in the world.

Seniors are a tremendous asset to Canada. They led us in bad times through the depression. They led us through the war times. They led us at times when we needed the help. The Prime Minister has said on many occasions that we will never, never abandon Canada's seniors.

In his speech on March 6 the finance minister said: "We believe that the right to a secure retirement should be available to all and not become the preserve only of those who are well off". That is an important commitment.

The seniors are affected in this budget by the creation of what is called a seniors benefit. It is a replacement for the current benefits for seniors, including old age security, the guaranteed income supplement and the age and pension income credits. It is a single tax free benefit to begin in the year 2001.

Some of my constituents have asked why 2001. The important aspect of that is it is going to take time to phase in and allow people to arrange and manage their affairs so that when they do retire they have had an adequate opportunity to make provisions for all their needs.

The Prime Minister committed not to reduce the pensions of today's seniors. The plan we have honours that commitment and goes well beyond it. Canadians who were 60 years of age and over on December 31, 1995 and their spouses whatever their age are guaranteed to receive pensions amounting to no less than previous entitlements. That means they are going to have an opportunity to either stay under the existing plan or go under the new seniors benefits. That is being sensitive to seniors. Many will receive more under the new plan. GIS recipients will receive \$120 more a year and seniors will be able to choose the benefit that maximizes their pension.

Most future seniors will also be better off because the new system targets higher benefits for those with lower incomes. Seventy-five per cent of single seniors and couples will receive the same or higher benefits and nine out of ten single senior women will be better off.

The seniors benefits will be fully indexed to inflation and will treat senior couples equally through separate equal cheques for each spouse.

There are so many good things about the budget I would like to talk about but my time is coming to a close. To finish, I would like

to say a little word to the family. I spoke on Bill C-10 not too long ago. During that speech I said that if the family is strong, the deficit will be gone. I urge my colleagues to work with me to consider ways in which we can improve the tax status of families that stay together and stop worrying about the tax benefits for those who decide not to stay together.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, both my hon. colleague and the speaker before him have stated that eliminating the deficit is one of this government's priorities. I agree. But I cannot, unfortunately, agree with the procedure, the mechanisms and the means used to accomplish this.

• (1130)

To me, the social costs of eliminating the deficit are unacceptable: 45,000 public servants laid off, cuts made to social programs, including health and pensions. Having said earlier that you believed that seniors represented an important segment of our society, why are you making more cuts?

The most unacceptable are the cuts to unemployment insurance. There is a \$5 billion surplus, and this is not tax money, but contributions by workers and employers. How can there be any justification for using this money, which belongs to businesses and their workers, to eliminate the deficit? Does this not pose a problem of ethics and legitimacy? Does this not represent a misappropriation of funds which have been put in place by legislation not to solve a deficit problem but to provide benefits to the unemployed? That is my question.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I understand the member's comments and his preamble. He really got down to employment insurance reforms.

The word insurance has not been operative in the past. It is an insurance plan. That means premiums should be paid into the program by all who participate in the plan and be sufficient to cover the benefits paid out. It has not happened in the past. It is not sustainable for the future. Change is necessary.

The member is part of the problem, not part of the solution. I would like to hear from him how the system might be improved so that it will be an insurance system which is not a burden on Canadians who do not draw on the plan. We all participate and support the plan. My wish is that the one million unemployed Canadians will get jobs and never, ever have to use employment insurance benefits.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, appreciate the awe that the member and all Canadians feel for this place. However, what governments have done and the irresponsibility they have shown in handling taxpayers' money causes me to feel disdain for this place.

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Governments have been totally irresponsible. Finance ministers since the early 1970s have said that they realized that the deficit must be dealt with. John Turner in 1975 said: "I come now to specific measures. None is more important than the control of public expenditures".

When the Prime Minister was finance minister in 1978 he said: "Significant reductions in deficits can be expected". They did not happen. Many previous finance ministers promised to deal with the problem of overspending. It did not happen. Canadians cannot feel awe for this place with these kinds of actions on the part of governments when dealing with taxpayers' money.

The member also spoke about the trillions of dollars in assets that Canada has. That kind of thinking is terribly upsetting to me. In Mexico assets meant very little when it did not deal with its overspending problem. The United States took over its oil reserves for the next number of years because Mexico needed the money. The United States along with other countries through the International Monetary Fund provided the money.

This finance minister, with the ever growing interest payments on the debt increasing to \$50 billion, has not dealt with the problem.

The Deputy Speaker: I think the member has received a question. Briefly please, he has about one minute.

Mr. Szabo: Mr. Speaker, I repeat, there are people who are part of the solution and people who are part of the problem.

We can spend all day long talking about history. We are here to talk about the future of these young people, the future of the working people today and the future of our seniors. We have to take positive steps. Now is the time to start. I ask the member to join the rest of the members in this place to start looking toward the future rather than lamenting the past.

• (1135)

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, I will be speaking today on the budget, if my Liberal colleagues will give me the chance. There is a place where people may discuss respectfully.

Therefore, with the opportunity afforded me, I would like to show that the 1996 budget does not represent, as they like to say, any additional savings, that it really does not add anything new and that it represents the end of the plan to put the country's finances in order. In this budget, the minister is not cutting expenditures and this year's deficit at all. On the contrary, there is in fact an increase in expenditures of \$104 million.

The Minister of Finance is demonstrating the government's indifference. It is as if there was no waste, no duplication and no tax inequity. It is all forgotten; out of sight out of mind.

The government is dumping \$7 billion of its 1996-97 and 1997-98 deficit on the provinces. Furthermore, it artificially reduced the deficit by taking the \$5 billion surplus from the unemployment insurance account, which is funded entirely by contributions from companies and individuals. It is unacceptable to see the burden of the social programs left to the provinces and to those who forced to depend on them. In matters of employment, the government is deceiving the people, and particularly young people. It claims to be creating jobs and improving the economy, but clearly its measures are either inadequate or totally ineffective.

The Minister of Finance cut funding to student job programs by \$26 million over the past two years. And then, all of a sudden, perhaps because of an election year or an election on the horizon, he changes direction. He doubles to \$120 million the amount of aid to student programs—an increase of \$60 million. Nevertheless, the government is hitting young people by cutting funding to post-secondary education.

The government will reduce funding by \$150 million in 1996-97 and by between \$400 million and \$500 million in 1997-98. This will inevitably lead to an increase in education costs, hence the demonstrations by young people and university students in recent months and years against these draconian cuts. In the end, the students will be the ones paying.

For more than two years now, the Bloc has been calling for an investment fund to promote defence conversion. The Liberals promised \$200 million per year over five years starting with 1994, for a total of \$1 billion. They made this commitment in the red book and during the election campaign. As is too often the case, this promise was then forgotten. The Minister of Finance is proposing \$150 million in 1996-97 and maybe \$200 million in 1997-98. We would not be surprised if the \$200 million figure was revised downward, as is too often the case.

Furthermore, for two years, the Bloc Québécois has been calling for a major reform of the business tax system. The government has come forward with the proposal to set up a committee made of tax experts, several of whom would come from businesses already benefiting from tax shelters. We, in the Bloc Québécois, joked that this was like choosing members of the Hell's Angels because they know how organized crime operates.

It seems obvious that the only purpose of such a committee is to ward off criticism and to pretend to examine the issue. We can already anticipate the conclusions of this committee. They will not contribute anything new. In any case, the members of this inner circle are both judges and judged. We, in the Bloc Québécois, want fair and equitable reform. To this end, we have been asking since we came to Ottawa for a parliamentary committee to analyze federal policies concerning business taxation.

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Regarding these same subsidies to businesses, last year the government substantially reduced assistance to the dairy industry, which is mainly concentrated in Quebec. This year, it is simply abolishing it altogether.

● (1140)

Is the Minister of Finance really aware of the negative impact this measure would have on Quebec agricultural and dairy producers? We already know the answer is no. Does he know that these cuts are excessively dangerous, that Quebec is still the federal government's poor relation? Recently, civil servants who had nothing better to do got this great idea, they would go after raw milk cheese. They had a brainstorm over the Easter break. It would give them something to do. They said to themselves: Let us throw another monkey wrench in there. More often than not, the agricultural sector is the one that has to pay.

The Bloc Québécois demands that the government get its fiscal house in order by seeing to it that those who do not pay their fair share do so.

Mr. Speaker, I must ask you if this is a questions and comments period. If not, I would ask my colleague to please be patient a few minutes before making his clever comments.

When will the government act in a real fair and responsible manner? We have now been waiting for two and a half years.

Last year, unpaid taxes amounted to \$6 billion and the government was not even able to do better than the year before. There are lots of funds that the government could recover. But because of its ineptitude, its incompetence, the government too often does nothing at all.

The last estimate of the finance department shows that, as far as business taxes are concerned, the government forgoes nearly \$10 billion. When will members of Parliament undertake a thorough review of business taxation? Before anything else, the government must put an end to that type of evasion, that tax dodging.

Part of the deficit reduction is due to the country's economic situation, which is relatively good, not because of the Liberals, but because all G-7 countries are currently enjoying a good situation.

Undeniably, the government is making political hay with this. It is true that exportations are high, interest rates are low and unemployment insurance premiums are higher than payments. However, if the economic context was to change, either because of higher interest rates or a stronger pressure on the unemployment insurance system, the impact would be immediate and catastrophic for public finances. I am convinced we would then see a major change in the Liberal government's attitude.

I am a member of the Standing Committee on Foreign Affairs and International Trade. As such, I would like to stress that we will have to examine what seems to be the main problem of new exporters, that is financing, whether it is easy to obtain financing. Above all, we will have to establish parameters in order to facilitate access to foreign markets for small and medium size businesses.

According to what he said on page 78 of his Budget Plan, the finance minister seems to be aware of that problem. I would like to know how much of the \$50 million injected into the Business Development Bank and the \$50 million added to the working capital of the EDC, will go directly and through concrete measures to small and medium size enterprises trying to export?

Government must recognize that Canada is made up of regional markets: atlantic, Quebec, Ontario, the prairies and British Columbia, which are separately integrated into larger trade and economic continental entities. For British Columbia, the northwest United States and the Asia-Pacific area are natural markets.

For Quebec it is another matter altogether. Its favoured markets are North America, 80 per cent of its exports, and Europe, 12 per cent. We should note that for Quebec European markets are three times as important as Asian markets. It is up to individual companies, and not the federal government, to determine, on the basis of their strengths and the nature of their productions, what their export targets should be.

The federal government should limit itself to providing support. Again the priority in the area of assistance to exporting companies should be a better access to financing.

I would like to stress that we believe Quebec and Canada have lost something when they renegotiated the agreement on lumber with the United States. The fact that we agreed to reopen an agreement already in force will probably serve as a precedent for the United States, which will demand the same in other disputes with Canada.

To conclude, I would like to quote an article by Jean-Robert Sansfaçon, published in *Le Devoir* on Thursday, March 7: "While Ottawa continues to pretend that it reduced the deficit by cutting expenditures from \$120 billion in 1993-94 to \$106 billion in 1997-98, a more thorough analysis shows that at least 5 of these \$14 billion come from a normal reduction in the number of unemployment recipients due to economic growth, and another \$6 billion come from cuts in transfers to the provinces for health, social assistance and post-secondary education. We know that a new recession would make the unemployment insurance fund surplus melt like new snow and, therefore, increase the budget deficit of the government. Like last year, the victims of this budget are the provinces, especially provinces like Quebec".

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• (1145)

This is the reality: The federal government is not assuming its responsibilities, it is transferring to the provinces the burden of making most of the cuts called for in this budget.

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I listened carefully to the speech of my colleague. I wanted to make two or three brief comments and ask a question.

After this budget was brought down, I looked carefully at the comments made by influential people within the country, that is, business people, men and women who work within the major unions and journalists. The great majority of them had positive comments to make. I am extremely surprised that my colleague was unable, unless I misunderstood him, to put greater emphasis on a number of things that are well accepted, well thought of and that are helping. I believe he mostly emphasized what he thought were the negative aspects.

Perhaps my colleague would be willing to respond to this. Why did he not mention any positive aspects in his speech, when we consider all the positive comments that were made?

Mr. Sauvageau: Mr. Speaker, I am pleased to respond to the comments made by my hon. colleague. Simply because it is difficult. Regarding the quality of the French used in the budget, the nice rhetoric used to hide the drastic cuts imposed on the people of Quebec and Canada, I could indeed admit that it is well written. It is written so that transfer payments to the provinces can be cut by \$7 billion. At first glance, it almost appears to be well written and appealing.

However, if we look at it more closely, as Jean-Robert Sansfaçon did in the March 7 edition of *Le Devoir* and as several other analysts and columnists did as well, if we look at the figures instead of the quality of the French used in the budget, how can I praise the government for cutting transfer payments to the provinces by \$7 billion over two years? How can I praise the potential increase in tuition fees for students in Quebec and the rest of Canada? How can I praise the government for cutting transfer payments while maintaining national standards? How can I praise the government for cutting transfer payments for health care? How can I praise the government for practically robbing the UI fund of \$5 billion?

That is why I would rather comment on cuts, on the government's inaction, instead of praising the quality of the French used to try to hide cuts from the people of Canada and Quebec.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I congratulate the speaker on his comments concerning the fact that this Liberal government is passing the spending cuts on to the provinces.

All the cuts that the finance minister has passed on to the provinces still are not enough. Would the member comment on why he might think that the Liberals have not done the job in terms of cutting spending?

• (1150)

[*Translation*]

Mr. Sauvageau: Mr. Speaker, I am pleased to answer the question put by the hon. member from the Reform Party. In my opinion, the Liberals have not done their job as far as cuts are concerned, they dumped it all on the provinces because it always looks better to have cuts done by a neighbour rather than doing them yourself.

The Liberals were also negligent because, if I am not mistaken, they were offered the possibility of a parliamentary committee to determine priorities regarding corporate tax cuts—you did so yourself.

But they simply refused because it was easier to say: "We will keep our money, but we will impose cuts on those who put money in our wallet, namely the provinces with their taxes". Why did the Liberals neglect their job? Simply because they wanted to make the provinces responsible for the cuts and make them out to be the bad guys. It is as simple as that.

The Deputy Speaker: The hon. member for Lac-Saint-Jean.

Mr. Claude Bachand (Saint-Jean, BQ): Saint-Jean, Mr. Speaker, not Lac-Saint-Jean. The hon. member for Lac-Saint-Jean will be joining us at 2 p.m. this afternoon, and we are very proud that he is doing so.

First of all I would like to reassure our friends opposite by saying that, while the budget may contain very few good news, and there is no doubt that there are few, they must not forget either that it is the role of the opposition to assess the budgets brought down by government.

Very seldom does a budget earn government praise for the outstanding job it has done in preparing the budget. In my opinion, it would not exactly be the place of the opposition to say so. We are here, in this democratic system, to point out those budget items that we totally disagree with and to suggest amendments, so that democracy can prevail.

I think that, should this House become Liberal through and through, Canada would be next to impossible to live in. It seemed noteworthy to me. In fact, I have a few points to raise, which are not exactly positive either. I think that raising negative points in assessing a budget is good for democracy and something that must be done.

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The budget can be considered from two points of view. There is what I call the macroeconomic view and the microeconomic view. I often look at what impact the budget will have on the people of my riding. That is what I would like to share with you today. I will not be telling you anything you do not know already by saying that the riding of Saint-Jean has always been, in my words, a disaster area. We will recall that, with its very first budget, this government closed down the Collège militaire in Saint-Jean. This keeps going on. The hon. member for Terrebonne mentioned a few similar points.

Let me tell you about the issue of milk subsidies, which is very important in my riding, where there are many milk producers. These people will be faced with a 15 per cent cut in their subsidy. This amounts to an annual dead loss of about \$1 million for the riding of Saint-Jean. There will be \$1 million less in Saint-Jean's economy, in addition to the \$32 million loss suffered with the closure of the military college. And all this will keep going on, because the milk subsidy reduction is not just a one time cut: it will be implemented over a number of years until there is no subsidy left.

Therefore, the riding of Saint-Jean will not just lose \$1 million this year: it will lose \$1 million this year, next year, the year after, and so on until there is no subsidy left. This will result in a \$4 to \$5 million cut for the riding of Saint-Jean, without compensation. Once again, there is a double standard.

The government says that it will put an end to the Crow benefit in western Canada. Of course, this measure will have an impact on producers, who are told that they will get \$2 billion to make the necessary transition, diversify their economy, etc. However, no such assistance is provided in the riding of Saint-Jean and in Quebec, among others, who is the primary milk producer in Canada with 40 per cent of the country's milk production. Once again, Quebec is being targeted and more specifically the riding of Saint-Jean.

The military college is not the only institution to be closed. This year, it was announced that Saint-Jean's employment centre would also be closed. Thirty second and third line employees from the employment centre are to be redeployed throughout the Montérégie region and will have to move. These people are wondering whether they will follow their jobs. They are wondering whether they will move to Saint-Hubert or Longueuil.

In the meantime, industries and the jobless go to the Saint-Jean employment centre where there is only first line staff to take note of their plight and concerns. However, when the time comes to follow up on these cases, the employees are no longer there.

• (1155)

The second and third lines of service have gone somewhere else in the Montérégie area. This is utterly deplorable. We could understand it if the unemployment insurance account were in deficit. We could understand even more if the government were

contributing to the unemployment insurance account, but this is not the case, in either instance. The government is not contributing to the account, and the account is showing a \$5 billion surplus every year. Not only was there a \$5 billion surplus this year, there will be one next year also with the new proposed measures. They want to dip even deeper into that account, not to take care of the unemployed but to help wipe out the government deficit.

In Saint-Jean, an area still facing closures, it is hard to accept—and this is an acid criticism levelled at the government—that it could say: "Listen, we have to cut unemployment insurance; we know that you need it, but unemployed people will get better benefits". Yet, just the opposite is happening.

The customs office in Saint-Jean is closing down. There were two customs officers. The Saint-Jean office was the oldest inland customs office in Canada, but it just closed down. The industries in Saint-Jean that are experiencing difficulties in matters of customs clearance have been told: "Listen, we will do it by computer. Also, you will send your files to the officers in the Lacolle customs office, who will come if there are are problems".

In that regard, I can tell you that all the industries in the riding of Saint-Jean are opposing this measure. The area is like a sieve, in any case. The Richelieu River flows by the city of Saint-Jean. In Notre-Dame-du-Mont-Carmel, we have a customs office on a wharf that extends 300 or 400 feet into the river, which is about one mile wide. I am convinced smugglers go by on the other side of the river. All the customs officer can do is call in the RCMP. But the RCMP has not been spared by the cuts, and it takes a few hours before it starts going after the smugglers. So, anybody can go through. The government loses large amounts of money customs could collect. That is just another disaster for Saint-Jean. Saint-Jean is once again under fire, and the customs office there was closed down.

The Fonds de solidarité and the CSN Fondation, which is just starting out, are also under attack. The minister told us these funds have proved their value, and they no longer need the same level of incentive. Let me remind the minister that the CSN Fondation is just starting out and that the Fonds de solidarité is the pride not only of Saint-Jean, but of Quebec as a whole.

The Fonds de solidarité, the CSN Fondation, and the Caisse de dépôt are all part of the distinctiveness of the Quebec society. That is what the distinct society is all about. We should not keep trying to water down its meaning, and try to replace it with the concept of principal homeland of the French language, which is the new buzzword.

I am sorry, but the distinct society has always been a reality, and it means what it says. Concerning these funds, I feel it is important to point out that they are a feature of the distinct society. They are a way to handle the economy in Quebec which is clearly distinct and different from what is going on in the rest of Canada. It thought it was important to mention it in passing because it was sheer nonsense for the Quebec Liberal Party to say, during the week-end:

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“We will no longer talk about a distinct society”. For now, we will talk about a cultural homeland and, next year, if English Canada still has a problem with that, we will just use the expression homeland. And then, we will water it down until there is nothing left. Let me say that the Bloc Québécois will closely watch how things evolve on this issue and will oppose any such proposal.

On the last point, Mr. Speaker, I beg your indulgence.

[*English*]

Mr. Speaker, I will speak to you in English because I am taking some courses in English at the language school base militaire in Saint-Jean. They say my English has improved. I have a very nice teacher, Brenda Hunter. She told me that if I want to follow these courses next year I had better say a few words in English in the House, not reading but expressing myself without any notes.

I decided that for the last part I would denounce the measures in the budget concerning the language school in Saint-Jean. Earlier there were almost 150 teachers in Saint-Jean and nowadays there are around 75. The numbers are falling. The Department of National Defence is trying to extinguish the language school in Saint-Jean and we do not know why.

• (1200)

Why are more people not coming to Saint-Jean to take these courses? We have a most modern laboratory and some very competent and knowledgeable teachers who do a great job. That is why I have to say once again that it is a scandal to try and close down a very important and very effective institution like the one in Saint-Jean.

Mr. Speaker, I think you will agree that my first words of English in the House were not too bad.

[*Translation*]

Finally, we consider this budget to be totally unacceptable. I feel that I have been fully mandated by the constituents from Saint-Jean to vote against this budget, but my colleagues across the way need not be afraid since we have come up with some positive amendments. That is what I call democracy.

I will, of course, be very pleased to vote in favour of the amendment put forward by the Bloc Québécois in order to make the changes needed in the budget. I hope my colleagues opposite will support this very important amendment. If not, they will have to understand that the constituents in my riding have mandated me to vote against this year's Liberal budget.

[*English*]

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I will be sharing my time with my hon. colleague from Winnipeg North.

I am pleased to take part in the debate on the government's third budget, one which gives credence to the three main goals of the agenda since it was elected: job creation, economic growth and deficit reduction.

First, I would like to commend the Minister of Finance for respecting the will of the voters which was clearly expressed regarding taxation. Canadians did not want a tax hike because they believe they are already paying their fair share of taxes.

Given the delicate state of the Canadian economy at the present time, the federal government could have opted for harsher measures. In fact, some provincial governments such as the present Ontario government have chosen this path which I believe does nothing but increase the economic problems we face.

The Liberal government rejects any solutions based on narrow minded ideologies. Instead, the guiding principle to making the changes that have to be made are based on pragmatism and fairness to all levels of society. As an example, the Canadian health and social transfer will be characterized by secure and stable funding over the next five years.

It is important to remember that the government will legislate a floor to provide a sound guarantee that cash transfers will never fall below the \$11 billion mark at any time during the five-year period. This guarantee demonstrates the Liberal government's strong commitment to secure Canada's health system, social safety net and to build a renewed social and economic union.

The government recognizes that Canada is a rich country, rich in natural resources and its people. It also recognizes that it is the government's responsibility to create opportunities for present and future Canadians and that is what it has done. The challenges that face our youth are clear. The youth unemployment rate is roughly double the national average. Approximately 45 per cent of the new jobs created between the years 1990 and the year 2000 will require more than 16 years of training and education.

This budget provides an additional \$165 million over three years to help students and their families deal with the increased costs of education. This will be done through increased education tax credits and an increased limit on parents' contributions through their children's registered education savings plan. Eligibility for the child care expense allowance has been broadened to help more parents undertake education or retraining.

Funding for summer student jobs has been doubled. An additional \$315 million over three years will be provided in addition to the

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existing fund to create new youth employment opportunities. We are committed to a new domestic Team Canada style partnership between businesses and governments to create entry level jobs for Canada's youth.

• (1205)

Canadians know direct job creation must come from the private sector, but it is incumbent on the government to make sure the economic context is the best possible and favours the continuous economic growth necessary for job creation.

Deficit control requires, among other things, that inflation is kept low. This contributes to reducing pressures on interest rates and helps control the other costs of doing business. It makes Canada more competitive in foreign markets.

We can also see dividends from the ability to control the deficit and inflation. Short term interest rates have diminished by three percentage points since last year's budget. This means a saving of \$2,400 a year on \$100,000 mortgage. Increased competitiveness means a strong increase in exports with a record export surplus of \$28 billion.

Canada's trade performance in recent years has been remarkable. Exports have soared. The Team Canada approach has proven to be a major success with \$20 billion in new business deals resulting from three major trade missions led by the Prime Minister to Asia and Latin America. We all know exports are vital to job creation in Canada. Every billion dollars in exports sustains 11,000 to 12,000 new jobs. Continued progress begins with further fiscal improvement and the 1996 budget delivers.

The steps proposed in the March 6 budget consolidate and extend the first two budgets and further contribute to the economic and financial objectives. The government is maintaining its focus on reducing program spending because the debt is a problem created by government and the solution has to focus primarily in our own backyard. That is why of the fiscal actions taken from 1994-95 to 1998-99, a full 87 per cent have been through expenditure savings. Together the three budgets will contribute \$26.1 billion in savings for 1997-98.

However, the 1996 budget goes beyond the bottom line calculations. As Liberals we know that financial reform must never be an end in itself. The steps taken to get our fiscal House in order are a means to an end. What is the end? It is lower interest rates, better job growth and the maintenance of cherished social programs. These steps are a means to ensure the Canada that all Canadians want can be preserved.

Many seniors have asked us to address their concerns about security for their grandchildren and security for themselves. I am pleased to see a new tax free benefit for seniors that will replace the

old OAS and the GIS benefits and will ensure the long term stability and sustainability for seniors' pensions. These proposed improvements to seniors' benefits reflect what the great majority of my constituents in Lambton—Middlesex have been asking for, as indicated in a survey I conducted last November.

The seniors benefits will help those who need it most while streamlining the program. It will make the system fair. It will guarantee that all current seniors, in fact those who are 60 years of age now, and their spouses will receive no less than the current pension benefits. Most seniors will receive the same or more money under the proposed new system.

I am very pleased the Minister of Finance made a decision not to allow charter banks to sell insurance from branches. This issue was a major concern to my constituents. Keeping the status quo means that Canadians will continue to have many choices depending on where they live and what their particular needs are.

As the member for Lambton—Middlesex, I look forward to working with my colleagues to help implement the government's commitment to bettering the lives of rural Canadians, a commitment that was renewed in the February 27 throne speech. This year's budget will build on this foundation through a number of initiatives to provide for economic growth and new opportunities for the agri-food sector.

For example, the government will create a single food inspection agency to be responsible for all federally mandated quarantine and inspection services. This initiative will reduce overlap and duplication by consolidating resources now in the three federal departments of agriculture and agri-food, health and fisheries and oceans, and will lead to an annual savings of approximately \$44 million starting in 1998-99.

While phasing out the remaining dairy subsidies starting August 1, 1997, the government has made a commitment to supply management as part of a long term dairy policy intended to maintain a strong and viable Canadian dairy industry. This will include a strong defence of Canada's position in the NAFTA dispute settlement process. We are also committed to finalizing arrangements with the provinces for cost shared safety nets, including a whole farm income stabilization program, currently NISA, crop insurance and province specific companion programs.

• (1210)

Another major announcement of the March 1996 budget was the decision by the government to sell its fleet of 13,000 grain hopper cars. It is extremely important that the terms and conditions of the sale are established for the maximum benefit of Canada's farming community. As stated in the budget, the federal government will consider all proposals put forward for the acquisition of the cars.

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In a country as diverse as ours, it is a real privilege for all of us to be able to be part of a team that sets objectives and goals, and meets them. We do not just talk about them. We meet them. We have set the challenges for the years to come. Through the Minister of Finance and all who are involved in the process, we will continue to meet each and every one of these challenges.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I have a short question. The member for Lambton—Middlesex talked about the sale of 13,000 hopper cars, which is an extremely important issue in my riding and in my area.

Most of the time, when one wants to buy a used product such as a car, one goes to the lot and asks the sales person what the price is. He or she will say that the price of the car is \$5,000, \$3,000 or \$10,000.

In the case of the producer coalition which wants to buy the 13,000 hopper cars, the Minister of Finance or Treasury Board or the Minister of Transport or whoever is responsible will not tell the farmers what is the asking price for the cars.

Does she really think it is fair to ask producers to come up with a proposal to buy the cars when they are not told what is the asking price for those cars? They have not been given the details of how those cars will be administered and allocated after they have been purchased.

Mrs. Ur: Mr. Speaker, I appreciate the question. This is certainly a concern that was expressed to me in my riding while we were home for the Easter break.

The government is proposing to meet with all concerned parties. We have to understand that these hopper cars were bought by taxpayers' money Canada-wide. It is very important how the consultation process goes with the producers as well as with the Minister of Finance, with the minister of agriculture. It is not just the west but it is the east as well that has to share in the burden of this.

I have seen allocations that perhaps the cars are worth \$300,000 or \$400,000. In due time when these people sit down and negotiate terms of where the hopper cars are going to be sold, it will solve itself.

It is all well and good for farmers or commodity groups to bid on these. We have to work collectively on this. There is not much point in owning hopper cars if we are not compatible with the railway system.

Mr. Rey D. Pagtakhan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I am pleased to speak today on the 1996 budget which was tabled in Parliament March 6.

It reflects the priorities of the government. It ensures that the need to be more frugal will never come before the need to be more

compassionate and fair. It strikes a delicate balance between fiscal reality and social responsibility.

The government has met its deficit reduction targets and is on its way to surpassing them without raising taxes. At the same time, it is protecting and preserving our valued social programs like medicare and pension programs for seniors.

These twin goals have been achieved through good governance. The response from the Canadian public has been positive. The day after the budget was delivered last month, newspapers across the country carried headlines expressing optimism and support.

In my home town, the *Winnipeg Free Press* gave the finance minister high marks for meeting his deficit projections. "Too many finance ministers before him have promised honey and delivered vinegar".

This achievement in fiscal responsibility and stability has contributed to Canada's strong economic performance and therefore job creation. Since 1993, when the Liberals took office, nearly 600,000 jobs have been created nationwide.

In addition, the merchandise trade surplus has increased and short term interest rates have decreased, decreasing the amount of mortgage payments which citizens have to pay. Inflation has fallen sharply. All of these have boosted investor confidence in Canada.

• (1215)

The deficit targets of 3 per cent of GDP for 1996-97 and 2 per cent for 1997-98 will be achieved. In 1997-98 the financial requirements of government will fall to \$6 billion or about 0.7 per cent of GDP, making it the lowest since 1969 and the lowest of any central government in the G-7 countries.

All of these achievements will translate into job creation, which remains the number one priority of the government. I am pleased that we have created over half a million jobs since 1993. However, we know this is not enough and that is why our efforts of job creation remain our overwhelming commitment.

Budgeting is more than putting our fiscal house in order and more than deficit reduction. It is more than balancing our revenues and expenditures. Financial stewardship is only a tool to the primary purpose of government which is to serve citizens.

Canadians value our nation's social programs. We worry when we hear of hospital closures, cuts to education funding and reductions to social assistance for the less fortunate in society. Canadians wonder how universal medicare, access to post-secondary education and social assistance can be sustained given all the pressures on our system.

Therefore in order to ease the mind of citizens and to reaffirm the government's commitment to health, education and social assistance, the 1996 budget provides the stability and subsequent growth to its transfers to the provinces by legislating a new

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five-year funding arrangement for the Canada health and social transfer program beginning in 1998-99.

Entitlements over this period will grow from \$25.1 billion to approximately \$27.4 billion. More important, there will be a new cash floor for transfers of at least \$11.1 billion in all years thereafter. This will give the federal government the leverage to maintain our valued social programs.

For the province of Manitoba, where I come from, the major transfers in terms of the Canada health and social transfer and the equalization payments which later on will replace the established programs financing will exceed \$2 billion in 1996-97 and are expected to total roughly \$1,875 per person in 1995-96, about 48 per cent of the national average. We see there is a significant transfer of money from the federal government to the province of Manitoba.

Just for comparison, per capita Manitoba will be getting less than Newfoundland, P.E.I., Nova Scotia and New Brunswick but it will be getting more than Quebec, Ontario, Saskatchewan, Alberta and B.C.

That defines for us the character of our nation: those who have more share with those who have less. It also defines our Canadian identity.

Secure and growing funding for our transfer program will ensure the federal government's capacity to uphold the five principles of medicare: universality, portability, accessibility, non-private, public administration, and comprehensiveness; as well, the principle that no residency requirement can be imposed on social assistance recipients who move from one province to another.

These measures will enable the government to keep its deficit reduction targets while protecting the future of our social programs. This type of balanced approach tells us how the government is very fiscally realistic and at the same time very socially responsible.

• (1220)

Canada currently spends approximately 10 per cent of GDP on health care. Other nations spend more but do not provide universal access to their citizens. Indeed we are fortunate in Canada. We enjoy universal access. It is one of the most envied health care systems in the world. However, we realize we must do all we can to protect our system. We must ensure that each and every health care dollar is spent wisely.

To this end we would like to know in which new technologies and techniques to invest, which old ones to retain or abandon and how to organize health services to get the maximum benefit from available resources. This is our commitment. Because of this the

budget has allocated health services research funds to the tune of \$65 million.

As well, the budget has increased assistance to those in need with the new child support taxation measures to benefit our children, the future of our nation. We have not forgotten our seniors. We are committed to introducing a new seniors benefit program that will ensure sustainability by targeting those who need assistance most without affecting the benefits received by current seniors.

The government cannot do it alone. That is why the government has challenged the private sector. We know that a measure of success in any country is when citizens try their own initiatives and at the same time commit and challenge themselves in the service of the country.

Imagine a country that is number one in which to live, according to the United Nations. Imagine a country where interest rates have decreased over 300 bases points since early 1995, a country where deficit targets have consistently decreased from 6 per cent, to 5 per cent, to 3 per cent and to 2 per cent until the budget is balanced. Imagine a country where financial requirements will fall to \$6 billion or .7 per cent of the GDP from \$30 billion or 4.2 per cent in 1993-94, the lowest since 1969 and the lowest in any central government of the G-7 countries. Imagine when the drop in program spending has been dramatic, from 16.8 per cent to 12 per cent. That country is Canada and budget '96 reflects the soul of this country.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my hon. colleague mentioned that job creation is a priority for this government. I think that this government has failed miserably as far as job creation is concerned.

These last few weeks, I have worked on the issue of the closing, in Sainte-Thérèse, Quebec, of the plant operated by Kenworth, an American firm. More than 800 workers stand to lose their jobs and more than 800 Sainte-Thérèse families will be affected. This is utterly tragic for these families which are faced with a very limited future.

I say to my hon. colleague that, true, jobs have been created, but tens and hundreds of thousands of others have been lost. The jobs that are created are precarious, temporary and poorly paid. These days, business executives specialize in laying off their employees. The more they lay off, the more efficient they are.

In the federal Department of Citizenship and Immigration, immigrants complain that they can no longer meet a public servant or talk with one on the telephone, that their calls are always answered by machines. They do not get answers to their problems.

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• (1225)

I would like to ask my colleague what concrete job creation initiatives are found in this budget, apart from the creation of a few summer jobs for students?

[*English*]

Mr. Pagtakhan: Mr. Speaker, it is indeed sad that downsizing has to happen but it is an essential component of good governance.

It is indeed sad that some jobs have been lost, but at the same time we have the new economy. Therefore we have to adjust our country and our citizenry to that new economy. We must realize that when we have created over half a million jobs, and I hope the member would agree with me, that some who have been laid off in their previous jobs would have found new jobs among the new jobs created. This is the reality of our times.

In terms of specific projects, the summer student program is there for our youth and I would not like to belittle that, as the member may suggest, as only because the unemployment rate among our youth is among the highest compared to any other age groups. We have to focus on our youth.

It does not mean we have not focused as well on job creation for those beyond the youth age. Jobs have been created for them. We have the Team Canada spirit where the government in partnership with the private sector would create jobs. When we work co-operatively and in collaboration with each other we will create more jobs.

As I indicated during debate, of course the government is not happy that we have created only this much. We will continue to do more, but if we can work together we will achieve that goal.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I will be sharing my time with the member for Okanagan Centre.

It seems that when people put together a budget, and certainly it should be no different for a government, a budget should be reflective of a plan. As we take a look at the affairs of the government day after day we see they are disorganized, in disarray. Most of all we have a strong sense of disappointment that the Liberals are effectively betraying the trust given to them by Canadians in the 1993 election.

None is anymore true than in the case of the heritage minister. The heritage minister has been going around Canada making verbal droppings of different ideas that she has. She has no organization, no plan and no idea of what will be happening next. Let me give some examples.

Before she came on board, this has been a problem within the department of heritage right from the word go. Probably the most classic example would be the so-called Juneau commission that

was examining the affairs of the CBC, Telefilm Canada and the National Film Board.

It started off in May of last year with the idea of having its report complete by September. It did not complete the report by September. It said it would be completing it by November. We were rather curious to see how many dollars it had already consumed to the end of its original report period. It had consumed over \$900,000 in that period of time.

The committee went past its November deadline and said it would deliver its report in January. Again we went to access to information and we discovered that the \$900,000 had ballooned to \$1.6 million. Within that \$1.6 million was an entry for \$60,000 for the three commissioners. I think it was instructive that in the original set of numbers of \$900,000 there was no money for the commissioners, no money at least reported at that point, and suddenly out of the \$1.6 million there is \$60,000.

Then the committee came forward with its report in January, and what a report it was. It was absolutely brilliant, saying that Canadian who chose not to watch the CBC and who get cable would really enjoy paying an extra cable fee, an extra cable tax to cover the costs of the CBC which they did not want to watch in the first place. Or if they did not want to get cable, maybe it would be a good idea if we were to charge them some kind of a levy or tax on their video rentals. Apart from the fact that it really did not accomplish anything we know the report is going to end up on the shelf and nothing is ever going to happen to it, and what did we pay? We paid \$2.75 million for that report.

• (1230)

What was particularly instructive was how the heritage minister's friends made out, the cultural elite who were doing the report. In the first instance in September there was no mention of any fee for the commissioners. In November there was mention of \$60,000. In January when this wonderful tome finally came forward, it cost the Canadian taxpayers \$300,000 for the part time work of these commissioners.

We dug a little further and of course we were making noises about the fact that it did not seem right that these people should be getting \$100,000 for about seven or eight months of part time work. One of the commissioners suddenly piped up and said: "Oh, I did not take anything", which makes it even worse. Now there are two commissioners digging into the pockets of Canadian taxpayers for \$150,000 each for seven months work. Not bad work if one can get it I guess. That is typical of this government. It takes care of its friends and keeps on going through these reports but it does not have any plan.

When the heritage minister took over the portfolio what happened with respect to Radio Canada International? Radio Canada International performs a valuable function for Canada. It has approximately 125 employees and its budget is approximately \$16 million. It is of interest to note that in order to get the short wave

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out, almost \$1 million of the \$16 million is consumed in hydro power alone. It is really quite an enterprise. However, it has 125 loyal employees who were told in November last year that their services would no longer be required as of April 1.

The heritage minister loves to do these little droppings all over the place. She said that we were going to save Radio Canada International, which was good news. Except she got her portfolio in the latter part of January and then she had to figure out where the money was going to come from.

She went to the CBC. We are going to be talking about the CBC in just a second. She ended up taking \$8 million from the CBC. Then she scavenged around with a tin cup and came up with another \$8 million for a total of the \$16 million.

There is no plan. Radio Canada International is still in the state it was previously. Radio Canada International has a reprieve of one more year with absolutely no idea of how it is going to be kept on the air or how it is going to keep this valuable service going.

It has been my position as Reform Party heritage critic that we have to look at privatizing and look at other ways of funding valuable functions like Radio Canada International other than from the pockets of taxpayers, other than going into debt. However there is no plan.

I should note that members of the staff and management of Radio Canada International are to be highly commended for staying on the job doing their work and keeping the faith while the minister kept them waiting for a full five and a half months from the time they were told they were no longer needed. Only two weeks before they did not know where their next mortgage payment would come from, she said she had scrounged around and had come up with some dollars.

What about the CBC? The minister is particularly noted for what I call her Canadiana. She loves to say that she is going to give us a much more wonderful Canada. I must admit that along with a lot of Canadians I am becoming increasingly sceptical of whether the government will be able to do what it says it will be able to do. What the government says and what it does very frequently do not match up.

• (1235)

An example is the Canadian Broadcasting Corporation which the Reform Party has said should be privatized. The Liberals have said out of one side of their mouth they are going to keep the CBC as a public broadcaster funded with public funds, but they have already cut \$227 million. They now have to find \$150 million more by 1998. It is no wonder that without any kind of direction or a mandate the unions today are in a position of being able to take a strike vote the week of April 22, next week.

A report from Canadian Press today states that if no deal is reached between the CBC's three unions and management a strike or lockout involving 7,000 employees could happen as early as May. They are presently fighting over the issue, as it were, of contracting out, in other words, how much information or programming will be done in house by these unions for the CBC.

This question cannot be resolved because of the lack of direction of the heritage minister and the lack of direction of the government. This is the reason I and many Canadians are so sceptical that the government will be able to do what it says it is going to do.

Last Friday the minister announced a \$10 million program. I should explain that this comes out of a \$120 million slush fund set up by the finance minister. This \$10 million program is called Young Canada Works. It theoretically is going to put 1,900 people in the age bracket of 16 to 30 to work. It is going to involve high school and college students. Of those 1,900 it would be fair to speculate that this summer about one million people are going to be looking for work. That means one person in five hundred is going to be able to take advantage of the program, but how much of a program is it?

Let us make it clear. The Canadian Museums Association in a news release it also put out over the weekend expressed some happiness that this was in place. However, the association should know that the Deputy Prime Minister, Canada's heritage minister, has no idea where the funds are coming from for any of its projects either. What she has basically done is she has slipped her hand into this \$120 million slush fund and has come out with \$10 million.

This is going to be shared with other institutions. It is going to be shared with Young Canada Works in both official languages, Young Canada Works in national parks and historic sites, Young Canada Works for urban and aboriginal youth, and Young Canada Works in heritage institutions.

The point of my submission is that this government has no plan. The minister is out of control. She has no idea of what she is doing. This budget and the way the minister is administering her heritage department is disgraceful.

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, the hon. member for Kootenay East began his debate by stating that the government has absolutely no plan and that the budget should be reflective of the government's plan.

I refer him to the throne speech we began this session with. The throne speech did refer to our commitment to jobs and growth, youth, science, technology and trade. The throne speech referred to security for Canadians. A secure social safety net is very important for the people of Canada. The throne speech referred to a modern and united country. Federalism is constantly evolving. There were

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promises made in the throne speech about a first ministers meeting which will be coming up probably in June of this year.

I now refer the member to the budget. The purpose of the budget is to spell out the government's plan in detail and the implementation of the government's plan. Beginning with our platform in 1993 we fulfilled certain commitments halfway through our mandate. Now we are showing Canadians how we are going to meet the rest of our commitments in the latter half of our mandate.

• (1240)

I would like the hon. member to read the throne speech and the budget speech again. I think he will be assured and he can assure his constituents that this government has a very clear plan for the future growth of this country.

Mr. Abbott: Mr. Speaker, the member unwittingly makes my point. My point is that there is no connection between what is contained in the throne speech and the budget and the activities of the minister. For example on the issue of the fly flag program of the Minister of Canadian Heritage, the Reform Party would say "buy flag, fly flag". In other words, let us have some responsibility. Let us spend \$2 on a little flag and let us fly the flag. Let us spend \$30 on a larger flag let us fly the flag. Let us take some responsibility for that.

The minister wants to go back to 1967 and as a consequence she has come forward with a plan. Her fly flag program was running before the civil servants in her ministry had any idea where the flags were going to come from. Calls were coming in and they had absolutely no idea what they were doing or how they were going to do it. Is it going to cost \$2 million, \$4 million, \$6 million? I do not know and neither do her officials. She came up with \$150,000 out of thin air for a lacrosse project. It goes on and on and is absolutely astounding.

The Liberal member has underscored my point. Yes we have a throne speech and yes we have a budget, both which have nothing whatsoever to do with what the minister is doing on a day to day basis.

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I am surprised my colleague has attacked the Deputy Prime Minister and minister of heritage, with her knowledge and vision of Canada, her commitment to this nation, her boundless energy, her tremendous creativity. I applaud her flag program. I cannot see the value in attacking it.

I am also disappointed the member would say the minister does not have a plan. The minister does have a plan. Either the hon. member does not understand the plan or he is simply quibbling about the fact it is not his plan and therefore he is unhappy.

I would ask my colleague to tell us what his plans are. He suggests he knows what he would do. Let us hear it.

Mr. Abbott: Mr. Speaker, it is rather silly to say let us hear the Reform Party plan. In 30 seconds we are supposed to have a plan.

Every time we end up talking about the heritage minister and the fact that she does run willy-nilly on these things, suddenly I am attacking her commitment to Canada. I would suggest that kind of rhetoric is really unfortunate. To question the commitment to Canada of anyone in this House, save 53 members, is beyond the pale.

We should be able to point out that the minister does run around indiscriminately making all sorts of announcements which her officials then have to run around picking up after her, without my being questioned as to whether I question her credibility to Canadians. Of course she is proud to be Canadian and is committed to Canada, as are the majority of people in this House and I.

The minister is lacking in credibility on the promises she made on the issue of the GST. She is also lacking in credibility by continuing to come forward saying let us do this with the collection fee for the CBC, or let us do that with respect to the CRTC. There is no plan which is exactly the point.

The Department of Canadian Heritage has the ability to be a tremendous fixer of Canada, a cement builder for Canada. It can glue things and permanently pull things together in Canada. As long as this minister continues to fly off in all directions at once we will never see the full value of the Department of Canadian Heritage, and this is a shame.

• (1245)

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I draw the attention of the House on this debate to perhaps a little different approach. I focus it in the words of a professor at a university who was referring to Aristotle, the great teacher and great philosopher about democracy and how it should operate. He said people in government exercise a teaching function. Among other things we, the people, see what they, the government officials, do and think that this is how we should act.

Whether we like it or not the position of legislators in this and many other countries and how they act is somehow interpreted by the people that they should act that way as well.

If we examine this budget from that context and look at the message it sends to the people, in particular to young people, I suggest that there is very little to be proud of. Let us take a few moments to reflect on some of the messages the budget sends.

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The first message is if you cannot afford it, borrow it. The second is if you do not want to pay for it, borrow it and tax future generations and/or spread the burden on to others in society. How have Canadians responded to these messages not only in this budget but in previous budgets? This is not a new trend in Canada.

For example, if you cannot afford it, borrow. Personal debt in Canada, including credit card debt, is at an all time high. There is some indication that less than 10 per cent of the disposable income of Canadians is discretionary. In other words, they do not have much flexibility to spend that little bit of income they have left over after they are taxed. Is it any wonder our retailers are crying that people are not buying? Our economy is dying because they cannot buy. How can they? They have borrowed to the maximum. Almost all of their discretionary income is going to paying those debts so they do not have money to spend.

Then the retailers and the other business people ask how can they get them to buy more. They have various schemes like do not pay until next year, do not pay until two years from now, and most recently, do not pay anything until three years from now. That is dangerous.

The second message was if you do not want to pay for it, borrow it and tax future generations and/or spread the burden on others in society. There is a very strong situation today, and some legislation has been introduced in the House, that students do not repay their loans. Is that good? No, it is not. Can we blame them when they look at their government and say the government is not living up to its promises? It borrows to pay the interest on the debt that is outstanding. The students see this and say there is a double standard. The government says to the student "you pay" but when it comes to its own debt it just keeps on borrowing more.

Abuses to the UI system are examples of how we distribute it around to other members of society. Quit a job that one has to work at for 365 days and get a job where one can be employed for 12 weeks and then collect poge for the other 40 weeks of the year. Who pays for that? Not the individual who incurred it; it is someone else.

The example Canadians see that is set by the federal government in this and previous budgets is one which no one should follow if they want to be in control of their own financial future. The budget is the major policy document of a government and as such ought to be the best example of how Canadians should operate. It does exactly the opposite.

There is another part to this. The budget as it was proposed to us says it is not necessary to tell the whole truth; just tell the people what they want to hear. The deficit is going down which means we are getting closer to balancing the budget. That is good, is it not? So far, so good.

• (1250)

However, do not tell them the debt is actually increasing. Do not tell them the interest is actually increasing. Do not tell them it will continue into the future because there is no plan to eliminate the deficit. Nor is there a target date as to when the budget will be balanced. Do not tell them there will be less disposable income as a result of this budget because taxes will have to increase to pay for it all.

Do not admit that in the election campaign the government promised to kill, slash, eliminate the GST. Instead, quote page 22 of the red book which does not promise to eliminate the GST but to harmonize it.

Do not admit the verbal promises of the Prime Minister and the Deputy Prime Minister went well beyond the provisions of the red book. Instead, when called to account, they declare: "I am not responsible for what I said. I am only responsible for what is said in the red book". That is quite an example, is it not? It is the wrong example for our young people.

Do not tell them there will be a direct and negative impact on social programs, particularly medicare, education and seniors' pensions. In other words, there will be less money available for these programs.

At the same time, we have the government telling us it is really serious about looking after seniors, making sure their pension benefits will continue, that they will be at least as well off as they are today. How can it be serious about a statement like that when the message the budget sends is different?

At the heart of this comes another issue, freedom or liberty. Probably the most serious implication of this and previous budgets is that this important policy document, especially in our senior government, is the absence of wisdom and responsibility in that budget.

It is not wise to spend more money on government programs than the government collects in revenue. It is not responsible to incur debt in one generation which a future generation will have to service and ultimately repay.

How different the attitude that was just published about Albertans. They were asked in a recent poll what the government should do with the surplus. They said to the government pay down the debt, do not reduce taxes. That is wisdom. They understand that as the debt is paid down, the interest to service that debt comes down. That means even if the taxes are kept at the same level, they will buy more. That is wisdom. That is also responsible.

From that perspective, the Alberta position is the correct position. The position of the federal government says keep on borrowing. It is dishonourable and it is an example that we as Canadians should not follow in our own lives.

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The burgeoning debt is the problem. It is the issue. It stands at \$581 billion today. We have an interest bill of \$47 billion. In the four years, as indicated in the 1996 budget, this contemporary federal government has added over \$100 billion to the federal debt.

Why is that important? As has been already indicated, it increases the service costs, particularly the interest payments. Any dollar that is added to the debt will change the amount of interest paid.

Each point of interest has an impact as well. Supposing the interest rates should rise, and it looks like they will, each point rise in the interest rate itself adds \$1 billion immediately to the total interest bill.

How much is \$1 billion? There is a very interesting bit of arithmetic that somebody did not too long ago. I wish I had the time to figure these things out. Somebody sat down and figured it out. If one counted a number at the rate of one per second consistently, each second there would be a complete number. It would take just short of 32 years to get to \$1 billion. That is how much would be added to the interest if the interest rate rises 1 per cent.

• (1255)

Each time that happens it increases the amount of money that future generations will be expected to repay. At present levels of roughly 30 million people in Canada and a federal debt of about \$600 billion, that is \$20,000 per person. Any child born today comes into the world with a \$20,000 debt they will be responsible for in order for us to liquidate that date.

That is what we are doing but is that what Canadians wanted? I do not think so. The number one requirement, which the government hit right on the head when it went into the election, is to create jobs, jobs, jobs. That is exactly what we wanted.

We had over this last week a very interesting development on Friday afternoon and it raises some very interesting questions. For example, airlines in Canada must be 75 per cent owned by Canadians in order to fly but bus lines transporting people on the highways do not have that restriction. What kind of sense does this make? Is this a matter of Canadian culture and Canadian identity or is it about competition and preferential treatment of some over others?

What is it we want to preserve? A viable economy? A Canadian culture? Preservation of our social programs? I say it is all three. We want all of these. Our job should be to establish and maintain a culture which rewards entrepreneurship, innovation and research and ensures a level, competitive and honest workplace and marketplace.

Governments lead by example. I implore the Prime Minister that the government change the example so we can follow it because it

reflects wisdom and responsibility, not this last budget which reflects the exact opposite of wisdom and responsibilities; it is neither wise nor responsible.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, following on the point of not being wise or responsible, that is a fairly substantial indictment.

Earlier I spoke about being part of the solution rather than part of the problem. When the government took over after the last election, the financial year ended in March 1994 and the government had a deficit of 6 per cent of GDP.

The finance minister in his first budget brought in the concept of two year rolling targets. We have achieved 5 per cent in the first full year of deficit to GDP; 4 per cent in the second; 3 per cent will be the percentage at the end of March 1997; and a commitment by the government, by the finance minister, to further reduce that to 2 per cent deficit to GDP.

We are getting very close to delivering to the people of Canada a balanced budget. We have hit the targets. We have set them. They have been realistic and balanced in a way which will not impact negatively on seniors, on our health care system which keeps the country together, on young people, on jobs and on economic growth that we have been experiencing.

The indictment this member makes tells me he is spending more time lamenting the past rather than looking forward to the future.

Mr. Schmidt: Mr. Speaker, I find it rather interesting that the member opposite would suggest that the meeting of the target of 2 per cent of GDP is a desirable goal for the deficit.

I wonder if the member recognizes that doing that means a perpetuation of a deficit on a continuing basis. If the gross domestic product should rise, which I hope it will and it looks like it will, it will automatically allow the government flexibility to increase that deficit which means the end result is not a decrease in the government debt but an increase in the government debt.

The very point the hon. member is making is the exact opposite of what he is trying to prove. It is true that there is less of a deficit today than there was last year, and that is commendable, but the point is that even \$1 of deficit is too much because it increases the debt. When will the government recognize that to be wise and to be responsible means to tell the truth, the whole truth, not part of it? Tell the people the implications of this debt. Tell them the implications of the interest rates and how it will increase the debt. That is the whole story.

• (1300)

Am I supposed to suggest that everything about this budget is bad? I did not say that. I said tell the truth, tell it the way it really is rather than telling part of the story. That is the issue.

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The member makes a big point about being on track and having reached the targets, et cetera. There was a target. It was to eliminate the GST. I ask him, where is the elimination of the GST? That was the promise. That was the promise they campaigned on. Where is it?

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, I cannot let the hon. member's incorrect statements go unchallenged.

I refer him to the budget speech. He complains about what was and was not said to the public. The Minister of Finance said: "The new funds that government must borrow from financial markets each year will be cut to \$6 billion, 0.7 per cent of GDP in 1997, the lowest among all G-7 central governments". The minister went on to say: "The debt to GDP ratio, the size of the debt in relation to Canada's economy, will finally begin to decline in 1997-98. The economy will grow faster than the debt". There are the statements in black and white made publicly in the House of Commons.

How can the Reform members, speaker after speaker, say that we are not open and honest with the public?

Mr. Schmidt: Mr. Speaker, my point has been proven again. I quite agree the government is going in the right direction. But it does not matter how long we proceed or how much slower we proceed to the edge of the waterfall, the waterfall is coming. If we slow down the canoe by paddling backwards slower or faster so that progress toward the edge of the precipice decreases, we are still going to come to the edge of the precipice sooner or later.

With all due respect to those statements, the fact still remains that the debt is increasing and our interest costs are increasing. Unless we change that direction we will not get our debt under control.

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, it is my pleasure to speak in support of the 1996 budget brought down in the House on March 6, 1996 by my hon. colleague, the Minister of Finance.

Let me say at the outset that I believe this is a good budget for all Canadians. It has particular relevance to many aspects of my portfolio as Minister of Natural Resources.

[*Translation*]

The difficult decisions we took and the measures that we announced create an environment conducive to economic growth and job creation.

[*English*]

The variety of measures announced by the hon. Minister of Finance affecting the natural resources sector result from a series of intensive consultations with the provinces, with industry and with stakeholders in Canada's natural resources sector. We listened to the views of Canadians and we delivered.

The announcements by the Minister of Finance solidify my department's progress to focus on sustainable development and jobs and growth in the energy, mining, forestry and earth sciences sectors. This progress is critical because these sectors make a substantial contribution to Canada's overall economic growth, to job creation and to the trade surplus.

In addition, the work of my department reflects the federal government's core responsibilities in those areas where national effort and co-ordination are necessary.

[*Translation*]

First, I would like to talk about the budget announcements regarding renewable energy and energy efficiency. Canadians who work in the renewable energy sector have a vision of the future. They work hard to ensure that Canada is at the leading edge of developments in this important sector.

• (1305)

[*English*]

In the spirit that environmental health and economic development should complement each other, the federal government's green power procurement policy and the tax changes in the 1996 budget emphasized the commitment we made in the red book to renewable energy and energy efficiency industries.

The income tax changes will provide a level playing field for certain renewable and non-renewable energy investments. The creation of the Canadian renewable and conservation expenses, or CRCE, will provide renewable energy investments with similar treatment to that afforded to non-renewables.

This will attract new investment to the Canadian renewable energy industry. Officials in my department will join their colleagues at Finance Canada to begin consultations with stakeholders to determine the types of expenses that will be included under this expenditure category. I expect this work to be completed this fall.

I should point out that I have been gratified to receive many letters from individuals and associations in the renewable energy sector who expressed their thanks to the Government of Canada for these progressive announcements in the 1996 budget. These announcements respond to the needs of the Canadian renewable energy industry. We listened and we delivered.

For this reason, I am working with my colleague, the hon. Minister of Finance, on a process for consultations on proposals for tax measures to promote energy efficiency investments. I expect to join my hon. colleague in making an announcement on the timetable for consultations very shortly. The objective for this process will be to recommend measures for implementation in the 1997 budget.

In the meantime, I am committed to ensuring we play a role in further progress by Canada's renewable energy sectors. For

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example, in the very near future I expect to release a renewable energy strategy. This strategy will continue to emphasize the importance of R and D and stronger market development activities.

Success by Canada's renewable energy sector, both at home and abroad, will contribute to economic growth and jobs. In addition, the renewable energy sector offers significant potential to help Canada move toward its international climate change commitment to stabilize greenhouse gas emissions at 1990 levels by the year 2000.

Let me now move to more traditional energy forms. In this regard I would like to speak about Alberta's oil sands. Let me remind members of the House that the oil sands deposits in Alberta are estimated to contain more recoverable oil than all the reserves of Saudi Arabia, more than 300 million barrels. The national oil sands task force has estimated that in the next 25 years new investments totalling approximately \$25 billion will help create approximately 44,000 permanent new jobs in the oil sands industry.

The federal government recognizes the potential of the oil sands industry to spur economic growth and create jobs. However, to realize the potential of this enormous resource, the oil sands industry requires increased investment.

To send positive signals to the investment community, the 1996 federal budget provides a generic tax treatment for all oil sands projects. In short, the tax treatment previously accorded to oil sands projects using mining methods has been extended to cover all oil sands projects. Tax incentives that were available for new projects and major expansions will now include investments in environmental efficiency improvements.

The Government of Canada has made these changes for three reasons. They will promote economic growth Canada-wide. They will increase domestic oil supply and they will stimulate job creation.

The fiscal changes made in the 1996 budget, along with recent changes to Alberta's royalty framework, will establish a clear, consistent and attractive regime for oil sands investors. These changes will encourage them to invest in Canada rather than competing projects in other countries.

• (1310)

The importance of this attractive framework for the economy of Alberta can hardly be overstated. There is no other industrial or resource opportunity that compares in size to the oil sands. Oil sands development offers the promise of major growth in investment and income well into the next century.

I should point out these benefits will not be restricted to Alberta. Studies conducted under contract to Industry Canada demonstrate the procurement benefits from oil sands development will flow to

more than 50 different industrial groups. Simply put, jobs will be created across the country.

Moreover, the changes in the 1996 federal budget affecting the oil sands industry reflect many of the recommendations by the national task force on oil sands strategies. Again, we listened and we delivered.

Let us move to other changes announced by the Minister of Finance that provide benefits for Canadian mining and oil and gas industries. In mining, investment in Canadian mineral exploration has been rising. In fact, 1996 will be a banner year for mineral exploration. The Government of Canada shares the excitement in this increased exploration activity. We are working hard to ensure a bright future for mining by living up to the commitments made in the Liberal mining policy.

[Translation]

The mining industry, including the Prospectors and Developers Association of Canada and the Association des prospecteurs du Québec, were asking for changes to the flow-through share system.

[English]

They requested that eligibility rules for these shares be tightened to ensure that the benefits are delivered only where they are most needed to support new grassroots exploration activity. The 1996 budget delivered.

In addition, the Minister of Finance announced an extension of the 60-day rule for flow-through shares to one year. As a consequence, mineral and metal and oil and gas exploration activities will be more efficient. The risk to investors will be reduced and greater efficiencies will likely lead to more discoveries. These new mineral discoveries will provide new opportunities for economic growth and jobs in Canada and increase the benefits of jobs and growth in existing mining communities in both rural and urban Canada.

I would like to move to other budget announcements, in particular those concerning Atomic Energy of Canada Limited, or AECL. AECL's budget will be reduced from \$174 million in 1996-97 to \$100 million in 1998-99. AECL will focus on maintaining a viable and competitive Candu business at a reduced cost to the federal government. AECL will capitalize on its business potential and will continue to make a significant contribution to Canada's economic growth and the creation of high skilled jobs in an area of advanced technology.

Nearly 20 per cent of Canada's electricity is produced by Candu reactors and the foreign sales of Candu technology bring important economic benefits home to Canada. For example, the projects to build three Candu reactors in South Korea are bringing more than \$1 billion in contracts to Canadian companies.

The magnitude of the budget cuts required difficult trade-offs. One of these trade-offs was funding for basic science activities that are not directly linked to the Candu program. However, the

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Government of Canada is committed to seeking alternative sources of funding and other institutional arrangements for some of the key basic science activities that AECL has conducted until now.

[Translation]

Let me tell you that the decision of the federal government to withdraw from the financing of R and D programs concerning fusion in Ontario and Quebec was a very difficult one to make but that fusion is not presently a priority of the federal government. Actually, we believe it will take some 30 years before fusion technology can be marketed. The Government of Canada must clearly focus its resources on short term priorities.

• (1315)

Moreover we believe that Ontario Hydro and Hydro-Quebec can financially support R and D fusion projects on sites where this sector is a priority.

[English]

The federal government is determined to deliver good government at a lower cost to the taxpayers of Canada. My department continues to play a leading role in this effort among all federal departments and agencies. Let me make a few comments about the budget's announcements with respect to the operations of my department. All members of this House will recall that the results of the first phase of the federal program review dramatically reduced the size and the budget of Natural Resources Canada and many other departments.

The results of the second phase of program review have identified further reductions in my department's budget of \$14.6 million or 3.3 per cent in fiscal year 1998-99. Both programs and staff levels will be affected. While detailed decisions will be taken during the next 18 months, present estimates suggest a reduction of between 75 to 100 positions in 1998-99. These further reductions together with cuts announced last year will result in a reduction of roughly 60 per cent of the resources in my department.

These reductions will be reflected in a more focused role for NRCan in the natural resources sector, a role that emphasizes science and technology, the regulatory and policy regime, international trade and market access and knowledge of Canada's land mass.

Program review is a continuing commitment to get government right. We will continue to examine what we do and how we do it. The objective is to keep looking for a more efficient and effective contribution to a stronger federation. This is critical to meeting the future challenges that face Canada, challenges that include maintaining the federal contribution to jobs, growth and sustainable development in the energy, forestry, mining and earth sciences industries. NRCan is achieving what we promised in the speech

from the throne. We are withdrawing from areas where others can function more appropriately.

As a result the work of my department reflects the federal government's core responsibilities in the areas of international trade and investment, science and technology, aboriginal matters, federal crown lands, national statistics and environmental issues. These are areas where national effort and co-ordination are necessary.

In addition, my department is already engaged in many partnerships with stakeholders in the natural resources sector, including the provinces and the private sector, to explore further changes in the way it fulfils its federal responsibilities. In fact, I believe my department is setting an example for other federal departments and agencies. NRCan's approach to partnerships is an excellent model for efficient and effective federal activities that reflect the objectives set out in the speech from the throne.

In conclusion, this is a good budget for all Canadians and it is particularly a good budget for the natural resource sectors. The announcements by the hon. Minister of Finance concerning our resource sectors result from serious, meaningful and productive consultations with all stakeholders.

The income tax changes will have positive benefits for these sectors throughout Canada. These changes will increase prospects for investment, stimulate economic growth and create jobs for Canadians. In addition they will stimulate investment in key areas that are critical to Canada's progress toward sustainable development. The reason for this is simple. The Government of Canada listened and the Government of Canada delivered. We will continue to listen to all Canadians and we will continue to deliver.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I listened with interest to the minister's comments about Canada and about Alberta in particular.

• (1320)

In Alberta there is a great deal of pride developing. We have our deficit at zero. We now have a surplus budget. We now have a plan to take care of our debt. That is very positive particularly in the resource industry. We have a very positive feeling that things are moving forward. When is the minister's government going to develop that same plan at least to get the deficit under control and then show that vision that something further is going to happen?

On a second issue, the many businesses in my province of Alberta and her province of Alberta are very concerned that those provinces which have socialized their utilities are still going to receive the advantages of the federal government's tax deduction. Those provinces that have privatized and have a free enterprise efficient utility industry are now not going to get that refund. The effect of that on all business, in turning one province against the other and not creating a level playing field is of great concern to

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many of my constituents and I am sure to many of hers and many others in provinces like Alberta. I would like her to comment on that.

Ms. McLellan: Mr. Speaker, I thank the hon. member for his many questions. Let me see if I can remember them all as I work through them.

First of all the hon. member talks about a plan in relation to deficit and debt reduction. It is very plain that if the hon. member reads the three budgets that my colleague, the hon. Minister of Finance has brought down over these past three years he will see a plan. I would suggest probably for the first time in many years one sees a plan, a clear blueprint, in relation to how we will deal with the deficit and the debt in this country.

I think the success of that plan, the acknowledgement of that plan, is clear in the reaction not only of financial markets here at home but financial markets around the world. If my hon. colleague needs reassurance he can find it in the three budgets that my colleague, the Minister of Finance, has delivered.

In relation to the specific question the hon. member raises regarding PUITTA, the public utilities tax, this was a rebate provided initially by both the province of Alberta and the Government of Canada. The Government of Alberta chose to repeal the rebate to Albertans in 1990. I can direct the hon. member to the exact page in the Alberta legislature's Hansard if he would like. Alberta did so specifically because of its deficit and debt situation. As I understand it the Government of Alberta in fact has saved itself \$90 million a year by repealing its rebate.

The federal government chose to do the same thing in the 1995 budget delivered by the Minister of Finance. However because the federal government is acutely aware of the importance of level playing field issues, the Minister of Finance has created a task force involving ADMs of taxation across this country. This task force is looking at the whole question of tax treatment of private and public corporations.

As the hon. member is undoubtedly aware, this difference in tax treatment arises because of section 125 of the Constitution Act, 1867. This provides the Minister of Finance with some significant limitations in terms of how we deal with issues of level playing field.

However, the Minister of Finance has chosen to create this task force on which might I add there are not only federal and provincial finance officials but also representatives from industry, which I believe include TransAlta Utilities Corporation, Ontario Hydro and Nova Scotia Power. We are looking at this difficult question of the level playing field and how one creates it in the context of public and private corporate entities. We look forward to the report of that task force in the months ahead.

• (1325)

[Translation]

The Acting Speaker (Mr. Kilger): Resuming debate. The hon. member for Témiscamingue. Would the member inform the Chair if he will be sharing his time?

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I will share my time with the hon. member for Drummond, who will speak during the second half of the period. Afterwards, there will be a 5 minute questions and comments period.

It is my turn to have my say on the last federal budget that was brought down on March 6. During the next 10 minutes, I would like to address certain elements of the budget pertaining essentially to the new Canada social transfer.

We knew since last year that the federal government planned to merge its old cash transfers to provinces into a single new program, the Canada social transfer. This program is a combination of established program financing and the Canada assistance program.

What the government has done is reorganize various transfer programs, establishing a single program and reducing the global envelope. The amount of funds that will be devoted to the Canada social transfer will be \$11 billion. By creating this new package, the government is trying to delude us into believing that, in the field of transfer payments, it did not make real cuts. And to come to this twisted conclusion, it adds up the tax points which were given in the past, and it adds up the equalization payments if that can be helpful in certain cases. In short, the government is twisting the facts.

Let us simply look at the figures, the real ones. When it came to power, this government devoted \$17 billion to the old programs, the cost shared program for post-secondary education, the Canada assistance plan and the cost shared health program. The government provided \$17 billion; this year, it will provide only \$11 billion. At one point it was even almost \$18 billion. So, it reduced that amount by 6 or 7 billion. It is simple: 17 minus 11 gives 6. It cannot have us believe that it is giving us more money than before. No matter what numbers you add, no matter how you present it, reality speaks for itself.

At the same time, the government is maintaining the same standards. A few minutes ago, an hon. member on the other side said: "We guarantee social security because we are still maintain a presence in the health field to ensure a universal system for all Canadians". What the Liberals do not say is that they ask the provinces to find new ways to give the same services with less money but by applying the same standards. The government

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announced its cuts one or two years ago but, in practice, the provinces are the ones that have to live with them.

We see Quebec and Ontario trying to cope with those cuts that were imposed on them. In fact, I am not sure that Canadians are convinced that the federal government is there to ensure an absolute social safety net, as the members opposite claim. The federal government wants to take credit for the good things and pass the bad things on to the provinces. Often in politics, someone will reap the benefits from a situation and have others pay for it. That is the strategy behind the Canada social transfer.

I think that we must be honest with the public and say that the \$6 billion in cuts made by the federal government in transfers to the provinces is in money that went to social assistance, health care and education. These are three areas from which the federal government has withdrawn, asking the provinces to make the more surgical cuts.

I now want to deal with the area of post-secondary education. In the case of Quebec, there have been cuts totalling nearly \$300 million. The federal government is telling students that it is the institutions and the provincial government which are raising tuition fees, that it has nothing to do with it. Of course, what choice do they have when they end up with \$250 to \$300 million less? They either have to make substantial cuts in the system or increase tuition fees. For the moment, the Government of Quebec has chosen to try to absorb the cuts without raising tuition fees. But other provinces have had to do it, and Quebec will have to consider doing it also, if the federal government continues to follow this path.

• (1330)

Students are told that there are no cuts, but there is a \$250 to \$300 million shortfall that, sooner or later, will inevitably result in increased tuition fees or reduced services. At the same time, the government proposes a student summer employment program. Many of us know about that kind of program. When we were students, we all have looked for summer jobs to help pay for our education and to try to gain practical experience in a field related to our field of study.

In its first year in office, the government maintained the funds allocated in this area. Last year, it reduced these funds by about 40 per cent. This year, it is practically doubling these funds to make the annual cuts of \$300 million in the case of Quebec less difficult to swallow. The government will pour \$60 million more into the summer student employment program for one year only, so it can say: "Look what we are doing for you". It is getting as many political points as it can from these \$60 million.

We will see what kind of program the federal government will announce to get more visibility, while cuts are being made in a

more indirect way so that somebody else has to deal with them and pay the political price for them.

Figure it out yourself. Take \$300 million a year and multiply that by five, ten or even fifteen years if you want, and compare that to \$60 million for one year. Will there be more? We will see, but I would be surprised. The government has not said that this was a permanent increase in that program's budget.

So this is a way to make students swallow the bitter pill, to avoid creating too much dissatisfaction among a client group which seriously questions the existence of the federal government and which counts a high percentage of sovereignists in Quebec. The government avoids creating discontent as much as possible among students or tries to make sure they will not be able to clearly understand what is really going on.

I have discussed with some representatives and no one is being fooled. Student associations have a clear picture of what is going on. They too have problems understanding how they come out as winners in such a situation. This does not mean that we should make no financial effort in this sector. We still must have the honesty to recognize what is being done. A budget must not be nothing but words that conceal reality.

In the last two or three minutes I have left, I would like to talk about subsidies to dairy producers. The two regional county municipalities located at the southern and northern ends of my riding, Témiscamingue and Abitibi-Ouest, have numerous dairy producers. The last budget announced a phasing out of subsidies to dairy producers.

This will create a new reality: there will either be a rise in the price of milk or a major income crisis for dairy producers. The federal government would like us to believe that it took this decision in consultation with producers. The government refers to industry and says it talked to industrial entrepreneurs but it never says it talked to producers. This is difficult to accept.

What people accept even less is that at the same time, the federal government has long had an agriculture policy that supported in a very substantial way the grain industry in the West. We had the Western Grain Transportation Act and the Crow rate, known by everyone in the agricultural sector. When the federal government decided to abolish that, generous compensation programs were set up.

For them, there was a transition period, but for Quebec producers, there has just been talk of looking into it, discussing it, but nothing has been done, nothing concrete announced, and no major developments are expected.

How can it be that, when abolition of the Western Grain Transportation Act was announced, compensation mechanisms were already in place? How is it that, when Quebec and eastern Canada are involved—for it is not just Quebec but also part of

The Budget

Ontario—the thing is impossible, while, when the west was involved, it was an absolute priority?

In the federal government's eyes, right from the start, agriculture has essentially equalled western beef and grain. This is hard for taxpayers in Témiscamingue to swallow, when they are dairy producers or the neighbours of these producers.

This last budget contained something unacceptable to the people in the rural areas of Quebec, and Ontario, and the dairy producers of these areas. The industry is, as we well know, mainly concentrated in Quebec.

• (1335)

I could have spoken about unemployment insurance as well, as many of my colleagues have done, about making use of a \$5 billion surplus, year after year, instead of making less of a cut to the benefits paid to the unemployed or to the amounts workers and employers have to pay into the fund, thus injecting more money into the economy and trying to make use of it to revive employment,

Employment was a recurring theme during the campaign, but there is no sign of government action on it between campaigns. This creates a problem, and it is something I hear about constantly from the people in my riding. It worries them a great deal to see that employment is being taxed, because the surplus is being tapped year after year. That \$5 billion represents a lot of money that could have been put to another use, instead of reducing the deficit with it.

These are the elements in the budget on which I wished to speak, the ones I see as the most negative. There are also a number of measures that are not bad, but I am sure that the hon. members across the way will enjoy listing them, so I decided to concentrate essentially on those three.

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, I am pleased to rise in this debate on the latest federal budget, which smells suspiciously like an election budget, because the measures it contains are not particularly heavy or harsh. We could even say the budget was a sort of pacifier for Canadians, except perhaps for the cuts to the dairy subsidies—a flagrant injustice to Quebecers and milk producers.

Apart from this injustice, the latest budget could be called an electoral budget to mollify Canadians, in preparation for elections this fall or next spring perhaps. The most difficult measures have already been put into effect, in the previous two budgets. When the Liberal government was elected three years ago, the government was widely known to have a big problem, that of the debt and the deficit. They have reached \$550 billion and have even been

predicted by department and government statistics to go over \$600 billion by the year 2000.

It is a huge problem. It is Canada's major problem, which the Liberal government undertook to resolve. It is so serious that Canada has the highest debt in the world in terms of its gross domestic product apart from Italy. Canada has already been warned of the precariousness of its position by the International Monetary Fund. There are leaks everywhere. Technically, we could even say that Canada is bankrupt, so to speak.

This is all to say that the problem of the deficit and the debt is extremely complex, severe and serious. What have the Liberal members done since their election three years ago? Not much. They could have done a lot. They could, for example, have reduced the number of senior officials, because there are a lot of them and their salaries are very high and their expense accounts substantial. There is a lot of waste here.

• (1340)

The government has decided to reduce the number of public servants by 45,000, mostly at the lower and middle levels. Normally, some 15,000 public servants retire every year. This certainly does not qualify as a major effort to reduce the size of the public service. The federal government could have cut its spending or at least contained its losses.

As a former member of the public works committee, I know that there are many loopholes for federal funds to slip through, contracts being one of them. Some \$10 billion a year is spent on contracts. There is a great deal of abuse and waste in this area. So far, the government has not done much to close these loopholes.

Even the auditor general's numerous recommendations were not taken into consideration in the government's previous budget measures. Senate spending was not cut. Senators' pay could have been reduced to \$1 a year rather than the thousands of dollars they receive for doing nothing. The Senate costs Canadians \$50 million. This is a rather shameless waste of Canadian taxpayers' money.

The government could have made significant cuts to its defence spending. DND's budget exceeds \$12 billion a year. The Somalia affair and other recent events clearly show that DND is not the most effective of federal government departments. Had the Liberal government been seriously committed to reducing the federal debt and deficit, it could certainly have cut the defence budget by several billions of dollars.

It could have tightened up tax measures for corporations. As we know, tax evasion in Canada represents between \$3 billion and \$4 billion. Corporations shelter their profits in countries like the Caribbean islands to avoid paying taxes. Canada's losses due to tax evasion are estimated at \$3 billion to \$4 billion. The federal government did not act in this area either.

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Another option would have been for the government to crack down harder on the banks. Last year alone, banks made \$5.2 billion in profits, record profits, but this government, the Liberal government, collected from the six chartered banks something like \$100 million over two years, which represents less than one per cent of their net profits.

The government could also have imposed restrictions or made other changes to family trusts. Again, this is an especially interesting case, in that family trusts benefit the wealthy, Canadian families which are fabulously rich. The Minister of Finance himself is one of the fabulously rich Canadians who can invest their net profits in family trusts to avoid paying taxes for generations and generations. Because of such trusts Canada's wealthiest families avoid paying taxes altogether.

It is estimated that taxation is avoided on nearly \$100 billion through family trusts. The federal government could have collected taxes on family trusts to help resolve its very serious debt and deficit problem.

• (1345)

I have just listed nine measures this government could have taken to reduce its debt, but it did not see fit to act in those areas. Instead, the government decided to act in two well-known areas. It is worth repeating because it reflects the basic thinking of this Liberal government. It very clearly shows that, in Canada, the rich, the wealthy are spared while the most vulnerable are hard hit.

The only two measures taken by this government to reduce its deficit and its debt were to cut transfer payments to the provinces by a few billion dollars, some \$7 billion, by the year 2000. As we know, these transfer cuts will affect education by reducing funds available for education purposes. This means that Canadian youth are directly affected. Health transfers are cut, which means that the sick will be affected.

The other measure soon to be announced concerns changes, cuts to old age pensions, which, as we already know, will affect mostly senior women. Cutting transfers to the provinces is a measure designed to leave the provinces holding the baby by giving the impression that they are the ones making cuts.

The measure to be taken in another area, namely unemployment insurance, is perhaps the most outrageous measure this government has ever taken. It is actually asking the unemployed to contribute to the debt reduction effort. Nothing less. Since 1990, the federal government has not contributed a single dollar to the UI fund. The money comes from the contributions of workers and employers. The federal government does not contribute one penny to the fund.

Last year, the federal government took out about \$5 billion from the UI fund. It will do the same this year and next year. Over that three-year period, \$15 billion will have been taken out of the UI fund and used to reduce the federal government's debt.

This is a disgrace because it is basically a misappropriation of funds. The money in the UI fund should be used to provide training programs for the jobless, but the government has other ideas. This Liberal government is dishonest to the point of reducing the amount that the unemployed can receive, setting tougher eligibility criteria so that fewer people will qualify for UI benefits and, in addition to that, misappropriating money from the UI fund and using it to reduce the debt.

This is a dishonest and unfair measure which is tantamount to a fraud. The government is defrauding those who contributed to the fund, namely workers and employers. It is purely and simply a fraud. That money was to be used for the benefit of the unemployed and to provide training for workers. Instead, this government is using it to reduce its debt.

• (1350)

Of all the initiatives that it could have taken to reduce its debt and its deficit, the government opted for two measures which mainly seek to get money from the most vulnerable members of our society, namely the unemployed, the sick, young people and women, while protecting rich people, family trusts, banks and corporations.

In conclusion, this series of measures spread over a three-year period clearly show the spirit of that Liberal government, which seeks to spare the rich and to hit the most vulnerable ones in our society.

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, first of all, I have a few comments to make. I wonder how my colleague would define the words "dishonest" and "fraud". What does he think they mean? Is he prepared to make these kinds of accusations outside the House of Commons?

I only have one question for him. What does he think his cousins now in power in Quebec, his former leader, will cut when the time comes for a budget in his province? Does he think that the organizations that he mentioned earlier this morning and that were supposedly treated so badly by the Canadian government will be cut, yes or no?

Mr. Marchand: Mr. Speaker, there is no question that the way the federal government used the unemployment insurance fund is tantamount to a fraud. It is a fraud to use this fund for purposes other than what it is usually used for. It is a misappropriation of public funds. The money employees and employers put in the unemployment insurance fund is supposed to be used for unemployment insurance purposes. It is not all that complicated. The unemployed are either compensated by directly receiving unemployment insurance benefits or by taking part in training programs. This is why the unemployment insurance fund was set up in the first place.

When the money is used for purposes other than to help the unemployed, it is called fraud. It is dishonest. We are lying to the Canadian citizens, to employees and employers. They are asked to contribute to a fund which is not used to meet their needs, so it is a misappropriation of funds. I do not think we can be any clearer over the fact that the government is guilty of fraud, since it is misappropriating public funds. We, in Quebec, are at least honest enough to avoid all the hypocrisy shown here by the current Liberal government.

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, since the Bloc's arrival on the Hill, for the past two and half years or so in particular, they have been singing just one song: tax loopholes, trusts, big business. I must point out that, when the entire issue of family trusts was examined, the Bloc's minority report had no suggestion whatsoever for another way of dealing with them.

As well, when we ask the Bloc to offer concrete suggestions on how to bring the \$45 billion deficit down to zero, they always tell us to go after the \$6 billion in bad debts.

• (1355)

Everyone knows that there is no long term reduction to be found in bad debts, only a short term one for the year involved. Procedures have been established for debt recovery.

A surtax has also been levied on financial institutions. The hon. member talks of our dipping into the unemployment insurance fund. This I find totally unacceptable, particularly in a context where, with the possible exception of this year, Quebec has received more from the unemployment insurance fund than it has contributed.

What I want to ask the hon. member is this: Is it not prudent, in a recession, to always create a reserve so as to avoid additional burden on the government? During a recession, we all know social programs increase, thus increasing the burden, and revenues decrease.

I therefore find it unbelievable that the Bloc members keep on telling us we must not touch the \$5 billion in the reserve we have created. The precise reason for creating a reserve fund is to avoid a potential recession. Is that not prudent?

Mr. Marchand: Mr. Speaker, perhaps I should have spoken English, because I do not seem to make myself understood in French. Of course it is obvious. You would have to be nearly blind not to recognize that the government is using the money from the unemployment insurance fund fraudulently. In other words, this money is not being used for unemployment insurance but for federal deficit reduction. It is a fraud. It is dishonest—there is no other way to put it.

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When they say, as my colleague has just pointed out, that the Bloc has not proposed practical measures to reduce the deficit, I would point out that, on the matter of family trusts, the Bloc suggested they simply be abolished. Some \$100 billion is in family trusts in Canada. This money is not taxed. It is set aside for the wealthiest families, the super rich, which includes the Minister of Finance. That was one of the suggestions we made. In fact, I made eight this morning the government has not acted on.

So, the hon. member's repeating the Liberal government's harebrained, hypocritical and dishonest ideology does not stop me from seeing clearly that unemployment insurance funds are being used fraudulently and that the Liberal government has neither the backbone nor the guts to resolve its finances as it could have done had it really wanted to.

STATEMENTS BY MEMBERS

[English]

MACKENZIE

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, 1996 is a watershed year for the town of Mackenzie in my riding.

Unfortunately it is not positive. Due to the inaction of the government, the residents of this small, isolated community nestled in the Rockies have lost their northern living allowance. Why are the residents of Mackenzie discriminated against while thousands of people living in cities further south still qualify?

1996 also marks the 10th anniversary of spring weight restrictions for trucks travelling the Alaska highway to Yukon. The continued imposition of the 75 per cent load restriction is unfair and costly to trucking companies and northern residents.

Millions of resource dollars flow out of our region and little is put back. Like the Trans-Labrador highway, the Alaska highway is not even finished yet. Northerners in my riding are fed up with their needs being ignored by the government.

When will the government recognize that the north is a vital part of Canada's economy?

* * *

• (1400)

LEARNING DISABILITIES

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, last month was designated as Learning Disabilities Month. There is not a lot of recognition paid to learning disabili-

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ties even though one in ten or 2.9 million Canadians have this type of disability.

Learning disabilities are permanent disorders which affect the way individuals with normal or above normal intelligence receive, store, organize, retrieve and use information. These difficulties show up in five distinct areas: visual, auditory, motor, organizational and conceptual. Such difficulties extend to school, work, social functions and employment and can impede learning to read, to write or to do mathematics.

We can help to increase public awareness of learning disabilities by talking about them whenever there is an opportunity and educating the public to help these individuals live a fuller more productive life.

* * *

PENSIONS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise today to acknowledge and thank the many constituents in my riding who took the time to take part in a public pension forum I held in Rosseau last week.

Close to 70 people turned out to provide me with their comments, concerns and ideas about how to improve Canada's public pension system so that it will be affordable, fair and sustainable for future generations of Canadians.

My constituents invested their time and energy to learn about options to change the Canada pension plan and the details of the proposed new seniors benefit. They considered and suggested potential solutions. They participated in round table discussions with their peers and put forth recommendations that I will in turn forward to the ministers of finance and human resources development for consideration in future deliberations.

I thank my constituents for their valuable interventions on the subject of public pensions. I encourage them to keep coming forward with their thoughts and ideas.

* * *

[Translation]

DISTINCT SOCIETY

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, even after being distorted and robbed of any meaning in an attempt to sell it to English Canada as a meaningless concept that would give Quebec no additional powers, the concept of distinct society is still too much for federal Liberals.

This became obvious last weekend when the Quebec wing of the Liberal Party of Canada tried to kill the distinct society concept and replace it by stating the obvious and recognizing Quebec as the

principal homeland of French language, culture and legal tradition in North America.

The Liberal Party of Canada, led by the Minister of Intergovernmental Affairs, is acting in an arrogant and provocative manner toward the people of Quebec by proposing nothing more than a simple acknowledgement of a fact that has been recognized since the 1760 conquest.

If this is the proposed reconciliation plan, the government is not taking the people of Quebec seriously or treating them with respect. It is reneging on the promises made in Verdun during the last referendum and, when the time comes, the people of Quebec will remember.

* * *

[English]

PARKINSON'S DISEASE

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, April is Parkinson's Awareness Month as proclaimed by the Parkinson Foundation of Canada.

Since its formation in 1965 the foundation has been devoted to the support of research into the cause, treatment and cure of Parkinson's disease, a chronic brain disorder suffered by approximately 100,000 Canadians.

Through the various chapters of the Parkinson Foundation of Canada, a number of fundraising events are being planned across Canada to raise money for research, to promote public education and to develop patient and family support services.

Each April the beautiful red and white Dr. James Parkinson tulip, the official symbol of Parkinson's, is sold to the general public and businesses. One of the selling days coincides with Secretary's Day on April 24. Other fundraising events include a national cut-a-thon on the last Sunday in April in which hair salons across Canada offer their time and talent for a small donation.

I encourage all Canadians to do their part in contributing to the search for a cure for Parkinson's disease.

* * *

FOREIGN AFFAIRS

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, on March 1 the Minister of Foreign Affairs praised my position in the Haiti debate, but a few days later when I questioned his ministerial actions with respect to Haitian peacekeeping and aid to China he reverted to form and accused me of isolationism. I do not know which I find most offensive: praise from that particular minister or his personal attack.

The minister should understand that Canadian support for the UN in Haiti does not mean being a doormat and that Canadian trade with China does not require an annual foreign aid bribe of \$162 million. Nor do relations with China require our Export Development Corporation to provide financial assistance for the Three Gorges project, a grandiose boondoggle which will displace 1.25 million people.

* * *

• (1405)

[Translation]

NATIONAL UNITY

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, after more than three hours of debate, the rank and file of the Liberal Party of Canada in Quebec passed a very important resolution on national unity and cohesion.

This resolution reaffirms with great conviction and sensibility our government's main commitments on national unity. Among other things, federal Liberals in Quebec stated in clause 1.4 of the resolution that the Liberal Party of Canada supports enshrining in the Constitution the principles recognized in the December 1995 parliamentary resolution defining distinct society.

This shows once again the great synergy and ideological cohesion between the rank and file of the Liberal Party of Canada in Quebec and the Liberal government on issues as fundamental as Quebec's place within Canada.

* * *

TEXTILES MONTEREY

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the announcement that the Textiles Monterey mill will reopen is another indication of the vitality and entrepreneurship of the people of Drummond. Last September, 270 jobs were lost after the company declared bankruptcy. In just six months, a group of former employees, both managers and workers, came up with a business proposal to acquire the company's assets and to specialize the new company's production.

The reopening of Textiles Monterey is the fruit of the collaborative efforts and great determination of all stakeholders: the employees, the union, the financial institutions, the FTQ solidarity fund, and the three levels of government. The success of this operation stems from the establishment of a financial network and, above all, a dialogue between local resources.

On behalf of all my fellow citizens of Drummond, I wish every success to the shareholders of the new Textiles Monterey company.

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[English]

PUBLISHING INDUSTRY

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the Liberal government has said it wishes to support small businesses, but wishes are not policies.

The performance of Canada Post in the north continues to make it more and more difficult especially for publishing businesses which are a small but a vital part of the economy both in the Yukon and Northwest Territories.

In December publishers were notified one week before a price change occurred. Certainly promotional material could not be sent out and the publisher was left to absorb extra costs. Also in December Canada Post put ads in a number of newspapers but not in the north regarding mandate review. Finally, publishers have recently been informed by Canada Post that there will be a substantial price increase in the coming years.

Clearly publishing is extremely important to the north as a vital business. I call on the minister responsible for heritage to meet with the minister for Canada Post to save this emerging northern cultural business.

* * *

ST. NORBERT ARTS AND CULTURAL CENTRE

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, today I rise to recognize the efforts of a large number of volunteers who support the St. Norbert Arts and Cultural Centre.

The centre is built in an old Trappist monastery that was the centre of the Metis culture during the Red River rebellion. The centre has now been completely refurbished. Thanks to the activities of a large number of people in my riding, it has become home to an international arts and cultural centre. Artists from all over the world are invited to live in residence and work on projects that are enriching the cultural life of this country.

I simply wish to recognize the efforts of these many volunteers.

* * *

THE GAKHAL FAMILY

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, I rise in the House today in memory of the nine members of the Gakhal family of Vernon, British Columbia whose lives were taken in the brutal and senseless massacre on April 5.

As a young and energetic couple filled with hopes and dreams, Mr. and Mrs. Gakhal came to Canada in 1970 with their two eldest daughters. They had lived in Vernon for over 20 years. The Gakhals

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were contributing members of society and active participants in community life.

This Canadian family was well liked and respected. On Saturday more than 2,000 people attended their funeral service to pay their last respects.

Like many other Canadian families, the Gakhals worked hard to create a good and comfortable life for their family. Karnail and Darshan Gakhal were loving and devoted parents. They dedicated themselves to raising their six beautiful children. They taught their children appreciation of values, principles and the importance of contributing to their community. The Gakhals were close and loving.

• (1410)

Today I ask all my colleagues to stand in a moment of silence in memory of the Gakhal family, the second worst tragedy in Canadian history.

[Editor's Note: The House stood in silence.]

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[Translation]

KENWORTH COMPANY

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, more than a week ago, Kenworth's management announced its decision to shut down operations at its truck manufacturing plant in Sainte-Thérèse. More than 850 direct jobs are jeopardized by this announcement.

As we speak, almost all concerned are actively trying to prevent the closure of this important plant and to save 850 jobs. But the federal government has yet to take positive steps in this important issue.

Time is of the essence, and I might remind the government that it takes more than wishful thinking to prevent the 850 jobs at Kenworth's from moving to Mexico or to the U.S.

In its speech from the throne and its budget, the government boasted about putting job creation first. It should therefore get directly involved in the Kenworth matter and co-operate with the Quebec government in finding a solution, thus preventing the plant's closure.

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[English]

KREVER COMMISSION

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, we have recently learned of exorbitant amounts paid by

the Red Cross to Krever Commission witnesses. The Red Cross is supported in part by taxpayer dollars.

We have also learned that the federal government is providing free legal representation for two former ministers involved in this tragedy, while a mere pittance is thrown to the legal requirements of the victims.

These revelations further darken a shadow cast by a growing legacy of mismanagement. This shadow continues to obscure the truth. Sadly, similar scenarios are all too much a part of the continuing Ottawa inquiry process.

And where is the health minister? Instead of safeguarding the mandate of the inquiry, along with others he challenges its legitimacy. Instead of protecting the health of Canadians through an improved blood system, he protects the interests of those who are part of the system that failed.

Two fundamentals are at stake here: the principle of government accountability and the goal of assured health for all Canadians. The minister must change his course of action to safeguard both this principle and this goal.

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[Translation]

RAW MILK PRODUCTS

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, during their discussions this past weekend, the members of the general council of the Liberal party of Canada in Quebec decided to support the claims of those who promote the consumption of raw milk products.

Moreover, the LPCQ is asking the federal government to withdraw its proposed regulations to prohibit the import and export of raw milk products. These products represent a new and very promising market for Quebec's agricultural sector.

It would be a pity not to let Quebec producers of raw milk products develop their full potential merely because of fear. This is why I join the militant wing of the LPCQ in asking the withdrawal of these draft regulations.

* * *

[English]

PRESENCE IN GALLERY

The Deputy Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Mr. Qiao Shi, Chairman of the Standing Committee of the National People's Congress of the People's Republic of China.

Some hon. members: Hear, hear.

Oral Questions

● (1415)

NEW MEMBER

The Deputy Speaker: Colleagues, I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Gerry Byrne, member for the electoral district of Humber—St. Barbe—Baie Verte.

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NEW MEMBER INTRODUCED

Mr. Gerry Byrne, member for the electoral district of Humber—St. Barbe—Baie Verte, introduced by the Right Hon. Jean Chrétien and the Hon. Fred Mifflin.

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NEW MEMBER

The Deputy Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Roy Cullen, member for the electoral district of Etobicoke North.

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NEW MEMBER INTRODUCED

Mr. Roy Cullen, member for the electoral district of Etobicoke North, introduced by the Right Hon. Jean Chrétien and the Hon. David Collenette.

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[Translation]

NEW MEMBER

The Deputy Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Stéphane Dion, member for the electoral district of Saint-Laurent—Cartier-ville.

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NEW MEMBER INTRODUCED

Stéphane Dion, member for the electoral district of Saint-Laurent—Cartier-ville, introduced by the Right Hon. Jean Chrétien and the Hon. Marcel Massé.

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● (1420)

[English]

NEW MEMBER

The Deputy Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral

Officer a certificate of the election and return of Mr. Lawrence D. O'Brien, member for the electoral district of Labrador.

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NEW MEMBER INTRODUCED

Lawrence D. O'Brien, member for the electoral district of Labrador, introduced by the Hon. Jean Chrétien and Hon. Fred Mifflin.

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[Translation]

NEW MEMBER

The Deputy Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Pierre S. Pettigrew, member for the electoral district of Papineau—Saint-Michel.

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NEW MEMBER INTRODUCED

Pierre S. Pettigrew, member for the electoral district of Papineau—Saint-Michel, introduced by the Right Hon. Jean Chrétien and the Hon. Alfonso Gagliano.

* * *

NEW MEMBER

The Deputy Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Stéphan Tremblay, member for the electoral district of Lac-Saint-Jean.

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NEW MEMBER INTRODUCED

Stéphan Tremblay, member for the electoral district of Lac-Saint-Jean, introduced by Mr. Michel Gauthier and Mrs. Madeleine Dalphond-Guiral.

ORAL QUESTION PERIOD

● (1425)

[Translation]

DISTINCT SOCIETY

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, I am delighted to see the Prime Minister in this House, because things are going badly for the government. Paralleling the unprecedented scandal in the Canadian army, which we will return to later, is the scandal involving the Prime Minister who reneges on his promises.

This weekend, at the meeting of the Liberal Party, the Prime Minister made an about-face. He changed the commitments he made in Verdun only a few days before the referendum. His

Oral Questions

promise to recognize Quebec as a distinct society was trampled underfoot, tossed out with a wave of the hand after a night of work and the undebated passing of a resolution on the floor of the meeting.

How can the Prime Minister justify not keeping his word to the people of Quebec and once again reneging on the commitments he made in Verdun?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we made a commitment to have the distinct society recognized in this House and we met it in December. All the members on this side of the House voted in favour, and the members of the Bloc voted against. This is the fourth time they have voted against a distinct society.

We support the distinct society. We support having all Canadians recognize that the French fact, French culture and French civil law have special significance for Quebec. And we will continue to fight for this. It would be very helpful to have the support of the Bloc in having this fact recognized. However, today, as always, those who voted against the Meech Lake accord are weeping crocodile tears. And yet, when you yourself were a member in Quebec City, you voted against the distinct society in the Charlottetown accord and you voted against the distinct society as late as last December.

If the Leader of the Opposition is serious, I issue him the following challenge: let him propose a vote in this House on the distinct society, and we will support him.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, as a simple resolution at a meeting of the Liberal Party is enough to overturn the resolution passed in this House, of which the Prime Minister was allegedly so proud, and since a simple resolution of the meeting of the Liberal Party is enough to void the commitments made in the throne speech, are we to understand that the government and the Liberal Party consider the commitments not worth the paper they are written on?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the Bloc Québécois and the Parti Québécois want to help us enshrine the distinct society in the Canadian Constitution, I am sure we can do it. But, how can we insist on or hold a federal-provincial conference on the distinct society when the leader of the Parti Québécois, the premier of Quebec, asks us not to put it on the order paper before the Canadian premiers?

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, the Prime Minister is not going to alter the debate. It was he, at his meeting, who reneged on the commitments he made as Prime Minister. He cannot shift people's attention today.

I will say simply that, once again, our fine Prime Minister has managed to turn all of Quebec against him.

• (1430)

How can he reconcile his new constitutional position with the remarks made this very morning by his referendum ally, Daniel Johnson, who said on behalf of Quebec federalists that he is totally opposed to the position the Prime Minister is now taking?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would simply like to read clause 1.4 of the resolution passed this weekend by party officials in Quebec and the members of the Liberal Party in Quebec who want the fact incorporated in the Constitution. Here is the text that was passed and that the Leader of the Opposition has obviously not read: "The Liberal Party of Canada supports the enshrinement in the Constitution of the principles recognized in the Parliamentary resolution passed in December 1995 defining the distinct society".

There is the answer for the hon. member, who, if he were a little more honest with himself and with the people of Quebec—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): Indeed, he would tell the people of Quebec that he has always voted against recognition of Quebec as a distinct society, whereas we Liberals have always worked to achieve this end.

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

At the general membership meeting of the Quebec wing of the Liberal Party, the minister stated in connection with the place Quebec holds within Canadian federation that the words themselves were of no importance, what counts is the reality.

Well then, can the minister tell us whether, in his reality, Quebecers constitute a people?

Some hon. members: Hear, hear.

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, this is the first question asked of me as a member of Parliament, and I must thank the hon. member for it.

Anyone wishing to properly describe public opinion in Quebec is obliged to admit it is not a society in unanimity, but a society where various opinions are voiced. The best way to illustrate this is with a poll that came out a week before the referendum. Quebecers were asked how they defined themselves. Twenty-five per cent said they defined themselves as Quebecers only, and all the rest defined themselves as Canadians, many of them as Quebecers first, because they felt more at home in Quebec, but Canadians also.

These people are Canadians. The hon. member would like them to stop being Canadians, and that is where the problem lies. The answer is this: in Quebec we have differing opinions, but the large

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majority of Quebecers want to remain in Canada. We are going to work to ensure that everyone in Canada may be reconciled.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): It would have been far wiser, Mr. Speaker, for the Liberals to find out what the minister's answer was before applauding.

Is the Minister of Intergovernmental Affairs not demonstrating through his reply that, just like the Prime Minister, he has absolutely no grasp of the Quebec reality?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I am not much versed in how things are done here, but if I understand the hon. member correctly, he wishes me to repeat what I said, because he did not understand it fully.

An hon. member: That is right.

Mr. Dion: I thought I had been very clear. We have a pluralistic society in Quebec, one in which a number of different points of view are expressed, one in which people need to be left to define themselves as they wish. Some wish to define themselves as primarily Quebecers, others as primarily Canadians, and what is so wonderful in Canadian federation is that no one forces anything on anyone else.

* * *

• (1435)

[English]

NATIONAL DEFENCE

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, this morning's revelations in the growing Somalia cover-up are deeply disturbing.

Documents from Two Commando Unit have miraculously reappeared in a Petawawa filing cabinet. Vital operational logs from One Commando were apparently the victim of a Mogadishu mud puddle or Somalia sea water, and the RCMP is now examining DND's tampered with hard drive for electronic fingerprints.

Given all of this, how could the Prime Minister still have full confidence in the chief of the defence staff and his own Minister of National Defence?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is because I have known the Minister of National Defence for a long time. He is a very good man and a very competent minister.

When he became minister he was confronted with a file that was created before the coming of this administration. He has worked with this problem and he has decided to do something unprecedented: to have an inquiry into the operation of national defence. Not

only that, but he recommended that we disband the regiment that was involved in that.

He took some extremely courageous actions and he has decided this inquiry will go to the bottom of the file, a file that was started perhaps by an incompetent administration before we arrived.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, this trouble may have started before but what we need is for this minister to truly get to the bottom of it and clear it up once and for all.

The lawyers for the Somalia inquiry were quite clear in who they think is responsible for this whole mess: the Somalia inquiry liaison team, the public affairs division of DND and this Liberal government.

The lawyers did not say that General Jean Boyle is the common link between all three of these problem areas. He had a hand in SILT and he headed up public affairs at DND before he was hand picked for this current position by this minister.

Will the defence minister ask his friend, General Jean Boyle, to step aside until the Somalia inquiry gets to the bottom of his role in this attempted cover-up?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I certainly will not ask the chief of the defence staff to step aside.

It seems the members of the Reform Party are intent on making accusations, not allowing individuals to state their cases before the commission and drawing their own conclusions. This is foreign to Canadian justice which has served us well for over a century as a nation.

I think the inquiry process is working. The chairman of the commission has noted a problem with documentation and has set aside a couple of weeks to look at this specific issue and hopefully will draw some conclusions.

If it is apparent, as the chairman said, that outside help, whether the military police or the Royal Canadian Mounted Police, should be involved, that is the job of the commission to identify.

I cannot reply every day to accusations that come forward at the commission. That is why we set up the commission, to take it out of the political arena and put it where it belongs, in front of three independent people to evaluate the facts.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, there are a lot of people who do want to state their cases. Instead they have been stifled, which is the unfortunate part of this whole thing.

I guess it is easier to blame subordinates than it is to fire a hand picked appointee. If this minister had done his job the military brass would not be leading him around by the nose. If this minister had done his job, General Boyle would not even have been named

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chief of defence staff. If this minister had truly done his job the Somalia inquiry would not be scrambling around looking for operational logs and missing documents.

Since the minister is obviously incapable of doing his job and has lost the confidence of absolutely everybody but the military brass, will he resign?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I think the Prime Minister has dealt with that on a number of occasions.

This has been a particularly troublesome file for all of us in government. The Department of National Defence is under instructions to make all documents available to the commission. There have been some problems. I welcome the commission's deciding to set aside these two weeks to look at the documentation problem.

Obviously by what has transpired this morning the commission still requires further answers. Departmental officials will give those answers. However, it is very important that individuals, whether the chief of defence staff or others who have been named publicly by the Reform Party or others in the media, have an opportunity to go to the commission, state their own case and be judged in the eyes of all Canadians fairly and justly because that is what Canadian justice is all about.

* * *

• (1440)

[Translation]

DEPARTMENT OF NATIONAL DEFENCE

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Prime Minister.

Contrary to what the minister just said, the commission adjourned this morning because it was dissatisfied with the level of co-operation from the Department of National Defence and the minister himself. This is unacceptable.

Does the Prime Minister feel his defence minister is still trustworthy despite his lack of co-operation in the Somalia inquiry and the fact that the minister himself had General Boyle appointed to the position of Chief of the Defence Staff, supposedly to restore public trust?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister asked the department to co-operate with the commission. Furthermore, he himself created the commission and recommended that an independent commission be established to review this whole matter.

This is obviously a complex matter that was—

Some hon. members: Ah, ah.

Mr. Chrétien (Saint-Maurice): Yes, it is complex. It happened before we formed the government, and the party in power had

trouble dealing with this matter. After disbanding the regiment involved in these operations, the minister decided to request that a fully independent commission be established to review this whole matter.

All requested documents will be made available to the commission, and all those concerned are doing their utmost to honour the commission's requests, especially the minister, in whom I have full confidence.

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, contrary to what the Prime Minister just said, the existence of the files was known when the Conservative Party was in power. General John Anderson said so.

They keep saying that they still trust the minister and General Boyle, when everyone has lost confidence in the Canadian Forces. It could be said that, as recently as last weekend, the whole world was making fun of Canada because of the search for documents ordered by the minister.

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the search for documents was a very important exercise for the Canadian Forces. I think it shows that the members of the Canadian Forces are willing to co-operate with the commission.

The hon. member across the way has accused the Chief of the Defence Staff of committing offenses, even though the CDS has not had the opportunity to share his views with the commission. This is not how the Canadian justice system works.

[English]

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my question is for the Minister of National Defence.

In October 1995 the military police reported that its inquiry on the divergence of information provided to the Somali inquiry could not conclude due to a missing hard drive computer disk. The minister deemed it unnecessary to go further to find the missing hard drive disk.

How is it that the Minister of National Defence did not recognize the significance of what the military police explained to him regarding the missing disk?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member will remember that about a year or so ago in the House I said that when the commission was set up all relevant documents would be made available to the commission. The department has tried to meet the expectations that were made of it to provide those documents.

It is quite apparent that there have been some problems with the documents that appear to be missing. The department has given certain explanations. In fact, the chief of defence staff initiated a

search last week which turned up further documents that are now being analysed by the commission.

When the hon. member implies that we did not take the search for documents seriously, that is not true. Even as late as last week, to assist the commission this week in its exercise to look at the documents, it was the department that asked the RCMP computer experts to come in and assist it with respect to those deficiencies relating to the computers.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, the minister's actions speak much louder than his words.

The minister did not provide the Somali inquiry with the military police report, such an important document, until four months after the minister had accepted it.

• (1445)

It would seem that General Boyle had to be appointed to the position of chief of defence staff because anyone else would have deemed it necessary to go further and get to the bottom of why the hard disk and certain records were missing.

My question is for the Prime Minister. Does the Prime Minister not see that this one event alone is so serious that clearly the Minister of National Defence and the chief of defence staff, General Boyle, must resign?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member has shown once again how selective he is with the facts.

I would rather listen to the commission counsel who this morning raised some further concerns and asked the department to provide answers by this Thursday. I would prefer to wait until next Monday when a certain hearing can be started on the public affairs aspect of the problem so that the chief of defence staff and others can state their case.

It does not serve us well every day in the House to rehash the accusations, the comments that come from the commission. That is why the commission was established, to remove it from Parliament to let an independent group take the appropriate action and review this in the clear light of day.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the situation continues to deteriorate. Even before really getting down to business, the Somalia inquiry commission is exposing a most serious situation. Not only is what took place in Somalia unacceptable, the whole situation within the Canadian forces high command and the Department of National Defence is intolerable.

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Does the Prime Minister agree that the government must order a much more wide-ranging inquiry to consider all the blunders made by the Canadian Armed Forces and the whole cover-up?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the mandate of the commission allows its members to examine all issues relating to these incidents and they definitely intend to do so.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the commission should also look at what happened in Petawawa, at the hazing rituals, at what happened in Gagetown, at what happened with the pseudo-terrorist attack at the Quebec City Citadel, following which the commander of the Citadel was appointed chief of the armed forces in Haiti. This is quite something. Talk about being irresponsible.

Does the Prime Minister realize that his government is tarnishing the reputation of the Canadian Armed Forces and that this will continue as long as the current defence minister is in charge?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am quite affronted that the hon. member would accuse the government of tarnishing the image of the armed forces. If anything is tarnishing the image of the armed forces, other than the problems we have to deal with on an ongoing basis, it is the attitude of the members opposite who are making political points on the backs of the men and women who serve with distinction in the Canadian Armed Forces.

* * *

THE CONSTITUTION

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, in welcoming the intergovernmental affairs minister to his seat, I note that some time ago he indicated that a distinct society clause in the Constitution would not confer special status on Quebec and I quote: "It is an insult to suggest Quebecers would use the clause to trample minority rights".

Canadians familiar with Quebec's oppressive language laws fear a distinct society clause would be used to further the exclusionary policies of separatists.

For the benefit of Canadians, will the minister clarify his intentions about including a distinct society clause in the Constitution?

Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.): Mr. Speaker, we must state the facts.

Since the beginning, since 1988, the intent to put in the Constitution the recognition of Quebec has never been a device to change the distribution of powers in the Constitution of Canada.

Oral Questions

• (1450)

Never. Some politicians who do not want to reconcile Quebecers and Canadians may say that but it is not the truth. I will give you what was written in 1987, the first draft the first ministers accepted in order to keep Quebec as a distinct society, or any other term you want to use within Canada.

“Nothing in this section derogates from the powers, rights or privileges of Parliament or the Government of Canada or the legislatures of the governments of the provinces, including any powers, rights or privileges relating to language”. This is why it would be a lie to say that it may change the distribution of powers. It is an interpretative clause. It is necessary but it does not change the basic Constitution.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I do not know how much Canadians will be cheered by that 1987 response.

The intergovernmental affairs minister has also said that Quebec’s racist bill 101, the language law in Quebec, and I quote him: “A great Canadian law and is liberal in many ways.”

In many ways inclusion of distinct society has the legal potential to allow for policies which will take away from the rights of Canadians. I ask the minister if the inclusion of a distinct society clause is necessary, what measures will the government take to ensure that the clause will not undermine the equality of all Canadians?

Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.): Mr. Speaker, bilingual or trilingual democracies have measures to ensure that their language communities will live together in harmony. It is what we have in Canada. We are very proud of it.

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[Translation]

RAW MILK CHEESE

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health. The Canadian government has just banned cheese made from raw milk. In Quebec, producers, importers, retailers, restaurant owners, consumers, veterinarians and the provincial government disagree with this decision. The Quebec Liberal Party and even the Liberal Party of Canada also disagree.

Since cheese made from raw milk is already strictly regulated in Canada and nobody is complaining, why do the minister and his officials want to annoy us by prohibiting the sale of this cheese here?

[English]

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, the hon. member has asked a very important question relating to raw milk cheese. Evidence has come from my department which suggests that there may be an increased risk of illness or disease.

As a result a regulation has been gazetted and for 75 days there will be a period of consultation. After that consultation period we will be in a position to evaluate the evidence which has been put forward to see whether the evidence of the department is accurate.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, does the Minister of Health have nothing better to do than to regulate in an area where his officials are most unwelcome? Who is in charge, the minister or his officials?

[English]

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, I am tempted to say that the question is full of holes. However, I want to remind the hon. member who has demonstrated time and time again on the floor of the House of the Commons that she is a reasonable individual that my responsibilities as the Minister of Health are to protect the health of Canadians. When evidence comes forward which suggests an increase in risk of the health of Canadians, I must take the appropriate action.

• (1455)

Therefore, we have put in motion a process which is very normal, a 75-day consultation period. Thereafter, the appropriate decisions will be taken.

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FISHERIES

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Section 35(2) of the Fisheries Act deals with the protection of freshwater fish habitat and is a fundamental pillar of environmental and fisheries protection.

Can the minister of fisheries assure the House that the powers of section 35(2) will not be delegated to the provincial governments?

Hon. Fred Mifflin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I want to thank the hon. member for a very important question. I also want to compliment him on the good work he continues to do in environmental areas and for the tremendous reputation he has for concerns in this area.

I would like to assure the hon. member that, as he quite rightly points out, section 35(2) of the Fisheries Act is a very important trigger for the Canadian Environmental Assessment Act.

I am pleased to report that while we may be looking at some changes downstream which are necessary and important for fresh-

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water fish habitat, we will continue to ensure that the Fisheries Act will be an important trigger for fish management.

* * *

PENSIONS

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, while the Canada pension plan consultations begin today, I have been talking with seniors in my riding for the past two weeks and they are worried.

The Minister of Finance said in his budget speech that the CPP must be put on a sound financial footing that will make it sustainable, affordable and fair.

My question is for the Deputy Prime Minister. Can the government assure us that sustainable, affordable and fair will not mean less money in the pockets of seniors?

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the hon. member for the question.

We have just begun a process of consultations with respect to the Canada pension plan. We await with great interest the observations, ideas and suggestions of Canadians on how to ensure the sustainability of the plan.

The goal of the exercise is a sustainable program that will be there for Canadians, not taking something out of the pockets of Canadians.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, it is interesting to note that the government is going to wait for the outcome of these consultations. That is not leadership.

Today the Montreal *Gazette* quotes the member for Winnipeg North Centre, who is the government's point man for the CPP road show. In the article the member says that the government is committed to protecting the fundamental part of Canada's overall pension system. What does protection mean? Pay more and get less or some other painful remedy?

My question is for the Deputy Prime Minister. What guarantee does the government give seniors that it will maintain the standard of living for seniors?

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, on one hand the member decries the consultations, suggesting that it is not leadership. That is precisely the kind of leadership Canadians want. They want to be heard. They want a government that listens to their suggestions. That is what we will do in the context of the CPP consultations.

[Translation]

KENWORTH PLANT IN SAINTE-THÉRÈSE

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question is for the Prime Minister.

Over a week ago, the management of the Kenworth plant in Sainte-Thérèse announced its plans to shut down operations at the truck manufacturing facility. Since then, all stakeholders have been actively seeking to prevent this plant from closing and to save the 850 jobs at stake.

Could the Prime Minister tell this House what steps he intends to take to save these 850 jobs?

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, you will understand that the government is extremely concerned about the announcement made by PACCAR. A substantial number of jobs are at stake, and my hon. friend across the way should know that the Canadian government has been involved in this matter from the very beginning, after PACCAR made its decision known. The Government of Quebec got involved and we immediately got on board; we were represented by my colleague, the Minister of Labour, who met with the president of the FTQ and also with his provincial counterpart.

We have been in contact; members of my staff got in touch with the minister responsible for the province of Quebec.

• (1500)

Last Saturday, my colleague, the Minister of Labour, and myself sat down with representatives of the union at the Sainte-Thérèse plant. I must say that, as matters stand, we will consult with each other. We will examine the matter on its merit and come back to the House with the Canadian government's position on this matter.

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Here is my supplementary, Mr. Speaker: Last Friday, the Government of Quebec made a proposal to PACCAR, Kenworth's parent company, in an attempt to prevent the closure of the Kenworth plant.

Since the Minister of Labour has announced that the federal government will get involved in this matter, could the Prime Minister undertake to support the proposal the Quebec government made to PACCAR to save the Kenworth plant in Sainte-Thérèse?

Hon. Martin Cauchon (Secretary of State (Federal Office of Regional Development—Quebec), Lib.): Mr. Speaker, as I said already, the Canadian government is currently working on it. In fact, the minister responsible for Quebec has sent a letter to PACCAR. We are waiting for the company's response. Once we have all the facts, we will let this House know what the Canadian government's position is.

*Oral Questions**[English]***RRSPS**

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, my question is for the minister of human resources.

This year's budget punishes seniors by reducing the RRSP age limit for contributions from 71 to 69. Why impose this hardship on seniors when they are now living longer and healthier lives and will need their savings over a longer life span?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, one of the hallmarks of the budget brought in by my colleague, the Minister of Finance, was to deal with problems such as the demographic change taking place in this country and elsewhere in the most fair and equitable way.

I would have thought the hon. member would have made reference to the fact that the proposals made by the Minister of Finance allow for those people who wish to take advantage of RRSPs to go back as far as they can to pick up those years where, because of child rearing or for other reasons, they were unable to make maximum contributions.

The proof is in the pudding. As one looks at the reactions across the country to the proposals made by the Minister of Finance with regard to RRSPs and other elements of the budget, they have all been very well accepted by people who understand them.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, the minister is still refusing to deal with the age difference. By lowering it, he is really harming seniors. By reducing the age of mandatory rollover from seniors' RRSPs, the government will raise close to \$100 million by the year 2000.

This is just another Liberal tax grab. Why does the minister not have the courage to be frank with our seniors about what he is doing and admit this is another tax grab at the expense of seniors?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, the challenge is always with comprehension. There is no doubt about that.

What we are dealing with here is undoubtedly an effort to be equitable. There is no question the hon. member has stated the record in terms of the reduction to age 69.

Whatever the alleged tax grab may have been as a result of that change, if the hon. member would look at the cost to taxpayers, the benefits made available to people who want to avail themselves of the RRSP, going back over the years where they missed making maximum contributions, the hon. member would understand this.

If she takes the time and the care to look carefully, what has been retained by the government in terms of the change at the upper end

will be more than compensated for by being more generous to people who were not able to make maximum contributions to the program through their working life.

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WILDLIFE POACHING

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, my question is for the solicitor general.

The Humane Society has indicated that in Canada the illegal profits of wildlife poaching rank third after drug and tobacco and liquor smuggling. Especially prominent is the smuggling of bear gall-bladders.

What measures has the government taken to curb this illicit smuggling of animals and animal parts?

Mr. Nick Discepola (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, the Humane Society's report did confirm the hon. member's question.

I reassure the hon. member the RCMP is working at the national level with Environment Canada, at the provincial and territorial levels with natural resource and enforcement agencies, and even at the international level with INTERPOL to ensure that we not only develop but implement a comprehensive enforcement program which takes into account the illegal smuggling of wildlife and endangered species. I reassure the hon. member that the illegal trade of bear parts forms a key element of that enforcement program.

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● (1505)

*[Translation]***LEBANON**

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs. For more than four days, the Israeli army has been conducting air raids and artillery shelling in Lebanon. These actions are in line with the Israeli policy of retaliation against rocket fire from the Hezbollah militia stationed in South Lebanon. Unfortunately, these hostilities have already killed 29 people and wounded more than 120 others.

Can the minister tell us what is the Canadian government's position on the situation now prevailing in that region?

[English]

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, yesterday I issued a statement urging the parties to the dispute to use all restraint and to seek out the most effective ways of dealing with the situation, not through the use of force but

through the use of negotiation which is the very heart and soul of the whole peace process.

We will have an opportunity to address those questions directly next Monday when there will be a meeting of the group that came out of the Sharm el Sheikh meeting on the peace process where the Israeli and Arab countries will all be there and I will make similar representation.

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GOODS AND SERVICES TAX

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is déjà vu all over again. Seventy-nine years ago the government at the time promised that income tax would be a temporary measure, and we are still paying for that broken promise.

In 1993 the Liberals promised that under them the GST would become a temporary measure. Canadians are waiting for them to fulfil their promise.

Now the Liberals have turned around and instead of getting rid of the GST they want to integrate it. They want to make it something that Canadians are stuck with forever.

My question to the Deputy Prime Minister, who has made all kinds of pronouncements on this issue, is why are they breaking their promise? Why are they not getting rid of the GST as they said they would?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the answer is not very complicated. The hon. member has only to read page 22 of the red book. We were talking about the harmonization of taxes, the sales tax in Canada. It will be done.

We are not worried about them because they will not be there for a long time.

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FISHERIES

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is for the minister of fisheries on his B.C. fleet reduction policy, a policy that has been strongly condemned by fishers, coastal communities and the B.C. New Democrat government.

Why did the minister ignore the recommendations of the Cruickshank commission? Will the minister now agree to reconsider this policy, in particular the stackable area licensing, the totally inadequate amount of buyback and the absence of habitat protection and enhancement? Will the minister recognize that his policy will have a particularly devastating impact on small owner operators and on coastal communities in British Columbia?

Hon. Fred Mifflin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I have to tell the hon. member and reassure the House

Routine Proceedings

that the Pacific salmon revitalization plan stems from the Fraser report which led to the a consideration by 70 stakeholders in this industry and a report that made 27 recommendations. We took these recommendations and came up with a plan.

This industry has gone from \$400 million to \$200 million to \$80 million to a possible loss of \$10 million this year. The capacity has quadrupled. We are looking at areas where 40 per cent of fishermen lost money a couple of years ago. This year it is 60 per cent plus. This is a sick industry and this is a plan that is meant to revive it. It is tough medicine but like all tough medicine it is made to improve the health of the industry.

* * *

DIRECT DEPOSIT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, my question is for the minister responsible for government services.

The Department of Public Works and Government Services has been working hard to make direct deposit its standard method of making various payments to Canadians.

Can the minister tell the House if this initiative has actually saved money and if so, how much?

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, last year alone we saved approximately \$28 million as a result of direct deposit. These are savings on postage, paper and on banking charges. In the last six months alone 1.7 million Canadians have agreed to join the direct deposit system.

• (1510)

While at this time 40 per cent of all payments by the federal government are made by direct deposit, it is our intention to increase that in the short term to at least 60 per cent for an annual savings of \$44 million.

I encourage Canadians as much as possible to join others to help us save money and at the same time have a very reliable way of receiving payments.

ROUTINE PROCEEDINGS

[English]

ORDER IN COUNCIL APPOINTMENTS

Mr. Zed (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am pleased to table, in both official languages, a number of order in council appointments which were made by the government. Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the standing committees, a list of which is attached.

*Routine Proceedings***GOVERNMENT RESPONSE TO PETITIONS**

Mr. Zed (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's responses to nine petitions presented during the first session.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Zed (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have the honour to present the 12th report of the Standing Committee on Procedure and House Affairs, the membership and associate memberships of various standing committees. If the House gives its consent, I intend to move concurrence in the 12th report at this time.

(Motion agreed to.)

* * *

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.) moved for leave to introduce Bill C-260, an act to amend the Income Tax Act and the Canada pension plan (transfer of income to spouse).

He said: Madam Speaker, managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

The Tax Act and other legislation discriminates against families, particularly those that choose to provide direct parental care to preschool children. One aspect of this has to do with the extension of Canada pension benefits or service credits for those who choose to provide care in the home to their preschool children.

This bill therefore seeks to promote changes which would have the intent of extending Canada pension plan benefits or service credits to those who choose to provide care in the home to their preschool children.

• (1515)

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

* * *

RESTORATION OF DEATH PENALTY ACT

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.) moved for leave to introduce Bill C-261, an act to require a referendum on the restoration of the death penalty and to amend the Referendum Act.

He said: Madam Speaker, I am pleased to rise in the House today to introduce a private member's bill calling for a binding national referendum on reinstatement of capital punishment.

For too long, in fact forever, Canadians have been shut out of the debate process where this issue is concerned. Through the use of a referendum this bill would allow Canadians a say on whether the Criminal Code should be amended to include the death penalty as a sentencing option for persons who are convicted of first degree murder.

Critics will note on reading the bill that it does not ask them to vote for or against reinstatement of capital punishment. Instead it asks simply that MPs allow Canadians to make the final determination in this respect.

I also want to thank my constituents of Nanaimo—Cowichan. It was they who voted overwhelmingly by a margin of 919 to 104 for this initiative to be brought before the House which it is today. I believe this sentiment to be an accurate reflection of the support in rest of Canada for the bill. As such, and in closing, I ask colleagues on both sides of the House to support the bill when it comes before them. More important, I urge members of the subcommittee—

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

* * *

**CHARITABLE AND NON-PROFIT ORGANIZATION
DIRECTOR REMUNERATION DISCLOSURE ACT**

Mr. John Bryden (Hamilton—Wentworth, Lib.) moved for leave to introduce Bill C-262, an act to require charitable and non-profit organizations that receive public funds to declare the remuneration of the directors and senior officers.

He said: Madam Speaker, this private member's bill would provide penalty for those not for profit organizations which fail to disclose the salary and benefits of their executive officers. This includes non-profit organizations as well as charities.

This is the type of accountability that the public is now demanding of those organizations which directly or indirectly receive taxpayers' funds.

This bill is in the same form that Bill C-224 was at the time of prorogation of the first session of the 35th Parliament.

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

The Acting Speaker (Mrs. Ringuette-Maltais): The Chair is satisfied that this bill is in the same form as Bill C-224 was at the time of prorogation of the first session of the 35th Parliament.

Accordingly, pursuant to order made Monday, March 4, 1996, the bill is deemed to have been read the second time and referred to the Standing Committee on Government Operations.

* * *

PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I have two petitions pursuant to Standing Order 36. The first is from Delta, B.C.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home for preschool children, the disabled, the chronically ill or the aged. The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home for preschool children, the disabled, the chronically ill or the aged.

• (1520)

LABELLING OF ALCOHOLIC BEVERAGES

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition is from Sarnia, Ontario.

The petitioners bring to the attention of the House that the consumption of alcoholic beverages may cause health problems or impair one's ability and that, specifically, fetal alcohol syndrome and other alcohol related birth defects are 100 per cent preventable by avoiding alcohol consumption during pregnancy.

The petitioners therefore pray and call on Parliament to enact legislation to require health warning labels to be placed on the containers of all alcoholic beverages.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, Question No. 11 will be answered today.

[Text]

Question No. 11—**Mrs. Wayne:**

Did the Minister of International Cooperation speak to the employees of the Canadian International Development Agency on January 31, 1996, in the Palais des Congrès in Hull, and if so: (a) what was the total cost to the taxpayer, including: (i) rental of the facility; (ii) translation; (iii) audio visual expenses; and (iv) other costs; (b) where these costs charged to the office budget of the Minister, and if not, to which budget were these costs charged; (c) did a camera crew film the Minister's address, and if so: (i) for what reason was the Minister filmed; (ii) what was the

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name of the firm contracted to film the Minister's address; (iii) how many copies of the tape were made, and to whom were they given; and (iv) what was the total cost to the taxpayer, including production, editing and distribution?

Hon. Pierre Pettigrew (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): In so far as the Canadian International Development Agency is concerned, on January 31, 1996 an agency forum was convened by the president of CIDA with CIDA headquarters staff to introduce the Minister for International Cooperation with responsibility for CIDA, the Honourable Pierre S. Pettigrew. As is the common practice when a new minister is appointed to any federal public service department, staff members were given the opportunity to hear the minister's views on pertinent issues and to meet with him afterwards.

The cost of this agency forum was \$1,670, broken down as follows: room rental, \$750; coffee, tea, juice and muffins, \$920. There was no translation provided, as these staff meetings are conducted in both official languages.

The costs were charged to CIDA's communications branch, as the event supported internal communications.

The agency forum was videotaped so that CIDA staff members posted to Canadian missions overseas could view the forum on videotape. This is the usual practice for departments with employees posted abroad. The taping was carried out by Productions André R. Lavoie Inc., and 60 copies were made for CIDA staff abroad. All work was done in-house, with the exception of the taping which cost \$400. Tape stock was purchased for \$410.73 and the ADCOM Presentation Group provided technical equipment for \$56.71. The total videotape cost was \$867.44.

[English]

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

The Acting Speaker (Mrs. Ringuette-Maltais): Is that agreed?

Some hon. members: Agreed.

* * *

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government, and of the amendment.

Ms. Marlene Catterall (Ottawa West, Lib.): Madam Speaker, I am pleased to have the opportunity to address the 1996-97 budget.

Since the beginning of our mandate in 1993 the government has been faced with many significant challenges. These challenges have been met directly, openly and honestly with the people of Canada.

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[Translation]

We all know that too many Canadians are unemployed, that Canadian businesses are still having a hard time, that we must get down to work right away to maintain social programs that are the envy of the world. We all know this, and our government intends to deal with these issues that concern all Canadians.

[English]

Much progress has been made to date in achieving the goals of job creation and economic growth, and the sustainability of social programs. The unemployment rate has declined two full percentage points since the Liberals formed the government. Over 600,000 jobs have been created and inflation is at its lowest level in 30 years. Interest rates have remained low largely because of the successful action on deficit reduction. Interest rates are critical to the maintenance of job creation and economic progress.

We have also tackled the maintenance of the health care system and social programs through progressive reviews in consultation with Canadians.

The 1996 budget accomplishes much to complement the work that has been done to date. To progress with the job creation and economic growth agenda, the government has in the budget focused on three priorities: youth, trade and technology.

Despite reduced spending in virtually every area of government activity, spending on youth has been substantially increased. This budget will provide an extra \$315 million over the next three years toward creation of jobs for young Canadians. An additional \$165 million is being provided for students. The federal government will work closely with provinces and businesses to help young Canadians find that crucial first job.

[Translation]

Since we came to office, Canada's exports have soared. This increase in trade has been the driving force behind job creation and economic growth. Team Canada's trade missions have been highly successful, generating \$20 billion in sales for Canadian businesses.

• (1525)

[English]

The 1996 budget will further aid the development of exports by giving the Export Development Corporation \$50 million in new equity capital for export financing and the Small Business Development Bank \$50 million to assist small and medium sized businesses, in particular, to participate in international trade.

I said the third priority was science and technology. Leadership in the knowledge industries means more jobs, lasting jobs and better jobs for Canadians. High knowledge industries have contributed more to recent job growth than all other industries combined.

Over the long term, businesses using new technology will create new jobs faster than old jobs disappear. This is why technology is a key element of the job strategy.

Through the 1996 budget special support is being provided to key sectors such as aeronautics, biotechnology, environmental technology and the development of the information highway. Just one example is the student connection program which will hire 2,000 students to show 50,000 small companies how to use the Internet to help their businesses.

This is an area of investment of scarce dollars that is particularly important for my community and for the national capital region. The region has been significantly affected economically by down-sizing in the public service which will amount to a total of 15,000 jobs disappearing over three years starting with the last budget. As we seek to diversify the local economy, local governments, the business community and the federal government working in co-operation, the importance of high technology development to our region is absolutely crucial.

At the same time the government is making efforts to improve the situation of the public service. The wage freeze legislation will expire this year. It will not be renewed. It will not be extended. Beginning in June annual increments to public service employees will again be the order of the day. A return to collective bargaining as the wage freeze legislation expires is something to which we all look forward.

I want to speak very briefly about a couple of things that are of particular concern to my constituents because deficit reduction without tax increases does not come easily and does not come without pain, nor does ensuring the sustainability of social programs like our pension system.

The government is acting to ensure that the public pension system, which has done so much to alleviate the poverty of seniors, continues. It will be done by increasing benefits to the lowest income seniors and by ensuring that those now receiving benefits or within five years of receiving old age security or other retirement benefits will continue to have the right to those benefits.

As the minister looks toward the development of this legislation I want to raise with him some concerns that have come to my attention. First is the very short time frame for implementing the rollover of RRSPs into RRIFs or retirement income. This is causing great concern to people who have made investment plans under the rules that existed. They are saying we need a better phase-in period.

I also want to draw to the minister's attention my concern that the legislation implementing the changes to pensions as well as to RRSPs should pay attention to the need to improve the economic status of retired women. Ninety per cent of the poorest elderly in this country are women. I do not think any of us need an

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explanation as to why that happens; work history and a variety of other situations.

• (1530)

We have an opportunity as we implement changes to the pension plan to also equalize the retirement income of women. I urge the minister to do that. I would be happy to share with him some ideas on how that might be done.

In conclusion, this has not been an easy budget. It has involved some difficult choices as has every one of our budgets since 1993. It is a reasonable balance between the kind of compassionate, caring society we want and the fiscal restraint that currently is necessary to get us to a much better future for the entire country. I am pleased to speak today in support of it.

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, the member indicated that her government is concerned about maintaining social programs into the future. She is concerned particularly about maintaining pensions.

If that is the case, why does her government continue to increase the amount of money spent on interest payments on the debt from \$38 billion to about \$50 billion since it has come into power? Why did her government leave in place a pension plan that is totally out of line with what is acceptable to Canadians? If the government was serious about maintaining social programs and pensions, it would not have left in place the pension plan that it has.

How can Canadians believe that her government is really, truly concerned about the future of social programs when its actions say otherwise?

Ms. Catterall: Madam Speaker, I think it behoves the hon. member for Vegreville to acknowledge those areas in which the government has made substantial progress.

Specifically the member talked about the debt and the deficit. I sat in this Chamber through five budgets of the previous government and saw threats, promises, cutbacks and sacrifices so that we could get the deficit under control. The deficit just kept going up.

Our government in just two budgets has been able to substantially reduce the amount of the deficit. The hon. member knows very well that in the next two budgets we will have dropped not from 6 per cent of GDP in deficit to 3 per cent as we committed at the last election, but to 2 per cent, in other words not by 50 per cent but in fact by 66 per cent. That will bring the deficit from over \$45 billion when we took office to \$17 billion by the time our term is over.

Regarding pensions, this is the first government since the MPs pension plan was introduced in the 1950s that has actually reduced it to the tune of \$3.3 million worth of savings to Canadians. It has reduced the benefits by over 20 per cent. We have met every single one of our commitments on that matter and have gone beyond them.

Yes, it is still a very generous pension plan. It is one for which, as the member knows, MPs pay very generously as well, far more than most other pension plans. It needs further reform but one cannot disrupt the lives of people who have served in this House for decades by suddenly saying they do not have the pension plan they thought they had.

In terms of the sustainability of pensions generally, 75 per cent of seniors in this country live on incomes of under \$26,000. Ninety per cent of the poorest seniors are women who are either single, widowed, divorced or separated.

I regret as much as anybody in this House an end of a universal pension plan which is an entitlement of citizenship. I also realize the necessity of looking after those lowest income seniors when resources are limited. I am pleased that we are going to be increasing benefits to those lowest income Canadians in retirement.

• (1535)

Mr. Benoit: Madam Speaker, in the last election campaign when Reform proposed targeting old age security to those most in need, the Liberals promised that they would never end universality of old age security. Now the finance minister has done that.

We could not believe them on the GST. We cannot trust them on old age security. The numbers the hon. member used in terms of deficit reduction are yet to happen sometime in the future.

The Liberal government has made a little progress on the deficit. Canada's debt is the second highest in the industrialized world and it is still being added to every year.

It is so difficult to understand how members of that party can say with a straight face that they are doing what has to be done to assure that the money will be there for social programs into the future because they have not.

Ms. Catterall: Madam Speaker, as I encouraged the member to do on his first question and comment, I suggest that he might want to accurately reflect what our government has done. He knows perfectly well that deficit reduction is not something for the future. He knows very well this is the first government in over a decade that has successfully reduced the deficit from \$45 billion to \$30 billion. That is a one-third reduction in only two budgets and that is a substantial reduction.

On pensions, let me just say we are not like the Reform Party. It wants everybody to have to rely on themselves for their pensions.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Madam Speaker, it is a pleasure for me to rise in the House today to address the 1996-97 budget as presented by the Minister of Finance on March 6.

The Budget

When our government was elected in October 1993, Canadians from coast to coast to coast told us that reducing the deficit and the debt must be our number one priority. This budget along with our two previous budgets showed Canadians that we have been and continue to be listening.

When this government was elected the annual deficit was more than \$42 billion. By the end of the 1995-96 fiscal year we reached the deficit reduction target of approximately \$32 billion. We are on target to reach our original goal set for the 1996-97 fiscal year of a deficit of 3 per cent of GDP which will be approximately \$24 billion.

The Minister of Finance has already set two rolling targets to take us into the second half of our mandate. These targets will reduce the deficit to 2 per cent of GDP by fiscal year 1997-98. By the turn of the century, by the year 2000, I personally hope to see that the deficit is realized to zero and the introduction of a balanced budget to this House.

The 1996 budget continues on the track of reinventing government. Last year through a major program review we managed to protect vital programs while reducing spending to its lowest level of GDP in almost 50 years. This year we have further reduced program spending in order to move closer to a balanced budget. Federal program spending this year will represent 12 per cent of GDP, its lowest level since 1949 and down from 20 per cent only a decade ago.

Liberal governments over the years have played a leading role in building Canada's social programs. Today faced with dramatic changes to our society and our economy, the Liberal government must ensure that these programs remain effective and financially sustainable.

• (1540)

One way the government is doing this is through the new Canada health and social transfer which consolidates transfers for health care, post-secondary education and social services. The transfer is a block fund which offers more flexibility to the provinces. This flexibility will allow for the development of innovative programs for Canadians receiving social assistance. Greater flexibility will also reduce administrative costs and will allow provinces to adjust to the new funding levels while still protecting programs that Canadians desire.

This budget introduces a five year funding arrangement for the CHST for the years 1998-99 through to 2002-03. The CHST will be stabilized at the 1998-99 levels for another two years and then will begin to grow. There will not be any cuts to the CHST beyond those announced in last year's budget. When the CHST begins to grow beyond the year 2000, federal transfers will increase for the first time since the mid-1980s.

The CHST will allow provinces to plan programs to meet their needs with clearly set levels of federal funding. By providing

predictable funding, the government is demonstrating its commitment to safeguarding health care and other social programs that are valued by all Canadians.

As we all know, part of the CHST is made up of a cash transfer which was scheduled to gradually decline. However, in response to concerns about diminishing cash transfers, this government has announced that the cash component will be kept above a floor of \$11 billion per year for the five years between 1998 and 2003.

While the CHST will give more power to the provinces, the cash transfer will guarantee a strong federal presence for programs of national priority such as post-secondary education and social assistance.

In addition, the government will continue to vigorously defend the five principles of the Canadian health care system: comprehensiveness, universality, accessibility, portability, and public administration. The federal government will also work with the provinces to develop other shared principles and objectives for this new transfer.

This budget is good for Canadians. For the third year in a row there will be no increase in personal income tax rates nor will there be any increase in excise taxes.

Additionally, the budget marks a significant turning point. In our first two budgets we were forced to make a lot of tough but necessary decisions in order to clean up the economic mess left by the previous government. Unlike those budgets, this budget has a more direct focus on the future, a more sustainable plan, a long term plan for Canadians. This focus is reflected in our attention to our youth, our attention to working families and in particular to seniors.

February's throne speech put the problems facing Canadian youth into the spotlight. Youth unemployment and underemployment are a serious concern in my riding of Cumberland—Colchester. Young people throughout the area feel that they have to leave home, in fact many of them must leave the country to find employment.

This budget announces concrete measures which demonstrate that the Liberal government is serious about improving opportunities for young Canadians. To make education more affordable, tax credits for university and college students and their parents will increase. This budget will also stabilize the funding that we transfer to the provinces for post-secondary education. In addition, it lays out a plan to increase that funding over time.

This budget will double federal funding for summer jobs. In 1996-97 we doubled the number. There are 200 more jobs in my riding. The deadline was April 12 and we encouraged employers in all sectors of our society to get out there and employ our youth this summer allowing an extra 30,000 young Canadians to gain vital experience and help finance their education. It also challenges the

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private sector and other levels of government to do their share to create opportunities and to assist our youth in finding their first job.

• (1545)

My riding of Cumberland—Colchester consists of hard working families who work long hours with fewer benefits to try and stretch that paycheque as far as they can. These families will benefit from this year's budget.

Parents who wish to return to school in order to find better jobs will now be able to make full use of the child tax credit. This includes parents who show the courage to return to high school. We are raising the age limit for the child care deduction from 14 to 16 years so that more parents who work nights can claim it. As well, we are doubling the working income supplement of the child tax benefit. This will mean an extra \$500 a year for low income working parents.

This budget is also committed to security for the elderly through the availability of old age security and the guaranteed income supplement. The budget includes a new seniors benefit to be implemented in the year 2001. This tax free benefit will replace the existing OAS and GIS programs. More than 70 per cent of our seniors will actually receive higher benefits under this new system, many of whom are single women.

Pensions for today's seniors, near seniors and their spouses will be protected. Seniors will be guaranteed to receive an amount that is no less than the current pension plan. The new system will better respond to the needs of low income seniors and will ensure a responsive, affordable system for our children and grandchildren. Let there be no doubt that we will look after our elderly and that this budget is the first step in doing so.

There are a record number of single parent households in this country. When a marriage breaks down, the children are always the first to suffer. I have received many letters from men and women alike who are concerned about the current child support system. This budget speaks to those concerns and introduces measures to improve the system, measures that include a revised tax treatment of child support payments.

Currently child support payments are taxable for the recipient and tax deductible for the parent paying support. This is wrong. Payments are supposed to provide support for children. They are not income for parents. The budget proposes that all child support awards agreed to on or before May 1, 1997 will not be included as income of the custodial parent for tax purposes, nor will they be tax deductible for the parent paying the support. The government will also introduce new guidelines and enhance enforcement for the collection of child support payments.

The Acting Speaker (Mrs. Ringuette-Maltais): I regret but the member's time has expired. Questions or comments. Resuming debate.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Madam Speaker, this is the third federal budget I have spoken on since I came to Ottawa. In each budget I have expressed major disappointment: in the first, because it did not deal with the fiscal realities that faced Canada in 1994, the deficit and the debt; in the 1995 budget, because it missed a tremendous opportunity to put Canada on a positive fiscal course which would see the deficit eliminated and the debt paid down within the next five years.

Like Liberals of old, the Liberals who started deficit financing rather than making tough decisions, these present day Liberals again put off tough decisions. This refusal to come to grips with Canada's debt problem plus interest on the deficit means that the debt has continued to soar. By the end of March it was over \$578 billion. The Liberals by failing to address this issue have added over \$200 billion to the national debt.

• (1550)

As the debt grows, so does the interest that must be paid. The government now pays \$47 billion in interest on the debt. This is more than it pays on elderly benefits, unemployment insurance, payments to aboriginal peoples, foreign aid, the CBC, and science and technology combined.

Let us face it. This is not just a waste of the taxpayers' money. It affects how business and industry reacts to our country. This kind of mismanagement of the country's economy does not create a climate for investment, it does not create confidence.

If the government had proceeded immediately in the 1994 budget to address Canada's problems with the economy, the confidence for investment and job creation would now be with us. The job creation proposals in the budget which we all know will not create a single long term job would not have been necessary and would not be with us now eating up taxpayers' dollars.

If the right economic road had been followed in the beginning by these Liberals, they would now be in a position to reduce taxes. A reduction in income taxes, a reduction in payroll taxes, unemployment insurance premiums and the elimination of the heavy regulatory burden which follows Canadian companies would go a long way to stimulate investment in Canada. These are the measures that should have been announced in this budget.

A failure to deal with the deficit and Canada's accumulated debt is not the only shortcoming of this budget. This budget also has severe human consequences. The finance minister and the Minister of Justice through their combined wisdom have seen fit to get involved through the budget in the payments made by the non-custodial parent to the custodial parent after divorce. Starting in May 1997 these payments will no longer be tax deductible by the

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paying ex-spouse and will not have to be included in the income of the receiving spouse.

Why the government will not leave the issue of taxation of child support payments to be dealt with by the parties themselves with the help of a mediator is beyond me. However what worries me even more is the fact that this new rule can be made retroactive. It can be made to apply to payments that are now being made. This means that thousands of Canadians, who prior to budget day thought the matter of child support was well settled, are now reviewing their child support agreements to see how this budget will affect them.

Now that the paying ex-spouse may no longer claim a tax deduction for the support payments, he or she will have less money to look after their new family as well as to help the ex-spouse and the children of the first marriage. Who is going to benefit from this massive tax grab? Not the parents involved in the divorce, not the custodial or the non-custodial parent and certainly not the children.

Who will benefit? The government. No new taxes in this budget. That is a very dishonest statement. The government already knows it will make over \$250 million on this new program in a major tax grab.

What if some of these ex-spouses are already having a difficult time making support payments and keeping up with the demands of a new family? Without the help of a tax deduction might they be less inclined to make full support payments? Is the government building a new monster, another social problem on the backs of divorced parents?

As well, thousands of family law lawyers across the country are down on their knees thanking the justice minister for increasing their billable income for at least the coming two years. This piece of legislation has opened the floodgates to more litigation. How dare the Minister of Justice and indeed the Liberal members of the House of Commons justice committee decide to vote down my private members' bill on grandparents rights because it might increase litigation and then support this budget measure which virtually by definition will increase litigation. Perhaps my bill in reality did not increase litigation enough for them to support it.

What about seniors issues? Seniors issues are put off to be dealt with in the next century. If the old age security and the guaranteed income supplement need to be changed or need to be replaced, why put it off for four years? Again, if a tough decision which might affect the government's popularity could be made, the Liberal solution is to put it off at least until after the next election.

More than that, I believe the Liberals in this budget have broken faith with our seniors. During the Quebec referendum period and in the run-up to the budget, the Prime Minister repeatedly assured

Canadian seniors their retirement incomes were safe. In a supplementary document entitled: "The Seniors Benefit: Securing the Future" the government stated: "Current seniors have the right to continue in their retirement secure the change will not affect them. That is guaranteed". This is what the government said but this is not what it has done.

• (1555)

Let us look carefully at the actions of this government. The government reduced the mandatory withdrawal age for RRSP contributors from 71 to 69. Seniors will pay more in taxes over their retirement. Because of this budget, seniors will have to remove their retirement savings from their RRSP accounts attracting tax a full two years earlier than would otherwise be the case.

Could it be that when reality hits our seniors and they realize they will not be better off, that in fact they will be forced to roll over their RRSPs at 69 years of age instead of 71, they will realize that this Liberal government has increased their tax burden and taken away direct savings from their many long years of hard work as dependable Canadian taxpayers?

Is it that by placing the proposed new seniors benefit to come into force in the year 2001 the government hopes to coast in on the next election and by the time that our seniors realize they have been hit with a new and higher tax on their retirement income it will be too late?

This government seems to be maintaining its do nothing attitude and closing its eyes to an increasing debt of close to \$600 billion. No change that negatively affects seniors, I do not think so.

What else did this budget do? The government froze the RRSP contribution limit at \$13,500 until 2003, lifting it marginally thereafter. Again this affects the ability of Canadians to provide for their own retirement. Again the government's promise to seniors has been broken.

As I said earlier, seniors are living longer healthier lives, retiring later by some. They want the right to service their own retirement. They want the government to live up to its promises.

Then there are the Liberal make work programs. The Liberals will spend over \$65 million in the next five years to establish a commission to study health care needs. Canada's health care needs no more studies. This is simply a way to put Liberal friends on the commission. Then there are the other make work projects for youth. None of them create meaningful long term jobs. I know it, my party knows it and worst of all, the Liberals know it but again, it looks good and it sounds good to the electorate.

The only long term permanent jobs are created by industry in a healthy marketplace. Industry will only create these jobs when it is

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confident the government is moving in the right direction. Tax relief might have been a good answer in part of this budget.

With this budget the Liberal government has missed a great opportunity to do something for the future of Canada. It did not. Perhaps it is time it stepped aside and let the people of Canada decide on the future of this country.

Mr. John Williams (St. Albert, Ref.): Madam Speaker, it is as clear today as it ever has been that Canadians do not want rhetoric from their government. What they want is action. What they seek is real progress.

These are the standards that Canadians have set. These are the standards by which this government wants to be judged. Seldom in our history have so many experienced such anxiety. Canadians feel our very way of life is at risk. They look at medicare and feel it is threatened. They look at the pension system and wonder if it will be there in the years to come. They consider the economy and worry that the gale force winds of competition and change will carry away their jobs. And Canadians think about their children, our youth, and ask what kind of opportunities will be left for them.

These are damning statements from a member of the opposition but that is a direct quote, the opening paragraphs of the speech by the Minister of Finance to this House, the budget speech on March 6, 1996. That is the admission of the Minister of Finance to the House and the country: the government does not have the answers that are required, does not have a plan and, halfway through its mandate, has done virtually nothing to address the major concerns of Canadians.

• (1600)

Let us look at these questions. Canadians feel their very way of life is at risk. That is a statement by the Minister of Finance. Of course it is at risk. Why? Taxation is going up and up, contrary to what the Minister of Finance says. While he says that he has not raised taxes, everyone knows that he has raised taxation revenue from Canadians by taking a dollar from the seniors, by reducing the amount that they can put into RRSPs. They are going to be cut off at age 69 instead of age 71.

The minister knows full well that the basic exemptions for income tax are not indexed for inflation at all as long as inflation is under 3 per cent. He has taken unemployment insurance premiums out of Canadian taxpayers faster than would otherwise would be required.

What a litany of exercises by the Minister of Finance. By squeezing more dollars out of this program and collecting a little more from that program, ensuring that Canadians have to pay more somewhere else, all the while he is claiming that he has not raised taxes. I will give him his due. While he has not raised the general

rate of taxation, he has done everything in his power to raise taxes by every other means at his disposal.

That is why Canadians feel that their very way of life is at risk. The Minister of Finance says that Canadians look at medicare and feel it is threatened. They have every right to feel it is threatened. The government remains absolutely committed to keeping its head in the sand. It stands by its five principles that unfortunately are outdated.

Medicare has stood us well until now, but unfortunately we have a plan that we can no longer afford. Changes are required. What does the government do? It does absolutely nothing. It has not changed one thing, other than transfer less money to the provinces. It is allowing them to figure out how to deliver health care within a framework that was devised 30 years ago. Unfortunately the provinces are finding that they cannot live within the new restrictions. That is why medicare is threatened.

It is up to the government to do something to demonstrate leadership. If I recall, the Prime Minister campaigned in the last election that he would convene a conference of the health ministers to resolve the crisis in health care. That was going to take place by June 1994. It will soon be June 1996 and we are still waiting for that to happen. That is why health care is threatened.

Seniors look at the pension system and wonder if it will be there in the years to come. The actuaries have said that there is a \$600 billion shortfall in the Canada pension plan.

Today the government has started a travelling road show to ask Canadians what they want. Where is the leadership from this government? Where is the commitment by the government to the seniors who have worked hard all their lives? Now that they are retired and dependant on their savings and the money that they paid to the Canada pension plan in the belief that old age security was going to be there for them, these are the things that are threatened.

Seniors are concerned. They are asking if the pension system will be there for years to come. We have said and seniors are saying it more and more that it is not going to be there. The newspapers today are suggesting that the premiums are going to double in order to maintain the program that is currently available.

I am not sure the Canadian economy can afford a doubling of premiums. That is why Canadians are concerned. Is the Canada pension plan going to be there for the seniors of today, far less the seniors of tomorrow? It is an answer to that question which we want from the government.

In the budget speech the minister said that old age security and the guaranteed income supplement are going, that they will be finished in the year 2001. No more old age security. No more

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guaranteed income supplement. The programs that seniors have depended on for the last generation or more are going to be wiped away.

• (1605)

Where does that leave them? We know the minister is going to introduce something called a tax free benefit to seniors. However, is that going to be better or worse for seniors? They do not know, which is why they have every right to be concerned.

Not only is the government saying it has a serious problem with the Canada pension plan but it does not know how to fix it. In the same speech the Minister of Finance states he is taking away the old age security and the guaranteed income supplement and is replacing it with something called a tax free seniors benefit which, as far as we can tell, could in many cases pay seniors less than what they are receiving today.

Do seniors not have the right to be concerned? I think they have a right to be concerned. I would think the government would say that they have a right to be concerned. Yet halfway through its mandate, the Minister of Finance is making statements at the beginning of his speech which are almost an admission of failure to manage the programs that it was elected to manage.

The government considers the economy and worries that the gale force winds of competition and change will carry away the jobs. Does anyone remember what was the promise of the election campaign of this government? It was jobs, jobs, jobs. Now it is saying that people are concerned that the changes in the competition will carry away their jobs. What is the government doing about it? Not very much. Nothing at all.

The government spent \$6 billion on an infrastructure program and the President of the Treasury Board said it created 8,000 permanent jobs. This is 8,000 jobs for a \$6 billion investment. Was that value for money? I do not think it was. As I have said many times, the government would have been better to have put the money in the bank and given the people the interest.

There are many more things I would like to speak about, such as the privatization of NavCan and CN Rail. We are now hearing that the food inspection branch is going to be set up in some kind of unaccountable, removed from government, removed from criticism by the members of Parliament. We hope it is going to do a good job.

The government says it is committed to cutting down on waste. There are many issues that I would love to talk about and continue on. I have only got to the first half of the first page of the minister's speech. I could go for days. Unfortunately I cannot.

Ms. Marlene Catterall (Ottawa West, Lib.): Madam Speaker, I have to make the same comment I made to the person questioning me after speaking on the budget. I think one of the best things we can all do as parliamentarians for our constituents and for Canadians generally is to give them the facts.

Therefore, when the member who has just spoken talks about taking away the old age security and the GST and talks about those programs as being gone, finished, wiped away, he knows that is not the truth. He knows perfectly well that any senior now receiving a benefit will continue to receive exactly that benefit. He knows that any person within five years of being entitled to those benefits will be entitled to continue receiving them for the entire period of their retirement. He knows that is a commitment of the government and of the Prime Minister personally. It is precisely what is laid out in the budget, unless those seniors now aged 60 and looking forward to retirement at 65 determine that the new combined benefit is in fact to their advantage.

The member also knows that combining those benefits and directing them is going to make sure that 90 per cent of the elderly poor who are at the lowest level of income, 90 per cent being sole support women, will in fact get more not less. He knows that the benefits for today's seniors are not in danger.

• (1610)

That is quite a bit different from the Reform Party plan which requires everybody to put something aside for their own retirement under some kind of private RRSP system.

I remember the days when my father made \$90 a month. This plan would require many families to choose between putting food on the table for their children or providing for their retirement 40 years hence. As a mother, frankly I know what choice I would make. That is not security in retirement.

As well, he knows that the Prime Minister has kept his promise concerning health care by establishing the national health forum which the Prime Minister personally chairs. Perhaps the hon. member would consider doing what I and many Liberal members have done in our ridings and hold a forum in which his constituents can give him their views, as mine have done, on what their priorities are for a sustainable health care system for the future.

The member asked about the infrastructure program. Was that value for money? Ask the 100,000 plus people who had a job for that time if they thought it was value for money.

Mr. Williams: Madam Speaker, the member asked for the facts. Let me give the facts.

"There is widespread anxiety, particularly among the young, that the public pension system will not be there for them when they retire". That is a direct quote from the Minister of Finance. "First

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the CPP must be put on a sound financial footing and done so in a way that is sustainable, affordable and fair". Another direct quote from the Minister of Finance.

Carrying on: "Clearly, the government should have acted some time ago to address this problem". A direct quote from the Minister of Finance. I can go on and on.

The point I am trying to make is that seniors and everybody else listened to the Liberals when they said jobs, jobs, jobs, when they said that is going to be there for them. The Liberals told Canadians not to worry about their pensions because they would make sure they will be there. What did we find out? There were no answers coming from the government. The facts speak for themselves. These were direct quotes from the budget speech by the Minister of Finance to this House on March 6, 1996.

Hon. Charles Caccia (Davenport, Lib.): Madam Speaker, in the few minutes available I would like to put forward some thoughts on future budgets.

First, let me congratulate the minister on his announcement on March 6 of the change to the Income Tax Act regarding investments in energy efficiency and renewable energy sources. This is an initial step in the right direction which will help in keeping our red book promise to reduce carbon dioxide emissions.

The main point I would like to make today is to express the hope that sooner or later, but preferably sooner, the government will find it possible to conclude the policy of deficit reduction and review and expand public sector expenditures in an effort to improve the social and economic conditions of most Canadians, particularly low and middle income earners.

We have witnessed with apprehension the phenomenon of certain large corporations, banks and other financial institutions making record profits by continuing to "downsize" their workforce. The time has come, as one observer recently put it, to downsize downsizing for the sake of social peace and stability.

The Easter recess has allowed me time to note the profound malaise caused by unemployment and poverty and to bring back to Ottawa from Toronto and Montreal recent images and impressions of the hardships Canadians are presently enduring.

In increasing numbers people are sleeping on sidewalks and in telephone booths and are reduced to begging for change in our downtown urban areas. Families are struggling to make ends meet. There are even reports that the financial hardship resulting from cuts to welfare payments in Ontario has become a factor in parents offering their children for adoption. Cash strapped municipalities are finding it almost impossible to provide basic services, from road maintenance to public libraries to providing an adequate number of teachers, to mention a few.

• (1615)

Social housing applicants are waiting longer and longer, in some cases several years, before their turn comes.

High youth unemployment set at 15.3 per cent in March has eroded the confidence and hope of our young people to find meaningful work commensurate with their training and career plans. It is no wonder that youth are without jobs when thousands of people have been and continue to be thrown out of work as a result of corporate and government layoffs, including the 10,500 provincial civil servants recently cut by the Harris government in Ontario.

Consumers are hesitant to buy even small appliances because of the uncertainty posed by potential job loss. Companies such as General Motors are closing down auto parts plants in Oshawa and Windsor because of low cost competition in the U.S., all in an effort to please the insatiable corporate appetite for larger and larger profits. Also, Kenworth Trucks in St. Therese, Quebec is giving notice that it intends to shift and enlarge truck production to its plant in Mexico.

New housing starts remain at a record low while the savings rates of Canadians stay at record low levels and the percentage of after tax personal income going toward servicing their debt is at a record high.

The poverty gap, that is the amount of additional income that would be required to bring all Canadians above the poverty line, amounts to a staggering \$15.2 billion with single parent mothers representing one of the largest groups living in poverty.

It seems to me that these points call for a number of measures, the most pressing being the urgent necessity of redistributing incomes. Personal and corporate tax expenditures alone still cost the federal government billions of dollars in lost revenue. Some of these expenditures are necessary and warranted but others such as the non-taxation of gambling and lottery winnings, alone amounting to some \$900 million in lost revenue in one year are not.

To give another example, the tax concessions in the resource sector such as the Canadian exploration expense and the Canadian development expense are conservatively estimated at \$150 million a year. These expenditures are no longer justifiable if development is to become sustainable.

Over the past 30 years corporate taxes as a percentage of federal government revenue and as a percentage of GDP have declined. There was a corporate tax rate reduction from 46 per cent to 38 per cent under the Mulroney regime, thus reducing the corporate fiscal burden in Canada to one of the lowest among OECD countries.

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While the social safety net has undergone intense scrutiny and reductions, for example unemployment insurance and the Canada assistance plan, outside of small increases in the large corporation tax and corporate surtax in 1995-96, increases in corporate taxation remain untouched in this budget. This policy has produced a serious imbalance between the treatment of social and economic policies.

For these reasons, sooner rather than later the Minister of Finance needs to shift his focus of attention from deficit reduction toward a policy which will: one, restore fairness and progressiveness in the tax system so as to bring back the confidence of Canadians in their government's sense of social justice and equity; two, give poverty issues the attention they so urgently require; three, provide low income Canadians with adequate social measures to ensure they can live in dignity; and four, translate the government's commitment to sustainable development into coherent policies that will ensure future growth while taking into account the need to protect our freshwater resources, the necessity of clean air to breathe, the fragility of many ecosystems, the need to adequately conserve our agricultural soil and the need for sustainable fisheries and forests, to name a few.

In addition, our sustainable development policies must respect our international commitments from the management of toxic waste to the ratification of the law of the sea, from the biodiversity convention to our commitments to lower carbon dioxide reductions under the climate change convention. All of these are important Liberal commitments we must work to realize.

• (1620)

In conclusion, I have a few words on the phasing out of the old age security pension over the next five years and the Canada pension plan. The replacement of the old age security pension with the proposals for new seniors benefits involves basing benefits on household income instead of on individual income as is the present case. Unfortunately the losers in the scenario are married women who have no income of their own who at the same time have no legal entitlement to the income of their spouse. I urge the government to redress this inequity over the next five years to ensure that married women retain the same degree of financial independence they have presently under the old age security pension.

On the Canada pension plan, I congratulate the government for launching today public hearings in Toronto which will help decide on the future of the CPP. Our increasing senior population makes it necessary to do in Canada what has already been done in other OECD countries namely, to increase contribution rates so as to retain both the present retirement age and level of benefits. This is a small price to pay for a retirement plan which benefits most Canadians who cannot afford a private retirement plan and which permits mobility from province to province and from job to job.

The Canada pension plan is one of the best plans of its kind in the world. It is funded entirely by contributions from employers and employees without a penny coming from taxes. It serves Canadians well and has done so for some 30 years. It ought to remain as a public fund owned and operated by the public sector for the benefit of many generations of Canadians to come.

Mr. Jack Ramsay (Crowfoot, Ref.): Madam Speaker, we have seen governments over the years bring forward budgets that have expressed their concern about overspending and deficit spending, yet each year the debt has grown and grown and grown. Since 1993 we have heard exactly the same kind of rhetoric, that everything is fine, we are on track, be happy and do not worry. Yet the debt has continued to grow year after year after year. The finance minister will not tell us when he believes we will stop sliding into debt. In other words, he has not set a date like many of the provinces have for a balanced budget.

Seeing as how the interest payment on our debt is the greatest threat toward our social programs, including our senior citizens programs, that enormous amount of money we have to pay on an ever rising debt which is going to amount to approximately \$50 billion by 1997, which is just next year, is the government prepared to tell Canadians when it expects to balance the debt? Would the member be prepared to offer an estimation of what the debt will be when the government finally reaches a point when it is no longer overspending and borrowing, but instead living within its means? What does the hon. member think that debt and the associated financial interest payments will be?

Mr. Caccia: Madam Speaker, the hon. member is engaging in a typical Reform misconceptual game of linking debt with social security payments and I think he is wrong. He is completely wrong because the social security system cannot be seen in isolation as a factor that runs counter to economic interest.

Whatever penny or dollar is spent in terms of pensions is returned to the economy very quickly through expenditures by seniors who certainly know how to use their revenue. Usually that revenue goes to the cornerstore, to the supermarket, to transport and other commodities.

• (1625)

Therefore there is no conflict between the well-being of the economy and the well-being of social security. On the contrary, by ensuring that our seniors receive an adequate pension payment, adequate security and the ability to live in dignity as they do now, we also pump the money back into the economy and everybody benefits from it.

I noticed on the part of the hon. member the same tendency as that of the hon. member for Prince Albert, a desire to spread some fear among Canadians about the future of their Canada pension plan. The Canada pension plan as it stands today is not in any

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danger at all. It is a pay as you go scheme. It is a scheme that takes care of the immediate present and will be put in a condition to take care of future generations as the number of seniors increase by adequate adjustment in the contributory benefits.

In doing so we can look forward not just to a few years but decades and decades of Canadians having a pension plan that will at least meet the basic requirements of an individual. It is a system and a scheme that for the last 30 years, as a result of a fine Liberal measure, has served us well. I must make sure the hon. members of the Reform Party understand that the Canada pension plan does not receive one penny from the taxpayers. It is a self-sustaining plan.

Mrs. Sue Barnes (Parliamentary Secretary to Minister of National Revenue, Lib.): Madam Speaker, I am pleased today to rise to discuss the Minister of Finance's March 6 budget.

This budget proves that the government is keeping its promise to put Canada's fiscal house in order. The 1996 budget consolidates and extends the actions taken in the 1994 and 1995 budgets. It continues our work to create the proper climate for economic growth and job development. It meets and even betters our fiscal targets.

It ensures the sustainability of Canadian social programs so that those who need assistance receive assistance. The budget relies on government expenditure cuts to meet our goals. There are \$1.9 billion in cuts in 1998-99.

Program spending stood at 16.8 per cent of GDP when this government took office in 1993. It will be reduced to 12 per cent in 1998, the lowest level since 1950. Taken together this government's first three budgets have introduced seven dollars in cuts for every dollar of tax increases. Our borrowing requirements will drop from \$30 billion in 1993-94 to \$6 billion in 1997-98. As well the ratio of debt to GDP will drop by more than one percentage point in 1997-98. In other words, the economy will finally be growing faster than the debt in 1997-98. The hon. member asked that question just moments ago and I have just provided the answer.

The cuts we have made are strategic. We are remaking government to meet the needs of Canadians in a globalized high tech world. Government may be smaller but it is more efficient. Services are provided more quickly where and when Canadians need them.

I would like to review the budget measures relating to Revenue Canada. We are strengthening our ability to combat the underground economy. The underground economy is not a victimless crime. It hurts honest taxpayers who are forced to pay more than their fair share of taxes. It places honest businesses at a competitive disadvantage. Revenue Canada is undertaking new enforcement

measures to address this. Some \$3.8 billion of additional taxes have been assessed. More resources are going to our audit program aimed at unincorporated businesses and self-employed individuals and we expect this to bring us further net revenues of about \$100 million.

Over two years ago the government consolidated revenue administration at the federal level. Sales, income and excise tax collection were integrated with customs and trade administration into a single department. The integration has performed as expected. By eliminating administrative overlap, considerable savings have been generated for the government. More important, the change has meant better service for Canadians. Administrative costs have been cut and the burden of compliance for taxpayers has been reduced.

• (1630)

There has been excellent progress, but the job is not finished. The budget confirms that the government will create a new institution, the Canada revenue commission. The new commission will enhance internal efficiency by providing increased administrative and financial flexibility.

The real gains for taxpayers, however, lie in the possibility of greater co-operation between the federal and provincial governments and the streamlining of revenue administration.

We must also ensure that our social programs are affordable and sustainable into the future. The budget contains measures to provide secure, stable and growing funding for health, post-secondary education and social assistance.

The Canada health and social transfer, CHST, introduced last year provides the provinces with enhanced flexibility to design and administer their own programs while safeguarding medicare and other social support.

Since the cash component represents a sizeable part of total federal spending, we could not put our finances on a sustainable basis without reducing the transfers. That is why funding arrangements for 1996-97 and 1997-98 decline.

Following consultations with the provinces, the 1996 budget now acts to extend the CHST but there are no further cuts. We have set out a five year schedule in which transfers grow and the cash component is stabilized and increases over time.

The budget provides additional protection to the provinces. A new cash floor will guarantee cash transfers of at least \$11 billion in all years. We also want to ensure that Canada's retirement income system will be there for Canadians when they need it.

Over the next 30 years the number of seniors will more than double while the proportion of Canadians working to support the pension system will decline. Recognizing the wide public concern

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over this situation, the Prime Minister has promised to protect the pensions of today's seniors.

Beginning in 2001, a new seniors' benefit will replace the old age and guaranteed income benefits. The new benefit will be tax free and fully indexed to inflation. Those most in need will receive \$120 more a year than under the current system. The vast majority of seniors will be as well or better off.

Those 60 and older on December 31, 1995 can opt for the new system or the old one, whichever is more advantageous. The Prime Minister's commitment to our senior citizens will be met and surpassed.

There will also be fairer, more affordable tax assistance for retirement savings. The government is committed to assisting individuals to save for their retirement. At the same time, our fiscal position calls for reasonable limits on the amount that can be saved with tax assistance.

For this reason RRSP contribution limits will be frozen at \$13,500 through to the year 2003 but then will increase to \$15,500 by the year 2005. These measures will affect only individuals earning over \$75,000. Thus, individuals earning less will continue to be able to save up to the full 18 per cent of their earnings.

This is consistent with the government's objective of directing tax assistance to the large population of modest and middle income Canadians. Because our younger population is facing different challenges we have eliminated the seven year limit on carrying forward unused RRSP contribution room.

The budget also introduces improved tax treatment, new guidelines and better enforcement to ensure that adequate child support is paid regularly and on time to the custodial parent.

We are now in a situation in which six out of ten children who live with lone parent mothers are living below Statistics Canada's low income cutoffs.

The Thibaudeau case in the Supreme Court simply brought home what many had been saying for years. We have to make it simpler, faster and more efficient to get child support into the hands of the parents to the benefit of the children.

The government consulted the Canadian public widely on this point. It became clear that few Canadians think it is right to tax child support as though it were the custodial parent's own income. Nor should the person paying the support receive a special tax break merely for performing the ordinary obligations of a parent.

For this reason, child support will no longer be included in the taxable income of the custodial parent, nor will it be deductible to the payer. Custodial parents will no longer have to worry about setting aside a portion of the support they receive to pay taxes on

the amounts and payers of the support will not have to make high payments and then wait for the deduction at year's end.

• (1635)

The working income supplement of the child tax benefit is intended to help low income parents meet the costs of things like transportation and child care when they go out to work. It can also help to compensate for the loss of certain material benefits which parents lose when they go off social assistance to enter the labour force.

To encourage this type of initiative and to help low income families make the transition we are doubling the maximum annual benefit in two stages from its current level of \$500 to \$750 in 1997 and \$1,000 in 1998.

When it is fully implemented, Canada's low income working families will have an extra \$250 million annually to assist them with their child care expenses. About one-third of the families eligible for these benefits are single parents. We will thus be targeting what we have identified as a serious locus of child poverty.

The government has taken a number of actions to reallocate funds to increase Canada's investment in youth, technology and trade, all very important areas to Canada's future. To encourage education for young Canadians an additional \$165 million over three years is being funded by reallocating money from within the tax system. We are increasing the limits on education tax credits, the limit on the transfer of tuition in education credits and the limit on contributions to registered education savings plans.

There will be more flexible child care expense deductions for low income parents who are in school or attending training programs.

We are creating new employment opportunities for youth by reallocating budget savings. We will double the funds for student summer employment to \$120 million this summer. We will increase support for programs like Internship Canada and Youth Services Canada to help young people who have left school to find employment opportunities.

Canada is a nation at the cutting edge of high technology. To ensure our continued predominance in this field, the government is establishing the Technology Partnerships Canada. This new fund will encourage private sector investment in high technology products and processes and assist in technology diffusion. New equity capital will be made available to increase the lending efforts of the Business Development Bank in strategic growth sectors such as the new technology area.

When this government took office it was charged with a double task: to address Canada's increasing fiscal burden without destroying the social fabric that has made this country one of the most

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admired in the world. We can achieve this only by ensuring the kind of economic health that made our unique social system possible in the first place.

The government has followed its jobs and growth agenda with one clear objective: to build an innovative economy that will mean prosperity for all Canadians. We are succeeding. Employment in the first quarter was up by 91,000, the largest quarterly growth in two years. The overall unemployment rate is down nearly two points from 11.1 per cent to 9.3 per cent. Interest rates are down and inflation is at its lowest level in 30 years.

Let us give credit where credit is due: to the Canadian people for their resourcefulness in a difficult time, to the private sector for its willingness to partnership and to explore innovative ways of doing business and sharing and joining with government, and to the Minister of Finance for his sure and measured handling of our national finances.

Mr. Jack Ramsay (Crowfoot, Ref.): Madam Speaker, I commend the member for her very clear message.

There are two questions I would like to ask her. The first one centres on the child support payments and the changes there. I believe those changes will cause some concern across the country. The non-custodial parents who have contacted me are very concerned about something that is not mentioned in the proposed bill that will be coming forward, their visiting rights and access rights the courts grant them and which are not lived up to by the custodial parent.

I ask the hon. member if she believes that the visiting and access rights should be linked with the child support payments.

My other question is whether the member sees a danger in the rising debt inasmuch as the interest payments that we have to make on the debt are drawing away from the revenue dollars we need to support our social programs.

• (1640)

Mrs. Barnes: Madam Speaker, I thank the hon. member for his question.

When there is change there is anxiety about the change. It is true that people will call into a constituency office and say they are worried about the specifics of change which they think could adversely affect them immediately.

The first thing we must say is that there will be clear material given to people so they may understand the changes coming. With this budget we put out a special tax booklet identifying all the questions and answers relating to the changes in support payments.

We did another interesting thing relating to Revenue Canada. We allowed Revenue Canada, after the request from the Justice Department, to get information necessary to enforce payments of delinquent supporters. I believe this measure will go a long way.

I want to make it clear that Revenue Canada will not be releasing addresses to individuals requesting that information. However, we have done something to help with enforcement.

The changes we are talking about do not relate to visitation rights. That is not what we are talking about here. We are talking about tax treatment, a tax policy that will be implemented through the self-assessment process at Revenue Canada, which is the most successful in the world. Canadian taxpayers are honest for the most part. We are hoping to enhance the livelihood and to help with the real economic needs of children in homes where money is due to them from a non-custodial parent. We are changing the tax treatment to make it more efficient, more simple and faster. There will be concerns.

As a government we will spend money to assist in the administrative changes necessary. I can assure the House that the changes were necessary and were done after massive consultations. Members of the government crossed the country over a year ago asking for input from custodial parents. We got the input and we listened. Finally, after nearly a half a century of one system we are about to change and modernize our laws.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Madam Speaker, I am pleased to take part in the debate on the recent budget tabled by the Minister of Finance. We would have preferred to comment on a budget showing the government's determination to be more effective and to reduce its size and its non-productive interference. However, this is not the case.

We would have liked a budget showing that the government has a minimum of compassion and is sensitive to the plight of our 1.4 million fellow citizens who are jobless and who realize every day that the election promises of "jobs, jobs, jobs" were nothing but empty words. Unfortunately, there is no compassion for the unemployed in this budget.

We would have liked a budget showing that the government got the message that we, on this side of the House, have been conveying to it for two and a half years by reminding it of the urgent need to restore justice and tax fairness for overburdened average taxpayers, while companies avoid paying taxes on record profits. Again, this is unfortunately not the case.

We would have liked a budget showing that the federal government had finally decided to put its house in order, instead of resorting to the easier solution of leaving to others the responsibility of taking real measures by dumping its deficit onto the provinces. Unfortunately, this is not the case. The budget that we have to comment on is not of the courageous type. What the Minister of Finance has tabled is in fact a non-budget. It is a kind of economic statement on the country's financial situation, in which everything is explained by magic, that is as a percentage of the GDP, rather than by using actual figures. It is an economic statement which does not propose any real and effective measure to

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face the problems that confront us and that can be summarized in very simple and concrete terms: 1.4 million unemployed and a debt of \$600 billion.

• (1645)

Expressing reality in hard figures, rather than projecting it through the rose coloured filter of percentages of GDP, is harsher, as well as less savvy from the political point of view. Harsher, because behind these real figures are real human beings, people who each and every day face the hard reality, real problems, and people who are getting more and more worried.

It is very sad to realize that a sizeable number of our fellow citizens are no longer concerned by government administration, have lost their illusions, can no longer relate to all of the contradictions coming from this government, contradictions raining down on their heads every day about administration, taxation, social services, as well as constitutional matters.

Understandably so. This government had promised employment—remember the red book refrain of jobs, jobs, jobs—and held out great hopes, for young people in particular. But their imagination dried up after they came up with the red book slogan. There had been a government promise to do away with the GST. The Prime Minister said he was going to scrap it, and the Deputy Prime Minister said she would resign if that was not done. This government's imagination was hard pressed to find the most effective means of trying to say what had not been said, and of convincing people that they had not heard correctly.

What people were meant to hear was not that the GST would disappear. What they were meant to understand was that, in light of the present economic situation, and in order to keep the deficit at 3 per cent of the GDP, the GST would have to be harmonized by adding the provincial taxes to it. That is what the members of the government would now like people to have understood, although their main campaign slogan was something quite different.

Strangely enough, today the Minister of Finance is using the same expressions, when speaking on the GST, as the Conservatives used during the election campaign. Within two and a half years, then, our Liberal friends have, in addition to reneging on their promise, espoused the same position as the Conservatives, a position they had so emphatically decried. The government does the opposite of what it says; no wonder our fellow citizens have so little confidence in their political leaders.

Another one of this government's contradictions is its commitment to streamline the federal bureaucracy and make it more productive. They promised the people they would cut fat in order to preserve social programs. What the government is saying in this year's budget is that there is no more fat to be cut in the

bureaucracy, when most of our fellow citizens feel that the federal government is living high off the hog.

In fact, as the finance minister's figures confirm, the real budget savings will amount to 0.0 per cent in 1996-97—which is nothing to write home about—and to around 0.2 per cent in 1997-98. We can only conclude that the government feels there is no more to be done in its own backyard and has given up on the greater challenge of reducing the size of the public service. It is, of course, easier to take over the UI fund, cut transfer payments to the provinces, and let others deal with the problems.

The government has brought down a budget with few real measures to stimulate the economy. Yet this budget clearly shows the government's inability to resolve three nationwide problems: the employment crisis, the debt crisis and the constitutional crisis.

This budget contains no concrete measures for the jobless. The government boasts about injecting another \$60 million into the summer student employment program and investing \$150 million in the technological innovation fund.

• (1650)

It forgot to mention that what it gives with one hand, it had taken away several times with the other. It cut post-secondary education by \$150 million plus another \$300 million in 1997-98. In the 1995-96 budget, it cut \$32 million from research and development for the Canadian Space Agency, \$65 million from the three granting councils, and \$11 million from the National Research Council. Those are the facts.

The government fails to provide tax incentives to promote job creation, helps itself to the UI fund instead of lowering premiums, and cuts benefits to workers' venture capital corporations whose sole purpose is to create and maintain jobs by investing in small and medium size businesses. This budget does not stimulate employment, it stifles job creation.

This budget does not contain any new government debt or deficit reduction initiative. Instead of putting its own house in order, the government is shovelling its problems into the neighbours' backyards. The provinces end up having to bear the brunt of the federal deficit reduction effort. While the federal debt has grown by \$133 billion since the Liberal took office, tax shelters remain and unnecessary spending continues, including outrageous military spending.

Finally, this budget increases federal government's interference in areas of jurisdiction that are not its own, which is where the very essence of the constitutional crisis in Canada rests. Instead of showing goodwill and withdrawing from areas of provincial jurisdiction, the government is devising new initiatives to interfere even further while continuing to spend and getting deeper and deeper into debt. Three new angles has been found to undermine the

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provinces' autonomy, namely the health research fund, the Canada revenue commission and the Canadian securities commission.

This is how, after tabling three budgets, this government has lost any credibility it may have had. It had promised to eliminate the GST, to create jobs, and to steer clear of constitutional matters. It has reneged on its promise in every instance. The people of Quebec and Canada can no longer trust this government.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I heard the hon. member say in her speech that jobs had not been created.

It always amazes me when opposition members talk that way. All they have to do is get a copy of a report by Statistics Canada and they can see that well over 500,000 new jobs have been created since the last election. In fact, for the last quarter, just about every month there has been new job creation in Canada.

Second, long ago the province of Quebec harmonized with the GST. I will tell the House why this is a good thing for Quebec and Canada and how governments should co-operate and work together. Manufacturers in the province of Quebec have the ability not to include retail sales taxes in the sale of manufactured goods for export. Quebec was clever enough to notice the advantages of harmonizing the GST.

Unfortunately my province of Ontario does not see that. Where I live General Motors is a major manufacturer. The manufacture of automobiles in Ontario includes a certain element of retail sales tax. That gives Quebec a tactical advantage over Ontario in the export of automobiles to the North American market.

I would like to suggest to the member that rather than attacking some of the advantages of harmonization, she should be applauding the government for its foresight in trying to apply the harmonization method that has been used in Quebec across the rest of this country.

Finally, I would like to suggest that if she contacts Statistics Canada it will tell her the net new job growth on a month to month basis. She will see that we have been very successful in creating new jobs in Canada.

[*Translation*]

Mrs. Picard: Madam Speaker, I will repeat what I said when responding to the speech from the Throne.

• (1655)

In this budget, taxpayers expected the government to take important measures to get its finances in order and create jobs. Given that 1.4 million people are out of work, the Minister of

Finance could have shown a minimum of compassion by introducing job creation initiatives. This is what matters at this point in time.

I am not an expert in the fields of finance and economy, but I do know, like everyone else, that when people have jobs, they pay taxes and that helps the economy. Putting people to work might help reduce the deficit. However, as long as the government keeps trying to cut here and there, particularly at the expense of the poor and of the unemployed who truly need help to find work, it will not succeed in promoting economic recovery.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Madam Speaker, as official opposition critic for heritage and cultural industries, I cannot stop myself from referring to the throne speech in my response to the budget speech.

What is written in the conclusion to the throne speech must be noted as something of great importance to the cultural industries, "Culture is at the core of our identity as Canadians. The Government is committed to strong Canadian cultural industries". This speech also confirms the government's desire to ensure the viability of the CBC, the National Film Board and Telefilm Canada. The statements of principle in the Minister of Finance's speech are, however, unequivocal. The Liberals want to reduce expenditures, while at the same time encouraging improved job prospects. Such a contradiction! Regrowth and reducing expenditures in the same breath. They claim to have a strategy which works via reallocation.

Let us be serious now. Contradictions do not belong in administration. The Liberals are full of great statements of intent, which we all know very well they have no intention of putting into practice. This government's sole objective is to make cuts, and its true cultural policy is to make cuts in culture. With a policy applied to strategic sectors that is threatening social cohesion through massive budget cuts, and threatening economic growth through a systematic layoff policy, we cannot look at the future with any hope.

Yet, if there is one sector that is strategic for maintaining cohesion and social equilibrium in Canada and in Quebec, it is culture. And what is this government doing? In the Liberal Party of Canada's budget, national cultural institutions are facing cuts of 9.7 per cent. Telefilm Canada, the NFB and the National Archives are the most affected, moreover. Let us take an example. The CBC alone is being hit the hardest, with cuts of \$102 million between fiscal 1995-96 and fiscal 1996-97. According to Mr. Beatty, its president, there will be additional cuts of \$48 million.

Telefilm Canada will face cuts of \$19 million in the upcoming fiscal year just when it is looking at the possibility of going multimedia. The National Film Board alone will be hit with cuts of \$10 million on top of the \$16 million cuts in the 1994-95 budget.

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• (1700)

The National Archives will be cut by \$11 million. Publishing support programs will be cut by \$14 million, and the heritage and cultural development program will be cut by \$22 million in the coming fiscal year. Contributions to the cultural infrastructures project will be cut by 69 per cent in 1996-97, on top of the 44 per cent in 1995-96. This is totally unacceptable.

I ask this House if this the expression of a desire to develop cultural industries in Quebec and Canada. How can the Liberals claim to be promoting job creation with such cuts? How do we assure the long term viability of the CBC, the NFB and Telefilm Canada? When the government systematically cuts the operating budgets of these organizations, there is no guarantee of a future.

When everyone knows the importance of our cultural institutions, how do we convince the government that it is heading in the wrong direction? This lack of political will to develop the cultural industries is having a dramatic impact, let us face the facts, on lost jobs.

The \$227 million cut from the CBC since 1995 represents 2,400 lost jobs, and the forecast cuts of \$150 million between 1996 and 1999 will mean another 2,500 positions, making a total of 4,900 jobs lost in the years the government is giving expression to its alleged intention to develop Canada's cultural industries.

Such job losses have a significant impact on the cultural fabric of society in Quebec and Canada. Culture is made up of real people: actors, screenwriters, authors, musicians, performers, composers, model makers, make-up artists, costume designers, scenic artists, and others. They are the raw material of cultural creation and production. The very essence of our identity could be ruined and driven to despair by this Liberal government's extensive cuts and lack of strategy, vision and policy in cultural matters.

The prospect of an Anglo-American culture threatens our culture, as everyone knows. The Canadian Minister of Finance's budget is a major culprit, as it jeopardizes the very existence of our cultural industries.

That is one of the reasons why the Government of Quebec claims full responsibility for the management of its share of the federal funds allocated to cultural industries. The federal government's estimates for heritage and cultural industries directly threaten all of us as a culture. In these circumstances, the Bloc Québécois, as the official opposition, urges Ottawa to withdraw from the whole area of culture and communications. While the Government of Quebec was increasing its contribution to cultural funding by 4 per cent a year and its share of all public expenditures affecting Quebec culture from 32 to 37 per cent, the federal government's contribution fell from 45 per cent in 1989-90 to 34 per cent five years later.

According to Louise Beaudoin, Quebec's Minister of Culture and Communications and Minister responsible for the Administration of the Charter of the French Language, although Quebec makes the greatest effort in Canada, it is not enough to compensate for the federal government's gradual withdrawal from culture. It is certainly logical.

• (1705)

At a time when Quebec is taking action and increasing its budgets to ensure the viability and development of its culture, the federal government continues to withdraw and to cut funding. The Government of Quebec has no use for the more or less political goals pursued by the Department of Canadian Heritage through the distribution of millions of flags. At a time when everything is being cut, they suddenly found \$17 million and hired 10 full time telephone operators to handle callers who want the flags promised to them by some deputy minister. As we speak, at a time when everybody is being hit by budget cuts, including those who create our culture, who guarantee our identity and development, they have just spent close to \$7 million.

Meanwhile, on the other side of the Ottawa River, the federal government plans to reduce the funds spent on culture, something that would greatly compromise our cultural future.

In closing, this budget shows once again the government's inconsistency and lack of vision and respect for Quebec culture. We must, however, admit that the federal Liberal government is true to itself, making and breaking its own promises as it pleases.

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, what our friend opposite said about protecting culture is most interesting. A question comes to mind however: What culture is that? The Canadian culture, which includes the Quebec culture? Or are all cultures lumped into one?

I think the best way to protect a culture, a language or a people, as our friends opposite would say, is through the Canadian government, the federal government, as opposed to the provincial level of government. The measures we have adopted in this budget are but one way of ensuring that a typically Canadian culture is preserved, so to speak.

Mrs. Picard: That is blackmail.

Mrs. Bakopanos: Blackmail yourself, Madam. Let me speak.

The Acting Speaker (Mr. Kilger): I understand that the debate could excite emotions and even convictions, but I nevertheless ask the co-operation of the House in please addressing the Chair when making remarks.

Mrs. Bakopanos: Mr. Speaker, the opposition keeps attacking the budget put forth by our government by using intimidation

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regarding the culture preservation issue. As I said before, as did several other speakers, the budget has put in place measures to ensure that funds are available to preserve our culture as we know it.

The fact remains that culture—perhaps the opposition will disagree—is something that evolves. There is no such thing as an unchanging culture. It grows and gets better over time.

Moving to other budget issues raised by the hon. member, the preservation of our social programs and the sacrifices that had to be made in the system we have enjoyed in Canada, we can be thankful for the measures that we have taken as a government to ensure that sufficient funding will be available to continue preserving the French language across Canada and preserving French language programming across Canada. The survival of the French-Canadian language and culture in Canada is guaranteed through the measures put forward in this House by the Minister of Finance to ensure that funds will be available.

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, I wonder on which planet the hon. member for Saint-Denis lives, given what she said about subsidies being given to French speaking communities everywhere. She should reread this blue document called the budget. She will realize that there are cuts, year after year, and that the assimilation rate keeps growing. It is time the hon. member woke up.

• (1710)

The hon. member claims that her government provides many good things in its budget for culture. Let me just remind her of a few facts which she does not appear to have figured out: the CBC, cuts totalling \$150 million and close to 5,000 jobs eliminated; Telefilm Canada, cuts of \$19 million; the National Film Board, cuts of \$10 million; the National Archives, cuts of \$11 million; the writing and publications program—books are important, our authors tell our story—cuts of \$14 million; heritage programs, cultural development, cuts of \$22 million.

Please, wake up. These are cuts, not support. These are cuts and when cuts are made, it results in a reduction, not an increase, in production and in the number of jobs.

It is time to wake up and realize that the budget tabled in this House does not promote cultural development and does not in any way support one of the main recommendations made in the Juneau report, which provides that we should not only ensure the recognition of our cultural institutions such as the CBC, Telefilm and the National Film Board, but also their long term funding. Not only does this budget not follow up on these recommendations, which have gained unanimous support, but it also cuts everywhere, thus creating losses of jobs and services, while jeopardizing cultural development as a whole.

[English]

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, it is my pleasure to speak to the budget which was introduced by my hon. colleague, the Minister of Finance.

There has been much discussion both in the House and in the homes of Canadians since the budget was brought down in early March. The overwhelming consensus is that truly this is an outstanding budget. Editorials from St. John's to Vancouver have hailed it as a major step forward in the fight against the deficit and to protect social programs. I know the Reform members would not know much about social programs.

Let us look at the economic and fiscal framework in which the budget is presented. We should take a moment to recognize the achievements of this minister. First of all, his tenure in the finance portfolio has been marked by a measured, balanced and disciplined action.

Let me just repeat for some of my colleagues that this is a balanced and measured approach. I know some members would say that we have to cut and chop everything out of government. However, Canadians see that the position the government and the minister have taken to have a balanced approach. An approach where we deal with the deficit on a year by year basis is the right approach, instead of ignoring the problem which some of our members would like to do. Other members would like to slash and burn. As Liberals we know that is not the right way.

When the Liberals took office, the country's finances were in a disastrous state. There was no vision and no plan. Under the finance minister's stewardship, the government has worked with Canadians to craft a sound economic vision for the future.

The Liberals realize that the deficit, employment, economic growth, inflation and taxation are all interrelated. That is why we need a sound economic vision for the future of our country. That is why the budgets have been structured with an integrated economic framework.

Just two and a half years after the Liberals assumed office the outlook for Canada is much brighter. The results of the fiscal framework are the following.

• (1715)

For example, short term interest rates have fallen by three percentage points in the last year alone. Imagine how much money Canadians are saving. People who have mortgages, people who finance their automobiles are saving a lot because short term interest rates have dropped. Something which I did not think would happen has happened. Overnight, interest rates are now lower than those in the U.S. This is a sign that the markets have confidence in this government and its economic policies.

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In the last 13 months 263,000 jobs have been created. Since 1993 some 600,000 jobs have been created in the Canadian economy. Inflation is the lowest it has been in 30 years, reflecting solid productivity growth and virtual absence of cost pressures.

Let us compare Canada to other countries. On an international basis relative to other G-7 countries, our finances appear to be on a sound footing. Our financial requirements, deficit to GDP, our rate of inflation and unit labour costs are all looking good when we compare them to the G-7 countries. Of course, we cannot rest on our laurels for there is still work to be done but these numbers are sure signs that progress is evident.

We have seen in the international community how much more confidence there is by looking at interest rates, by looking at the targets we have met. So far we have been able to meet and do better on every target. The international community has a tremendous amount of confidence in us for when we say we will deal with the deficit we do, not through words but by action.

This budget represents another important part of our coherent and integrated plan to modernize government and to put in place the fiscal ingredients for a prosperous Canadian economy.

The major thrust of the budget is the future. Specifically, it speaks to our future by restoring health to public finances, defining a more appropriate role for the federal government in today's economy and federation, and by taking direct action to secure social programs for the future. It is very important to emphasize that we are taking direct action to secure our social programs, laying out a plan to restore confidence in our public pension system.

As the finance minister indicated in his budget speech on March 6, this budget is about addressing problems before they arise. It is about managing ahead and continuing to put in place new building blocks for security and prosperity. This is important because as we know we are in an age where social and economic transformation is occurring at a frightening speed.

Looking at the budget we can recognize the change that is coming in our society, the roles that information and technology are playing. That is why we are investing in those areas. That is why we are investing in our young people who are getting involved in helping small businesses take advantage of the information technology.

In British Columbia young people are working with small businesses. We as a government along with the private sector have said that we need to make sure that small businesses take advantage of the existing technology. That is why we are trying to bring our youth and small business together on programs that will take advantage of the information technologies.

That is why Canadians have given this budget glowing reviews. It minimizes the uncertainty of our future by simultaneously creating economic opportunity and safeguarding our cherished social programs.

British Columbians are very satisfied with the budget. I want to take this opportunity to explain why this budget is a good one for British Columbia.

Many of the Reformers are very supportive of this budget, particularly on our success in dealing with the deficit. Reformers have to understand that this government will not gut our social programs like they would do, nor would we destroy our cultural industries like Reformers would do. We will continue to ensure that we have social programs and that we support our cultural industries as this budget does.

• (1720)

The reaction in my home province and in my riding has been overwhelmingly positive. That is why the Liberals are over 50 per cent in the polls in British Columbia and Reformers are down to 20 per cent or less in British Columbia. They only have one issue and that is the deficit and it is no longer an issue because we have broken the back of the deficit. They are looking for other issues all the time and are unable to find them.

There are three or four issues which are near and dear to the hearts of the citizens of my province and the people of my riding. We all know the figures by now so there is no need to reiterate them. Perhaps we should ask why our success in reducing the deficit is important. There is a link between deficits and our goal of jobs and growth. That is our ultimate goal, jobs and growth. We want to create an environment where the private sector can create those jobs and growth.

Pursuing a lower deficit helps to keep our inflation and our interest rates low. Low inflation helps to smooth the bumps of the boom and bust economic cycle. It also helps to keep interest rates low. Low interest rates in turn help to stimulate demand in interest sensitive industries, foster high levels of investment and keep Canada competitive relative to our global competitors.

We have started this process of fiscal recovery. By doing this we can eventually attack the debt, and we will attack the debt, which as we all know consumes more than one-third of federal revenues. For the first time in decades, British Columbians know that when the finance minister says he will balance the books there is real substance behind the promise.

This budget speaks volumes about the differences that exist between this government and other parties in the House. The Liberals are a true national party which effectively represents all Canada's regions and people across the political spectrum.

Members of the Reform Party say theirs is a national party but we have not seen that. In every byelection the Reform Party has

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not been able to prove it is a national party. It has been a disaster. In not one of the byelections was the Reform Party able to make any substantial effort or win any seats. Reformers have a long way to go to prove it.

The Liberals are a true national party which effectively represent all of Canada's regions and people across the political spectrum. We do this by providing government that is open, honest, forthright and rational. We recognize there is a fundamental need to change the way government works. We have not retreated from the task of bringing Canada into the 21st century. Instead we have enthusiastically embraced this challenge by recognizing that difficult decisions must be made.

In making these decisions we have found the balance between retrenchment and social justice. We have shown Canadians and indeed people around the world that it is possible to protect the social safety net while restoring integrity to our nation's finances.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I would like to ask the member a very short, directly answerable question. I would like to place a bet with you, Mr. Speaker, that he will not answer it. I cannot do that, I am sorry.

The Acting Speaker (Mr. Kilger): I have been known to take a flyer or two on a few tips but I do not think we should engage in that sort of game.

Mr. Epp: My apologies, Mr. Speaker. We will have to see how this speculation ends.

The hon. member knows a lot about business. If he were the chief executive officer of a corporation and when he took over the debt in that corporation was around \$40 million and after four years it had grown to \$50 million, would he be applauded by the shareholders? I would like the hon. member to give me a yes or no answer and I think he will not.

• (1725)

Mr. Dhaliwal: Mr. Speaker, if the hon. member is concerned about direct answers he should talk to his leader. The last time I asked him a direct question about his party's stand on the turban issue with the RCMP, the leader of the Reform Party refused to answer. I am glad that some of the members have now brought this forward as an issue and they may deal with it at the next convention. If the member wants a direct answer he should start by talking to his leader so that he does give a direct answer when he is asked a question in the House.

In terms of corporations let me say that government is not a corporation. Some members of the Reform Party have to learn that you cannot try to compare a corporation with government. In government we are dealing with people. We are not dealing with the bottom line.

It used to be said that what is good for GM is good for this country. We have learned that sometimes what is good for corporations is not good for the general population. It is not good for Canadians. We are ensuring that we have a vision for the long term for our future generations, for our children, our grandchildren and their grandchildren. We do not look at just the bottom line. We look at our future to make sure that we have a quality of life we can be proud of and we can tell our future generations that we worked toward that. We cannot compare a corporation and government.

We are concerned with the debt. The first thing we said as a government was that we were going to deal with the deficit. We cannot deal with the debt unless we deal with the deficit. We have put forward a constructive program to deal with the deficit. The international community knows that when we say we are going to deal with it we are dealing with it.

Once we have dealt with the deficit the next step obviously is to deal with the debt. We will be dealing with it but we have to do it in a balanced, rational and a measured approach so that we ensure we are sensitive to the human dimension of cutting deficits and cutting budgets. The way we are doing it will be seen in history as the right way.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, since this government has come into office and as a result of the budgets the finance minister has put forth so far the debt will increase by about \$120 billion. The debt is ever increasing with no sign of that increase ending.

The government has made some cuts in spending but those cuts have been more than lost due to increases in the interest payments it takes to service the debt. The only reason deficits are decreasing in the projections is due to increased revenue, more money brought in by this government from taxpayers. Is this situation satisfactory to the member?

Mr. Dhaliwal: Mr. Speaker, first let me correct the facts. For every seven dollars cut there is only one dollar on the revenue side in action taken by the government. We have cut seven dollars for every one dollar of revenue whether it is through fees or in some other way. It is not accurate to say that most of the changes came about as a result of a change to the revenue side.

The approach this government has taken has not been to cut everything by 10 per cent or 20 per cent. We said let us look at government and see where we can improve, where we need to cut and where we need to add. Let us see where we need to add more money to government so that we have a core government, that we have an efficient government and we have a government that is working for the people of this country and not just a straight percentage cut everywhere. That is why we looked at the priorities of what is important for Canadians before we made the changes that we did in the budget.

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Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, in less than a single full term in office this government has managed to cut the national deficit by \$20 billion and at the same time cut the unemployment rate by a full two percentage points.

Canadians can have more confidence in how they are governed now that they have a Minister of Finance who sets and reaches ambitious fiscal goals without the destructive consequences of public service walkouts or wholesale elimination of service. Successes come from abandoning the failed policies of governments past.

• (1730)

A sixty per cent cut in subsidies to business was born from the realization that little can be gained by collecting taxes from business with the sole purpose of redirecting the same dollars to the same businesses through subsidies and grants. We have learned that the value of targeting funds is small and more than offset by the consequences of increased taxation, administrative overhead and the cost to business of hiring consultants and lobbyists to apply for grants.

It was a typical case in the previous regime that \$100 would be taxed away from an industry with \$1 or \$2 spent in the collection process, as much as \$20 more spent on grant administration and the remaining \$78 dollars would be handed out to business as a great gift. However, \$15 had already been spent by business trying to get its tax money back by hiring consultants and applying for grants.

At the end of the rinse cycle industry would be about 35 per cent better off had the government just stayed away. We have done away with tax and grant government. We no longer believe that the role of government is to seize and reinvest the earnings of private corporations.

Rarely has economic success ever been built on temporary grants and subsidies. It is true the odd business may be lured to set up a factory by the promise of grants, tax credits or some other concession paid for by the local businesses. It is also true that often these factories vanish as soon as the locks get changed at the house of the free money.

Government grants impose a psychology on business that slows sustainable job creation as entrepreneurs wait for handouts rather than accept private sector funding under market conditions. It is not rare to hear of a small business owner planning an expansion which might create 100 jobs. Typically the entrepreneur could find the money needed from private resources or a bank or venture capitalist, but then the prospect of the government grant would get in the way.

The entrepreneur would start spending his time visiting bureaucrats, filling out forms, preparing his case. Pretty soon he would get frustrated and hire a consultant who specialized in positioning

companies for grants. The process would drag on for months. A hundred people were still out of work but our entrepreneur would sense the competition. If he did not get a grant his competitor might then be able to undercut his price. He would have to press on. More months would pass with still no word, still more consulting fees, still no jobs created.

Finally there would be a sigh of relief with rejection letters from all granting agencies. Now our entrepreneur could actually carry on his business, creating jobs by using private sector resources for private sector results.

Many forms of subsidy will remain in selected fields and to support exports. Generally business is being freed of having to apply to government for funds to stay competitive. Overwhelmingly the government is being reduced to a level that can actually be understood by citizens who are too busy working and paying taxes to study every branch or tentacle funded by their tax dollars.

The confidence the public has shown in the government and the Minister of Finance arises from our efforts to limit government to its original and irreproachable aims. In 1997-98 total program spending will fall to about \$106 billion. Fifty-four per cent of this spending will go to seniors, the unemployed and to the provinces to support education, health and other social programs. Business subsidies by contrast will account for barely one and one-half per cent of program spending.

By the conclusion of our first term in office, the taxpayer will be comforted to know that fewer and fewer hard earned tax dollars are leaking away from the core of government's role. Government will soon be able to say it is doing only what it does best which no one else will do.

Our role is largely to redistribute cash to help seniors, the unemployed, low income earners, provinces with smaller per capita tax bases as well as support our national medicare system and affordable post-secondary education.

• (1735)

Some have criticized these programs, saying their home province is spending more than it receives, say from the employment insurance plan. This plan is about people, not about provinces. It is intended to treat individuals fairly according to the unemployment levels they face where they live.

Politicians in wealthier provinces who protest relief going to people in need in other provinces represent a view of the country shared by Lucien Bouchard, always calculating their share, discounting what they receive, focusing on any area where they pay more than they get back and never viewing Canadians as equal members of a single nature who have a long history of helping each other through hard times.

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This 1996 budget does not give in to regional parochialism or selfishness. It preserves the Canadian sense of community by sustaining our social fabric while finding necessary savings in subsidies, administration and by closing tax loopholes.

In short, we have reduced Canada's deficit without reducing Canada.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):
Mr. Speaker, I have been in the House for a while now listening to some of the Liberal members who spoke. I have to admit that most of what they say sounds like it has been written by a speech writer in an office tower who is totally unattached to Canadian reality.

There is an occasional paragraph in some of the speeches where a few words have been added, but most of it sounds like pure political drivel by someone in the finance department trying to justify a rather uninspiring budget with accolades that are not shared by Canadians and which do not reflect the response Liberal members are getting from their constituents.

When looking at the budget we begin to see there are perhaps some changes coming for old age pensions and for CPP. There are some signs that perhaps the Liberals will not keep their promises. Liberals are great for not keeping their promises. They changed their minds on the free trade agreement. They said it was terrible and now they support the free trade agreement.

They said some things about the GST and they have been back pedalling awfully hard on that one. Why should Canadians believe one thing these Liberals are saying?

I believe that because of the fiscal mismanagement of the country, one day the Liberals will have to get up in the House and say: "Sorry, old age pensioners, you will lose your old age pension even if you are low income". They will say: "Sorry, we mismanaged your CPP funds and you will lose them. We meant to tell you sooner, but we just did not get around to it". They will tell our young people: "Sorry, we have to raise your taxes. We did not do things quite right in the past. It just kind of crept up on us. We did not mean it to happen. That is the reality of the times".

Our debt is increasing at an enormous rate. In spite of all the drivel we hear from the Liberal members, the truth is our debt has increased by almost \$100 billion since the Liberals took over and the interest payments on the debt are approaching \$50 billion every year. This from a government that only gets a little over \$100 billion in revenue each year and is spending about \$160 billion each year. It is atrocious. It is terrible.

I wish the Liberals would come to their senses and recognize the seriousness of the situation and be prepared to do something constructive about it before they lose all of the so-called social safety nets they claim to be the champions of. It will be the Liberals

who will destroy all of our social safety nets by pretending there is nothing wrong with their budgets or with the ongoing deficits they have been ringing up not only in this decade but in previous decades to the tune of almost \$600 billion to date.

I had to get that off my chest because I am extremely upset that they would mislead the Canadian people by letting them think everything is okay.

I want to direct most of my speech today to the agricultural perspective of the budget. As agriculture critic I am very concerned about what the budget states with regard to agricultural issues. There are a few issues that need to be discussed today.

There was a formal announcement in the budget of the government selling off 13,000 grain hopper cars. This was not much of a surprise because it had been discussed and the government's intention had been made known before the budget was released. It became very clear the government was prepared to go ahead when the budget was released in March.

• (1740)

The so-called SEO group, the senior executive officers, made up of executives of the railways, elevators and other key players in the grain industry was set up last year by the federal government to develop a set of recommendations regarding future grain transportation systems in western Canada. In its set of recommendations to the Department of Transport and Department of Agriculture and Agri-Food last fall, the disposal of the hopper car fleet was considered. The railways would purchase these 13,000 cars on the condition that they be used to transport western grain. The cars would be sold for \$100 million and the purchase cost would be recovered over five years through an approximate one dollar a tonne rate increase in transporting grains.

This all seems to be going down the drain. The recommendations for the car disposition seems to be derailed and any idea that the railways will be receiving the cars is very slim at the current time, which is not necessarily bad. Subsequently, a coalition of farm groups has banded together to develop proposals to buy the hopper cars. The primary objective of the coalition is that all 13,000 cars be sold together, that they be operated as a common fleet and that the first priority of use will be moving western Canadian agriculture products.

Members of the producer coalition have been critical of the federal government, suggesting it is difficult to develop a business plan or arrange financing until they know what the selling price of the cars will be.

I might use the illustration of a used car salesman. If any member of the House was to buy a used car and went to a used car lot, they would see a car and would ask the salesman the price of

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the car. Our used car salesman, the minister of agriculture, said he wants to sell his used hopper cars to Canadian farmers but that there is one little catch, he will not tell them the price of these hopper cars. He wants the farmers to put together the financing by going to the Farm Credit Corporation or some leasing company and make all the arrangements and then he will finally get around to talking price a ways down the road.

We have heard of some pretty shady used car salesmen in the past but I certainly do not think farmers appreciate the used hopper car sales approach that is being used by the minister of agriculture.

In the budget the Liberals laid out a proposal that was far from specific and raised more questions than it answered: "The government will examine proposals for the acquisition of the cars, taking into account the interests of producers, shippers and railways and the need to make the most efficient use of the cars. The Minister of Transport will be authorized to adjust regulated freight rates effective August 1, 1998 by 75 cents per tonne on average to cover the cost of the acquisition".

Shortly after this announcement it was reported that the government was looking for somewhere in the neighbourhood of \$250 million for the cars. However, this was only a rumour. There was no substantiation and no firm proposals put forward. There was no explanation as to how long the 75 cent per tonne surcharge would remain. There was no explanation as to the replacement process for replacing these hopper cars. There was no suggestion as to how they might be maintained. There was no suggestion as to how they might be allocated.

What the Minister of Agriculture and Agri-Food and the Minister of Transport are asking are for farmers to buy these cars. They will have no locomotives to pull these cars. They have no idea as to what kind of an allocation process will be put in place for these cars. Yet they are supposed to put the financing together and go storming ahead with this process.

It sounds an awful lot like the way the minister of agriculture handled the whole Crow situation. When the Crow buyout was announced it was supposed to be offset by efficiencies in rail transportation. The problem is the minister of agriculture forgot to address the issue of the efficiencies before he ended the Crow. It was kind of like putting the cart in front of the horse.

Certainly in this whole Crow fiasco there were a lot of mistakes made. Certain crops like forage were not included in the payment even though they were part of the regular rotation of eligible crops. There were instances where a renter and a land owner were going to arbitration and it was costing them an exorbitant amount, anywhere between \$500 and \$1,500 a day for arbitration for a cheque that may not be much more than that.

Cheques were to be mailed out in January. However, there are still constituents in my riding of Kindersley—Lloydminster who have not received that initial Crow buyout cheque.

I was talking to some people from the Farm Credit Corporation. I told them this whole Crow buyout plan allowed that the payment would be going to FCC for land they held and was being leased by a customer. If the customer chose to use that money as a down payment they could purchase their land and get it back. I asked how this plan worked. The corporation said it was really not working at all because they had to meet a December 31 deadline and many of them still did not have their initial Crow payment.

• (1745)

They were not able to put together interim financing. They were not sure what the amount would be. Therefore, he said: "It is very rare that you would see a client of the Farm Credit Corporation using the Crow buyout as a down payment to repurchase his land". There was some very bad planning in the whole process.

Let us go back to the grain hopper cars. It makes sense for the government to develop a clear plan of action rather than taking the ad hoc approach that we are becoming quickly accustomed to in this House.

The minister of agriculture has stated publicly a bias in favour of some form of producer ownership. If the government would like to see the hopper cars go to the producers, it should develop a transparent and open framework that will accomplish that. The minister of agriculture should not be giving the producer coalition preference when he cannot guarantee the cars will be sold to the producers.

Second, if the government has already made up its mind who should own the cars, there is very little point in having a lengthy consultation process to arrive at a conclusion that perhaps is predetermined. There has been no openness in discussing the negotiations or the intentions of the government other than the minister's expressed wish that the producers somehow buy the hopper cars without knowing the details.

According to the budget, the bottom line is that the hopper cars will be sold. They should be sold. While the government should attempt to get a reasonable amount of money from the sale, producers that utilize the rail system should not be pained unnecessarily for paying off the cars. The ending of the WGTA subsidy has already increased farmers' transportation costs on average by 75 per cent. What is needed in the car disposition process is a clear and concise strategy that will prevent the process from going off the tracks.

The agriculture minister failed in the whole disbanding of the Crow. He is failing on the hopper cars. He failed on the durum trade

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dispute Canada had a year or so ago with the United States and he failed on the transportation bill, Bill C-14.

The minister of agriculture spoke to a meeting of the Saskatchewan Wheat Pool in my province and indicated that he would be a point person, the person who negotiated the best possible transportation act for prairie producers.

Every prairie representative who I know that came before the transportation committee said that there were fundamental flaws with Bill C-14 which needed to be changed. If it would be enacted, it should be fair both to shippers and the railways. The minister of agriculture failed to represent that interest, which showed how hopelessly inadequate he was or how inconsistent he was in keeping his word.

I want to briefly touch on the reduction of the dairy subsidy and the creation of a single federal food inspection agency, which are also parts of the budget.

With regard to the reduction in the dairy subsidy, the Reform Party has stated that the supply managed sectors must not rely on federal subsidies to sustain their existence in the marketplace. Instead, producers must rely on their competitive advantage and create an environment that is viable, self-reliant and market driven.

The Liberal government has failed to come clean with producers when it told them that the status quo approach with a few cosmetic changes would allow the supply managed sectors to go unhindered into the 21st century. Once again, the government has relied on an ad hoc approach to the detriment of Canadian farmers.

As far as supply management is concerned, before the election Liberal candidates and Liberal members of Parliament were suggesting that article XI was safe, that they would defend article XI under the GATT. Once they got into power, they quickly broke that promise as they broke many others. They said, sorry, we did not have enough support in the international community. We had to break our word.

I fear that the Liberals are doing the same with supply managed industries. They are making promises that they are not going to be able to keep and that is unfair.

One of the promises they broke was the discontinuation of the dairy subsidy. I heard nothing prior to the last election that a Liberal government would discontinue the dairy subsidy. In power, that is what it has turned around and done.

Reform was very open. We had a dialogue with the supply managed industries. We said that in the overall scope of things we would reduce and eliminate the dairy subsidy, but we would do it in co-operation with the industry. The industry would know what was going on and there would be other avenues that it could follow to compensate for the losses the farmers would have.

The Liberals were not open and straightforward with the industry. They mislead the industry and now they are pulling the rug out from under an industry that was not prepared to deal with the end of the dairy subsidy. That is not good government and that is not a good way to deal with the agriculture sector.

As far as the single food inspection agency is concerned, that is a positive development if it brings about the forecast of expenditure reductions and if it continues to provide the service that is required.

• (1750)

It is about time the government realized that amalgamating the same services of three departments under one department will promote efficiencies financially while reducing the duplication among various levels of government and government departments.

It is clear that some of the other federal departments should follow this and reduce inefficiencies. We have to be vigilant to make sure that the government actually reduces the departments where there is overlap rather than reshuffle people around, create this new single inspection agency, but yet keep unnecessary bodies around in the other three departments because it is not prepared to make the cuts and do the decisive things that need to be done in the department of agriculture.

The Liberal delay in addressing the deficit will cost Canadian taxpayers in excess of \$10 billion. If Canadians would have elected a Reform government in 1993, by the year 2000, taxpayers would have been \$10 billion better off than they are under this Liberal government because of its mismanagement of the economy and of the budget.

A Reform government would have halted this waste by balancing the books more quickly. Furthermore with a balanced budget taxpayers would see a sustainability of funding for social programs and tax relief.

That is the compassionate way to deal with seniors. That is the compassionate and right way to deal with our youth. That is the right way to deal with the agriculture sector as well.

The sustainability of Canada's social safety net, job creation and a prosperous farming sector can only be achieved by creating a healthy economy through a balanced budget, reduced federal spending and a shrinking federal debt which will result in modest surpluses and a growing economy. That comes from proper management and proper budgeting and a finance minister that has more courage than our current finance minister.

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, I simply could not let the member's words about drivels go unnoticed.

I wonder if he would agree with Bill Good, B.C. based radio call-in host, who said on CTV's "Sunday Edition": "What Paul

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Martin has done is gathered a considerable amount of credibility by hitting the targets that he has said he was going to hit, that is keeping interest rates relatively low because international investors now believe Paul Martin is serious about deficit reduction”.

Would he also agree with Jeffrey Simpson, *Globe and Mail* columnist who said: “If only federal governments 10 years ago had introduced budgets like the last two, including yesterday’s—The fight against deficit-debt has been waged thus far successfully without major tax increases to which Canadians have become politically resistant. It has instead been fought where it belongs, in the government’s own spending and in transfer to the provinces”.

Would he agree with the Montreal *Gazette* editorial: “For the most part Mr. Martin deserves praise for keeping his government’s promise to keep federal finances under control without damaging the core of the country’s social services and without hurting too many people too badly”.

Perhaps he would agree with Jason Moscovitz that the reason for the drivel of the member’s opposite is that, as Mr. Moscovitz said: “With the Liberals showing the deficit declining, the Reform Party appears to have been caught flat footed. Paul Martin had a day he may not soon forget. In straight parliamentary terms he beat up the opposition—

The Acting Speaker (Mr. Kilger): I hesitate to interrupt at any time but I think it is important to remember that although sometimes we might quote from any publication, the rule of the House is that we cannot do indirectly what we cannot do directly. In other words, directly we would not name the Minister of Finance. We would refer to him as the Minister of Finance.

I know we have been away for a few weeks and we are a little rusty. I just bring that to the attention of the House once again. I think the question has now been put.

Mr. Hermanson: Mr. Speaker, it was interesting. What the member was doing was quoting from the Liberal finance department’s briefing notes. This is what the hon. member should say in response to Reformers. Use this quote, this quote and this quote, and see what happens.

I am not sure of the economic credentials of some of the people who wrote some of those articles. I am sure they are all excellent journalists in one form or the other. A lot of what the member said is true. The finance minister has hit his target.

Actually, Mr. Speaker, if you put a string a foot above the foyer I could jump over it without any problem. If you put the target up where it should be, where I would be competitive, in my case it still would not be too high because of the shape I am in. Let us say three or four feet and then it would be a challenge.

• (1755)

The finance minister has set his sights very low. He is certainly hitting his targets but he is doing it at great cost to future generations. Low income seniors will not have their old age pensions and CPP because of the finance minister’s low targets. Young people today, our kids and our grand kids will be paying taxes that they cannot afford to pay and they will be looking for jobs that are not available because the finance minister set his targets far too low.

Mr. Simpson said that this should have been done sooner. It certainly should have been done a whole lot sooner. The debt was \$17 billion in our centennial year. Now the deficit is \$30 or \$40 billion a year.

One of the worst finance ministers during that period is the current Prime Minister. He started us down the wrong road. The Mulroney government came along and it could not fix it either. Canadians finally started getting mad and now they are electing Reformers because they realize they were headed on a course to disaster if we do not get the federal ledger balanced and get it done soon.

As far as Mr. Moscovitz is concerned he is a great reporter. I enjoy watching his show. He is always entertaining but he reminds me in that statement of a lot of reporters who said in 1988 that the Reform will never elect an MP. These are the people who said that. “They will never elect an MP. You will never see one of them sitting in the House of Commons”. In 1989 we elected our first MP.

They said that Reform would never get anywhere outside of western Canada and it will never be anything more than just a rump in the west. We hold the majority of seats in western Canada and we elected a member in Ontario. We were the second strongest party in Ontario.

The other day we almost won a seat in Newfoundland where the experts had written us off and said we would never even get a toehold.

Mr. Moscovitz may be wrong. We see the Liberals breaking their promises, taking away OAS, not being able to fund CPP, not being able to support post-secondary education. Then Canadians will say the Liberals betrayed us, the Reformers were right and that is where we had better put our stocks in the future.

The Acting Speaker (Mr. Kilger): Before I resume debate, earlier an hon. member raised the issue of a wager. The last member who spoke made mention of how high he might be able to jump. That might make for an interesting wager.

Let me see if I can get some clarification here. Is the hon. member for Elk Island seeking the floor for debate?

Mr. Epp: Yes.

The Acting Speaker (Mr. Kilger): Let me clear the matter up as best I can. The last spokesperson from the Reform Party, the hon.

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member for Kindersley—Lloydminster, went well beyond 10 minutes if there was split of the debate time. I am having great difficulty in recognizing someone from the same party at this time.

I hope that the hon. member will understand. I might have been of more assistance if I had asked the member if he was sharing his time. I failed to do so. I regret the confusion.

Mr. Epp: Mr. Speaker, a point of order. I was of the opinion that we were splitting our time, however I will gladly defer if you can assure me that some time down the road I may get another opportunity.

The Acting Speaker (Mr. Kilger): I am sure the hon. member will get another opportunity. The matter of debate today is the amendment of the official opposition. It will be voted on no later than after the bells at 6.15 p.m. I believe there is still some debate time left on the budget motion. Could the table officers indicate to me that there is still some time? There is still some debate time on the budget, and so the hon. member for Elk Island will have an opportunity.

• (1800)

Mr. Hermanson: Mr. Speaker, on a point of order, I am sorry if I went over my 10 minutes. I was of the understanding that we had indicated we were dividing our time. Could you indicate whether there is still part of the half-hour slot remaining? Would the member for Elk Island at least be able to use some of that time if there is some time remaining?

I apologize if I went longer. I was expecting a sign from you when nearing the 10 minute mark.

The Acting Speaker (Mr. Kilger): Normally in all likelihood I would have given any member some indication when getting close to his or her time. However, not having the previous information that the member was to be splitting his time, once we got beyond the 10 minutes I accepted the fact that possibly the hon. member for Kindersley—Lloydminster was to take the full 20 minute slot.

Again, I apologize if I contributed to this confusion but I must look to the opposite parties now for debate.

Mr. Hermanson: Mr. Speaker, I apologize for using more time. It is probably my fault and I accept responsibility.

Would the House consider granting unanimous consent in the short time we have before the bells ring to give the hon. member for Elk Island about 10 minutes to give his speech. If the House denies I understand, since it is my fault, but if the House would be generous I ask for unanimous consent.

The Acting Speaker (Mr. Kilger): Could the hon. member for Elk Island possibly summarize in five minutes?

Mr. Epp: Mr. Speaker, I will gladly do that given the opportunity.

[Translation]

The Acting Speaker (Mr. Kilger): So, here we are. We all realize that there was some confusion. The hon. member for Kindersley—Lloydminster thought he would speak for ten minutes and split his time with the hon. member for Elk Island. However, he went on for nearly 15 minutes.

With the consent of the House, I will give five minutes to the member for Elk Island and I will then give the floor to the hon. member for Chicoutimi for his allotted ten minutes. Then the bells will ring for the vote. Is that agreed?

Some hon. members: Agreed.

[English]

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I will focus my comments on the urgency of balancing the budget. This is the thing most Liberals are missing. The talk is always that they are on target. While they are meeting their soft targets, for which they should be commended, at the same time we are losing the battle.

As a high school student I ran a marathon race. Each of us in that high school competition had to set our own goals. Each person practised and did his training in order to achieve his goal. I set the goal to finish the race. That was my only goal. I have never been athletic. I have always been heavy for my size. It is not all muscle.

I set my goal to finish the race, and I did finish it. When I finished the run there was only one person left there, the high school official who checked me off as having met my goal. All the others had already gone home, but I finished.

Notice I do not have any credentials or accolades as an Olympic racer. I met my own goal, which is great, but I did not compete at all outside of that. This is what the Minister of Finance is doing. He is setting goals he can reach, which makes him feel good. There may be one person at the finish line, not many more, who will give him a check mark and say "you done good". However, he will not be an Olympic winner at the rate he is going.

The essence of the speed or the importance of the speed is what is happening in the growth of our debt. I did a few little calculations. In 1993 to pay off our debt we would have needed a surplus of some \$47 billion a year for 25 years. Regrettably we now need an annual surplus of approximately \$56 billion per year. We need a surplus that large if we are to pay off our debt.

• (1805)

Every year we postpone balancing the budget and bringing the deficit to zero, that number increases. That, hon. members, is the reason for the urgency. I really feel we are letting down our

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children and our grandchildren by allowing the debt to grow indefinitely without solving the problem.

I recognize that my short time has ended. I appreciate the opportunity to speak to the issue.

[Translation]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I am pleased to discuss the budget recently tabled by the Minister of Finance.

I feel quite comfortable doing so, because I since had the opportunity to consult my constituents and to hear their comments, which I will convey to this House.

First, taxpayers and residents in my riding of Chicoutimi feel that the Minister of Finance totally missed the boat. They simply ask the government to get its revenues—since the revenue minister is here—where the money really is, starting with family trusts.

They also want the government to review the whole corporate tax system and to abolish tax shelters.

The Minister of Finance is ignoring these calls from ordinary citizens. With the support of all government members, he continues to take what little is left in the pockets of the poor, the unemployed and students.

By contrast, no measure is proposed to recover the \$6.6 billion owed to Revenue Canada. Nor is there any plan to review the whole tax system. In this budget, we note that, in terms of income tax, more than \$5 billion will be collected from individual taxpayers this year, as compared to a mere \$700 million from corporations.

Several of my colleagues have mentioned the fact that, as part of its deficit reduction effort, the government was helping itself to money that workers and employers have contributed to the UI fund, thereby creating an artificial deficit reduction. This astronomical amount could have been put to other uses, such as creating employment.

By his actions, the Minister of Finance is disguising his deficit. He even went so far as to say that he would continue to dip into the UI fund in coming years. It is a disgrace.

Incidentally, business people, workers and unemployed people will be holding a protest march in Saguenay—Lac-Saint-Jean, on May 4, with the support of the *Conférence des chambres de commerce du Saguenay*, to show the Minister of Finance that they disagree with his action and also to let the Minister of Human Resources Development know that they disagree with his reform. I can assure you that no activist will be taking part in this demonstration.

The fact is that the Minister of Finance is completely blind to the reality, and he is pulling his government along in his wake.

• (1810)

This budget also contains some measures which endanger another sector of activity that is very important in my area, in Quebec. The announced cuts to the dairy industry place it in jeopardy. Quebec's agrifood industry will be facing cuts of some 32.3 per cent.

For some years now, we in Saguenay—Lac-Saint-Jean have seen the number of dairy farms decrease. Federal government funding, estimated at some \$8,000 per farm, allowed milk producers to keep production costs low. You can see right away what will happen. You can guess what the results of this cut will be: increased cost to the consumer. Production will likely be lower because of that.

According to a number of people in the region, quotas could leave the region because dairy farmers will not be able to support their operations on their own. Once again, more unemployment in a region that has long been number one in the country for unemployment, a dubious honour we could readily do without.

Yet, when the Liberal government announced abolition of the Crow benefit, it automatically included a \$3 billion compensation for western farmers. Here, the subsidy to the dairy industry is being abolished, but where are such measures this time? Nothing has been planned. A fine country, is it not, with equality for all? The true face of those people across the floor is a two-faced, double standard.

Comparisons are unavoidable. Thus the Liberals have always had two speeches: one for Quebec and one for the rest of Canada. Things are different from one place to the other. Things are watered down. There is, for example, no more mention of distinct society status for Quebec. Now they are talking simply of a cultural homeland in North America, a homeland where the Americans may perhaps have something to say. Why not state right now, clearly, that Quebecers are a people, yes, a people?

Now, I would like to go back to taxation. The minister did promise a review of taxation. But no. What better thing did he come up with? He came up with the clever idea of setting up a committee with people coming from very important companies that have the pleasure of using tax havens. It is ludicrous. However, until this committee makes its report, money is flowing out of the country causing unemployment to rise.

This budget, which we in the Bloc described rightly as a mediocre make-up session, hides the truth about Canadian finances. It makes promises whose fate is the same as those the famous red book made. When will jobs be created? When will the GST be abolished? When will real steps be taken to improve the economy? Nothing. Not even a glimmer of hope.

However, people were hoping for something better. Everything is falling on their heads at the moment. They were especially hoping for jobs. So the famous promise of jobs is a smoke screen. The Minister of Finance has announced he would double summer jobs for students. He is simply putting back what was there before.

Last year, in my riding, half of this funding was cut. This year, it is being doubled, so we are back where we started from. This has happened all over Quebec. Once again, it is window dressing.

We have come to the point where the government has lost all credibility. It is unable to revive the economy, to keep its promises, or to create jobs. Furthermore, the government is about to pass a law that would deprive thousands of unemployed workers of UI benefits. This reform is an admission of failure by the government.

The budget tabled by the Minister of Finance is not a responsible budget. It simply implements what the minister announced earlier and tells us what to expect in the future. For example, if you are 60 years old today, will you remember in five years that you may no longer qualify for the old age pension? Again, this is nothing but a smoke screen. The Minister of Finance must go back to the drawing board so that he can finally meet the people's expectations.

The Acting Speaker (Mr. Kilger): In closing, I would like to thank all hon. members of this House for their co-operation.

It being 6.15 p.m., it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the amendment now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker (Mr. Kilger): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 32)

YEAS

Members

Abbott
Althouse
Bachand
Benoit
Bernier (Gaspé)
Brien
Dalphond-Guiral

Ablonczy
Asselin
Bélisle
Bergeron
Breitkreuz (Yorkton—Melville)
Crête
de Savoye

Debien
Dubé
Epp
Forseth
Gagnon (Québec)
Gilmour
Grey (Beaver River)
Guimond
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lebel
Loubier
Marchand
McClelland (Edmonton Southwest/Sud-Ouest)
Mercier
Mills (Red Deer)
Nunez
Pomerleau
Ringma
Rocheleau
Schmidt
Solberg
Taylor
Tremblay (Rimouski—Témiscouata)
Venne

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Deshaies
Duceppe
Fillion
Frazier
Gauthier
Godin
Grubel
Hanger
Hart
Hermanson
Jacob
Johnston
Landry
Lavigne (Beauharnois—Salaberry)
Leroux (Richmond—Wolfe)
Manning
Mayfield
McLaughlin
Meredith
Morrison
Picard (Drummond)
Ramsay
Robinson
Sauvageau
Silye
Solomon
Tremblay (Lac-Saint-Jean)
Tremblay (Rosemont)
Williams—72

NAYS

Members

Alcock
Anderson
Assad
Augustine
Bakopanos
Bélair
Bertrand
Bodnar
Boudria
Brushett
Byrne
Campbell
Cauchon
Chrétien (Saint-Maurice)
Cohen
Collins
Cowling
Cullen
Dhaliwal
Dion
Dromisky
Easter
Fewchuk
Fontana
Galloway
Grose
Harper (Churchill)
Hickey
Hubbard
Jackson
Karygiannis
Kirkby
Lastewka
Lee
MacAulay
Malhi
Manley
Marleau
McCormick
McKinnon
McTeague
Mifflin
Mitchell
Murray
O'Brien (Labrador)
O'Reilly
Patry

Allmand
Arseneault
Assadourian
Axworthy (Winnipeg South Centre/Sud-Centre)
Barnes
Bélangier
Bethel
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chamberlain
Clancy
Collenette
Coppes
Culbert
DeVillers
Dingwall
Discepola
Duhamel
English
Flis
Gagliano
Graham
Guarnieri
Harvard
Hopkins
Irwin
Jordan
Keyes
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Massé
McGuire
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Minna
Murphy
Nault
O'Brien (London—Middlesex)
Pagtakhan
Peterson

Government Orders

Pettigrew	Pickard (Essex—Kent)
Pillitteri	Proud
Reed	Regan
Robichaud	Rock
Scott (Fredericton—York—Sunbury)	Serré
Shepherd	Speller
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Telegdi	Thalheimer
Torsney	Ur
Valeri	Vanclief
Verran	Wappel
Wells	Whelan
Wood	Young
Zed—123	

PAIRED MEMBERS

Adams	Bellehumeur
Bernier (Mégantic—Compton—Stanstead)	Caron
Chrétien (Frontenac)	Crawford
Daviault	Dumas
Dupuy	Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gerrard
Godfrey	Guay
Knutson	Laurin
Leblanc (Longueuil)	Lefebvre
Leroux (Shefford)	Ménard
Paradis	Paré
Peters	Richardson
Sheridan	St. Denis

• (1840)

The Acting Speaker (Mr. Kilger): I declare the amendment lost.

GOVERNMENT ORDERS

[English]

**AGREEMENT ON INTERNAL TRADE
IMPLEMENTATION ACT**

The House resumed from March 28 consideration of Bill C-19, an act to implement the agreement on internal trade as reported (with amendments) from the committee.

The Acting Speaker (Mr. Kilger): The House will now proceed to the taking of the deferred divisions at the report stage of Bill C-19, an act to implement the agreement on internal trade.

The question is on Motion No. 1.

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent to apply the vote taken on the previous motion to the motion now before the House as well as to report stage Motion No. 2.

[Translation]

Mrs. Dalphond-Guiral: Agreed.

[English]

Mr. Ringma: Agreed.

Mr. Solomon: Agreed.

[Editor's Note: See list under Division No. 32.]

The Acting Speaker (Mr. Kilger): I declare Motions Nos. 1 and 2 negatived.

(Motions Nos. 1 and 2 negatived.)

[Translation]

The Acting Speaker (Mr. Kilger): The next question is on Motion No. 3.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe you would find unanimous consent to apply the vote taken on the previous motion to the motion now before the House. Consequently, Liberal members will be recorded as having voted no on the motion now before the House.

• (1845)

Mrs. Dalphond-Guiral: Members of the official opposition will vote yes.

[English]

Mr. Ringma: Mr. Speaker, Reform Party members will vote no on these except for those who might wish to vote otherwise.

Mr. Solomon: Mr. Speaker, New Democrats in the House vote no on these motions.

(The House divided on Motion No. 3, which was negatived on the following division:)

(Division No. 33)

YEAS

Members

Asselin	Bachand
Bélisle	Bergeron
Bernier (Gaspé)	Brien
Crête	Dalphond-Guiral
de Savoye	Debien
Deshaies	Dubé
Duceppe	Fillion
Gagnon (Québec)	Gauthier
Godin	Guimond
Jacob	Lalonde
Landry	Langlois
Lavigne (Beauharnois—Salaberry)	Lebel
Leroux (Richmond—Wolfe)	Loubier
Marchand	Mercier
Nunez	Picard (Drummond)
Pomerleau	Rocheleau
Sauvageau	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne—37	

NAYS

Members

Abbott	Ablonczy
Alcock	Allmand
Althouse	Anderson
Arseneault	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre/Sud-Centre)	Bakopanos
Barnes	Bélaïr

Government Orders

Bélanger	Benoit
Bertrand	Bethel
Bodnar	Bonin
Boudria	Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)	Brushett
Bryden	Byrne
Calder	Campbell
Catterall	Cauchon
Chamberlain	Chrétien (Saint-Maurice)
Clancy	Cohen
Collenette	Collins
Copps	Cowling
Culbert	Cullen
DeVillers	Dhaliwal
Dingwall	Dion
Discepola	Dromisky
Duhamel	Easter
English	Epp
Fewchuk	Flis
Fontana	Forseth
Frazer	Gagliano
Galloway	Gilmour
Graham	Grey (Beaver River)
Grose	Grubel
Guarnieri	Hanger
Harper (Churchill)	Harper (Simcoe Centre)
Hart	Harvard
Hayes	Hermanson
Hickey	Hill (Prince George—Peace River)
Hopkins	Hubbard
Irwin	Jackson
Jennings	Johnston
Jordan	Karygiannis
Keyes	Kirkby
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi
Maloney	Manley
Manning	Marchi
Marleau	Massé
Mayfield	McClelland (Edmonton Southwest/Sud-Ouest)
McCormick	McGuire
McKinnon	McLaughlin
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
McWhinney	Meredith
Mifflin	Mills (Red Deer)
Minna	Mitchell
Morrison	Murphy
Murray	Nault
O'Brien (Labrador)	O'Brien (London—Middlesex)
O'Reilly	Pagtakhan
Patry	Peterson
Pettigrew	Pickard (Essex—Kent)
Pillitteri	Proud
Ramsay	Reed
Regan	Ringma
Robichaud	Robinson
Rock	Schmidt
Scott (Fredericton—York—Sunbury)	Serré
Shepherd	Silye
Solberg	Solomon
Speller	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Taylor
Telegdi	Thalheimer
Torsney	Ur
Valeri	Vanclief
Verran	Wappel
Wells	Whelan
Williams	Wood
Young	Zed—158

PAIRED MEMBERS

Adams
Bernier (Mégantic—Compton—Stanstead)
Chrétien (Frontenac)

Bellehumeur
Caron
Crawford

Daviault	Dumas
Dupuy	Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gerrard
Godfrey	Guay
Knutson	Laurin
Leblanc (Longueuil)	Lefebvre
Leroux (Shefford)	Ménard
Paradis	Paré
Peters	Richardson
Sheridan	St. Denis

The Acting Speaker (Mr. Kilger): I declare Motion No. 3 defeated.

Hon. John Manley (Minister of Industry, Minister for the Atlantic Canada Opportunities Agency, Minister of Western Economic Diversification and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved that the bill, as amended, be concurred in.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

Some hon. members: On division.

The Acting Speaker (Mr. Kilger): I declare the motion carried on division.

The Acting Speaker (Mr. Kilger): The House will now proceed to the taking of the deferred divisions at the report stage of Bill C-15.

* * *

BANK ACT

The House resumed from March 28 consideration of Bill C-15, an act to amend, enact and repeal certain laws relating to financial institutions, as reported (with amendments) from the committee.

The Acting Speaker (Mr. Kilger): The question is on Motion No. 1. A vote on this motions also applies to Motions Nos. 2, 3, 5, 6, 7 and 10.

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent to apply in reverse the vote taken on report stage Motion No. 3 of Bill C-19.

I also believe you would find unanimous consent to apply that same vote to report stage Motions Nos. 4 and 9.

Government Orders

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

(The House divided on Motion No. 1, which was agreed to on the following division:)

(Division No. 34)

YEAS

Members

Abbott	Ablonczy
Alcock	Allmand
Althouse	Anderson
Arseneault	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre/Sud-Centre)	Bakopanos
Barnes	Béclair
Bélangier	Benoit
Bertrand	Bethel
Bodnar	Bonin
Boudria	Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)	Brushett
Bryden	Byrne
Calder	Campbell
Catterall	Cauchon
Chamberlain	Chrétien (Saint-Maurice)
Clancy	Cohen
Collenette	Collins
Copps	Cowling
Culbert	Cullen
De Villers	Dhaliwal
Dingwall	Dion
Discepola	Dromisky
Duhamel	Easter
English	Epp
Fewchuk	Flis
Fontana	Forsyth
Frazer	Gagliano
Galloway	Gilmour
Graham	Grey (Beaver River)
Grose	Grubel
Guarnieri	Hanger
Harper (Churchill)	Harper (Simcoe Centre)
Hart	Harvard
Hayes	Hermanson
Hickey	Hill (Prince George—Peace River)
Hopkins	Hubbard
Irwin	Jackson
Jennings	Johnston
Jordan	Karygiannis
Keys	Kirkby
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi
Maloney	Manley
Manning	Marchi
Marleau	Massé
Mayfield	McClelland (Edmonton Southwest/Sud-Ouest)
McCormick	McGuire
McKinnon	McLaughlin
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
McWhinney	Meredith
Mifflin	Mills (Red Deer)
Minna	Mitchell
Morrison	Murphy
Murray	Nault
O'Brien (Labrador)	O'Brien (London—Middlesex)
O'Reilly	Pagtakhan
Patry	Peterson
Pettigrew	Pickard (Essex—Kent)
Pillitteri	Proud
Ramsay	Reed

Regan
Robichaud
Rock
Scott (Fredericton—York—Sunbury)
Shepherd
Solberg
Speller
Stewart (Brant)
Szabo
Telegdi
Torsney
Valeri
Verran
Wells
Williams
Young

Ringma
Robinson
Schmidt
Serré
Silye
Solomon
Steckle
Stewart (Northumberland)
Taylor
Thalheimer
Ur
Vanclief
Wappel
Whelan
Wood
Zed—158

NAYS

Members

Asselin	Bachand
Bélisle	Bergeron
Bernier (Gaspé)	Brien
Crête	Dalphondu-Guiral
de Savoye	Debien
Deshaies	Dubé
Duceppe	Fillion
Gagnon (Québec)	Gauthier
Godin	Guimond
Jacob	Lalonde
Landry	Langlois
Lavigne (Beauharnois—Salaberry)	Lebel
Leroux (Richmond—Wolfe)	Loubier
Marchand	Mercier
Nunez	Picard (Drummond)
Pomerleau	Rochelleau
Sauvageau	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne—37	

PAIRED MEMBERS

Adams	Bellehumeur
Bernier (Mégantic—Compton—Stanstead)	Caron
Chrétien (Frontenac)	Crawford
Daviault	Dumas
Dupuy	Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gerrard
Godfrey	Guay
Knutson	Laurin
Leblanc (Longueuil)	Lefebvre
Leroux (Shefford)	Ménard
Paradis	Paré
Peters	Richardson
Sheridan	St. Denis

(The House divided on Motion No. 9, which was agreed to on the following division:)

[Editor's Note: See list under Division No. 34]

(The House divided on Motion No. 4, which was agreed to on the following division:)

[Editor's Note: See list under Division No. 34]

The Acting Speaker (Mr. Kilger): I declare Motions Nos. 1, 4 and 9 carried. Therefore I declare Motions Nos. 2, 3, 5, 6, 7 and 10 carried.

The next question is on Motion No. 11.

Government Orders

[Translation]

The vote on this motion also applies to Motion No. 13.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe you would find unanimous consent to apply in reverse the vote taken on the previous motion and to do the same regarding report stage Motion No. 12.

[English]

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

[Translation]

[Editor's Note: See list under Division No. 33]

The Acting Speaker (Mr. Kilger): I declare Motions Nos. 11 and 12 defeated. I declare Motion No. 13 defeated.

[English]

Hon. Paul Martin (Minister of Finance, Lib.) moved that the bill, as amended, be concurred in.

• (1850)

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed to the motion will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent to apply the vote taken on ways and means Motion No. 1 in reverse to the motion presently before the House.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

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

(Division No. 35)

YEAS

Members

Alcock	Allmand
Anderson	Arseneault
Assad	Assadourian
Augustine	Axworthy (Winnipeg South Centre/Sud-Centre)
Bakopanos	Barnes
Bélair	Bélanger
Bertrand	Bethel
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden

Byrne
Campbell
Cauchon
Chrétien (Saint-Maurice)
Cohen
Collins
Cowling
Cullen
Dhaliwal
Dion
Dromisky
Easter
Fewchuk
Fontana
Galloway
Grose
Harper (Churchill)
Hickey
Hubbard
Jackson
Karygiannis
Kirkby
Lastewka
Lee
MacAulay
Malhi
Manley
Marleau
McCormick
McKinnon
McTeague
Mifflin
Mitchell
Murray
O'Brien (Labrador)
O'Reilly
Patry
Pettigrew
Pillitteri
Reed
Robichaud
Scott (Fredericton—York—Sunbury)
Shepherd
Steckle
Stewart (Northumberland)
Telegdi
Torsney
Valeri
Verran
Wells
Wood
Zed—123

Calder
Catterall
Chamberlain
Clancy
Collenette
Copps
Culbert
DeVillers
Dingwall
Discepolo
Duhamel
English
Flis
Gagliano
Graham
Guarnieri
Harvard
Hopkins
Irwin
Jordan
Keyes
Kraft Sloan
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Massé
McGuire
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Minna
Murphy
Nault
O'Brien (London—Middlesex)
Pagtakhan
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rock
Serré
Speller
Stewart (Brant)
Szabo
Thalheimer
Ur
Vanclief
Wappel
Whelan
Young

NAYS

Members

Abbott	Ablonczy
Althouse	Asselin
Bachand	Bélisle
Benoit	Bergeron
Bernier (Gaspé)	Breitkreuz (Yorkton—Melville)
Brien	Crête
Dalphondu-Guiral	de Savoye
Debien	Deshaies
Dubé	Duceppe
Epp	Fillion
Forseth	Frazier
Gagnon (Québec)	Gauthier
Gilmour	Godin
Grey (Beaver River)	Grubel
Guimond	Hanger
Harper (Simcoe Centre)	Hart
Hayes	Hermanson
Hill (Prince George—Peace River)	Jacob
Jennings	Johnston
Lalonde	Landry

Government Orders

Langlois	Lavigne (Beauharnois—Salaberry)
Lebel	Leroux (Richmond—Wolfe)
Loubier	Manning
Marchand	Mayfield
McClelland (Edmonton Southwest/Sud-Ouest)	McLaughlin
Mercier	Meredith
Mills (Red Deer)	Morrison
Nunez	Picard (Drummond)
Pomerleau	Ramsay
Ringma	Robinson
Rocheleau	Sauvageau
Schmidt	Silye
Solberg	Solomon
Taylor	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Venne	Williams—72

[English]

Mr. Ringma: Mr. Speaker, Reform Party members will vote yes on this motion except for those who wish to vote otherwise.

Mr. Solomon: Mr. Speaker, the New Democrat members in the House will vote no on this matter.

(The House divided on the motion which was negated on the following division:)

PAIRED MEMBERS

Adams	Bellehumeur
Bernier (Mégantic—Compton—Stanstead)	Caron
Chrétien (Frontenac)	Crawford
Daviault	Dumas
Dupuy	Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gerrard
Godfrey	Guay
Knutson	Laurin
Leblanc (Longueuil)	Lefebvre
Leroux (Shefford)	Ménard
Paradis	Paré
Peters	Richardson
Sheridan	St. Denis

The Acting Speaker (Mr. Kilger): I declare the motion carried.

The House will now proceed to the taking of the deferred recorded division at the report stage of Bill C-11, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts.

* * *

**DEPARTMENT OF HUMAN RESOURCES
DEVELOPMENT ACT**

The House resumed from March 28, consideration of Bill C-11, an act to establish the Department of Human Resources Development and to amend and repeal certain related acts as reported (with amendment) from the committee.

The Acting Speaker (Mr. Kilger): The question is on Motion No. 1. A vote on this motion also applies to Motions Nos. 2, 4 and 6.

[Translation]

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent that all members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting nay.

Mrs. Dalphond-Guiral: Mr. Speaker, members of the official opposition will vote nay.

(Division No. 36)

YEAS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yorkton—Melville)
Epp	Forseth
Frazer	Gilmour
Grey (Beaver River)	Grubel
Hanger	Harper (Simcoe Centre)
Hart	Hayes
Hermanson	Hill (Prince George—Peace River)
Jennings	Johnston
Manning	Mayfield
McClelland (Edmonton Southwest/Sud-Ouest)	Meredith
Mills (Red Deer)	Morrison
Ramsay	Ringma
Schmidt	Silye
Solberg	Williams—30

NAYS

Members

Alcock	Allmand
Althouse	Anderson
Arseneault	Assad
Assadourian	Asselin
Augustine	Axworthy (Winnipeg South Centre/Sud-Centre)
Bachand	Bakopanos
Barnes	Bélair
Bélangier	Bélisle
Bergeron	Bernier (Gaspé)
Bertrand	Bethel
Bodnar	Bonin
Boudria	Brien
Brown (Oakville—Milton)	Brushett
Bryden	Byrne
Calder	Campbell
Catterall	Cauchon
Chamberlain	Chrétien (Saint-Maurice)
Clancy	Cohen
Collenette	Collins
Copps	Cowling
Crête	Culbert
Cullen	Dalphond-Guiral
de Savoye	Debien
Deshais	DeVillers
Dhaliwal	Dingwall
Dion	Discepola
Dromisky	Dubé
Duceppe	Duhamel
Easter	English
Fewchuk	Fillion
Flis	Fontana
Gagliano	Gagnon (Québec)
Galloway	Gauthier
Godin	Graham
Grose	Guarnieri
Guimond	Harper (Churchill)
Harvard	Hickey
Hopkins	Hubbard
Irwin	Jackson
Jacob	Jordan
Karygiannis	Keys

Government Orders

Kirkby	Kraft Sloan
Lalonde	Landry
Langlois	Lastewka
Lavigne (Beauharnois—Salaberry)	Lebel
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Leroux (Richmond—Wolfe)	Loney
Loubier	MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLaughlin
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
McWhinney	Mercier
Mifflin	Minna
Mitchell	Murphy
Murray	Nault
Nunez	O'Brien (Labrador)
O'Brien (London—Middlesex)	O'Reilly
Pagtakhan	Patry
Peterson	Pettigrew
Picard (Drummond)	Pickard (Essex—Kent)
Pillitteri	Pomerleau
Proud	Reed
Regan	Robichaud
Robinson	Rocheleau
Rock	Sauvageau
Scott (Fredericton—York—Sunbury)	Serré
Shepherd	Solomon
Speller	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Taylor
Telegdi	Thalheimer
Torsney	Tremblay (Lac-Saint-Jean)
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Venne
Verran	Wappel
Wells	Whelan
Wood	Young
Zed—165	

PAIRED MEMBERS

Adams	Bellehumeur
Bernier (Mégantic—Compton—Stanstead)	Caron
Chrétien (Frontenac)	Crawford
Daviault	Dumas
Dupuy	Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gerrard
Godfrey	Guay
Knutson	Laurin
Leblanc (Longueuil)	Lefebvre
Leroux (Shefford)	Ménard
Paradis	Paré
Peters	Richardson
Sheridan	St. Denis

The Acting Speaker (Mr. Kilger): I declare Motion No. 1 defeated. I therefore declare Motions Nos. 2, 4 and 6 defeated.

The next question is on Motion No. 3.

Mr. Boudria: Mr. Speaker, I believe you will find unanimous consent to apply the vote taken on the previous motion to the motion now before the House.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 36.*]

The Acting Speaker (Mr. Kilger): I declare Motion No. 3 negatived.

(Motion No. 3 negatived.)

The Acting Speaker (Mr. Kilger): The next question is on Motion No. 5.

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent that the results of the ways and means Motion No. 1 be applied to the vote now before the House.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 32.*]

The Acting Speaker (Mr. Kilger): I declare Motion No. 5 negatived.

(Motion No. 5 negatived.)

[*Translation*]

Hon. Douglas Young (Minister of Human Resources Development, Lib.) moved that the bill be concurred in at report stage (with further amendments).

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

[*English*]

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent to apply in reverse the vote taken on the previous motion to the motion now before the House.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

*Government Orders**[Translation]**[Editor's Note: See list under Division No. 35.]***The Acting Speaker (Mr. Kilger):** I declare the motion carried.

(Motion agreed to.)

*[English]***The Acting Speaker (Mr. Kilger):** It being 6.55 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).(The House adjourned at 6.55 p.m.)

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