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OFFICIAL REPORT
(HANSARD)

Thursday, November 21, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, November 21, 1996

The House met at 10 a.m.

Prayers

POINT OF ORDER

BILL C-234—SPEAKER'S RULING

The Speaker: Colleagues, I am now ready to rule on the point of order raised by the chief government whip on November 4, 1996 concerning the admissibility of the motion moved by the hon. member for Crowfoot with regard to Bill C-234, an act to amend the Criminal Code.

[*Translation*]

I thank the Chief Government Whip, the hon. member for St. Albert and the hon. member for Crowfoot for their views on this matter.

The text of the motion is as follows:

That, no later than the conclusion of Routine Proceedings on the tenth sitting day after the adoption of this motion, Bill C-234, an act to amend the Criminal Code, shall be deemed reported back to the House without amendment.

[*English*]

The chief government whip challenged the admissibility of the motion. There are two aspects to the argument that he presented. First, that the hon. member for Crowfoot did not have the right to move this motion on the rubric Motions in Routine Proceedings. Second, that the motion represented an attempt to interfere improperly with the committee's proceedings on the bill.

[*Translation*]

In support of the contention that the hon. member for Crowfoot should not move his motion during Routine Proceedings, the Chief Government Whip referred to the rulings of May 30, 1928, May 11, 1944, May 2, 1961 and April 28, 1982. I want to assure the House that, in examining this matter, I have taken these precedents into account. The Chief Government Whip also referred to Speaker Fraser's ruling, at page 17506 of the *Debates* of July 13, 1998, in which he stated that Routine Proceedings are not the exclusive purview of the government. As I noted in my ruling of September 23, 1996, I am in agreement with the view of Speaker Fraser.

[*English*]

I would like now to turn to the second aspect of the chief government whip's presentation in which he claimed that the motion, particularly the words "without amendment", would constitute an improper interference with the proceedings of the committee and would violate the conditions set down in my ruling of September 23, 1996.

As members may recall, in my ruling on page 4561 of the *Debates* I indicated:

—the Chair may well accept, after due notice, such a motion, on the condition that it is strictly limited to the terms of the committal of a bill to a committee and that it is not an attempt to interfere with the committee's proceedings thereon. In so doing, the House would have an opportunity to determine whether the bill should remain in committee or be reported back.

[*Translation*]

The Chief Government Whip argued that the motion was a clear attempt to interfere improperly with the committee's proceedings on the bill, that it would order the committee to complete its study, and that the committee could not amend the bill. I must disagree with the hon. members's interpretation of the terms of the motion.

[*English*]

The motion as it stands on the Order Paper does not interfere with the committee's ability to complete its consideration of Bill C-235 and report it back with or without amendment. The motion does not require the Standing Committee on Justice and Legal Affairs to complete its study of Bill C-234 by a certain time.

The motion moved by the hon. member for Crowfoot in fact provides the committee with a period of time in which to consider and report the bill if it so chooses. At the same time, the motion provides the House with a mechanism to remove the bill, which is its property, from the committee so that the House itself can take up consideration of the bill.

[*Translation*]

In fact, such a mechanism is not unusual to our practices. Standing Order 81(4), dealing with the referral of the main estimates to committee, states that the committee shall report, or shall be deemed to have reported back to the House not later than May 31.

Routine Proceedings

• (1010)

[English]

As the matter now stands, the committee has not reported the bill. Speaker Francis noted in a ruling at page 3963 in the *Debates* of May 23, 1984:

The Chair can hardly be aware of what is taking place in the committee without a report from the committee.

This is also noted in May's 21st edition at page 500:

The House is not formally aware of the detailed proceedings of any committee until the bill has been reported.

[Translation]

The House does not know what has occurred in committee and, consequently, cannot know what amendments the committee has made to the bill. Therefore, if the House wishes to, once again, take possession of the bill, then the inclusion of the words "without amendment" establishes clearly that the House will be dealing with the text of the bill it adopted at second reading.

This can be the only logical course that the House can follow and it has been done in the past. I would refer hon. members to the motion adopted on March 22, 1995, pursuant to Standing Order 78(2), with regard to Bill C-77, an act to provide for the maintenance of railway operations and subsidiary services. This motion, to be found at pages 1259-60 of the *Journals*, stated in part:

—if the Bill [was] not reported from the committee during Routine Proceedings on March 23, 1995, the Bill [would], at the conclusion of Routine Proceedings on that day, be deemed to have been reported from the committee without amendment.

[English]

Finally, I can find nothing in the terms of the motion which would prevent the Standing Committee on Justice and Legal Affairs from reporting Bill C-234 back to the House either before the adoption of the motion or before the sitting day specified in the motion, if it were adopted by the House. Should the committee report the bill before the 10th sitting day after the adoption of the motion, as currently worded, the House would deal with it in accordance with our usual practices. The objective of the motion moved by the hon. member for Crowfoot, that the bill be reported back to the House, would have been met.

Therefore I find that the motion as it stands on the Order Paper is in order.

In the discussion on this question it was mentioned that if the matter is not disposed of, it is transferred to Government Orders. It was suggested that the Chair intervene in this procedure. The wording of Standing Order 66, however, is quite clear, as is our practice. It is not the place of the Chair to interfere in this.

ROUTINE PROCEEDINGS*[English]***ROYAL COMMISSION ON ABORIGINAL PEOPLES**

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Madam Speaker, under the provisions of Standing Order 32(2), my colleague the hon. Minister of Natural Resources and the federal interlocutor for Metis and non-status Indians and I have the honour to table in both official languages copies of the final report of the Royal Commission on Aboriginal Peoples.

* * *

• (1015)

GOVERNMENT RESPONSE TO PETITIONS

Mr. Paul Zed (Parliamentary Secretary to 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 response to three petitions.

* * *

CREDIT CARD INTEREST CALCULATION ACT

Hon. Charles Caccia (Davenport, Lib.) moved for leave to introduce Bill C-351, an act to provide for the limitation of interest rates, of the application of interest and of fees in relation to credit card accounts.

He said: Madam Speaker, in presenting this bill today, I would like to pay homage to the member for Simcoe North who is the father of this bill and its author. He is presently a parliamentary secretary and therefore is prevented from pursuing the aim of this bill, which has a threefold purpose.

First, it will limit the amount of interest that financial institutions and retailers can charge on outstanding credit card balances.

Second, it sets out a method for calculating interest charges based on the Bank of Canada rate of the previous month.

Third, it provides a mandatory grace period for partial payments on all types of credit cards.

Today banks in Canada continue to set record profits. Interest rates are the lowest in 30 years with the prime rate at 4.75 per cent, yet Canadian consumers are paying exorbitant rates ranging up to 20 per cent on some retail cards.

On behalf of the public, the government has a responsibility to regulate when unfair actions damage the public's interest. In addressing interest rates on credit and charge cards, this bill asks the government to intervene on behalf of the public interest.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I move concurrence in the 46th report of the Standing Committee on Procedure and House Affairs that was tabled on November 20, 1996.

(Motion agreed to.)

HUMAN RIGHTS AND STATUS OF PERSONS WITH DISABILITIES

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to consultations that occurred earlier in the week among House leaders, I have two motions to propose. The first motion is in relation to the broadcasting of human rights and status of persons with disabilities committee.

I move:

That, during the course of its study on new technologies and privacy rights, the Standing Committee on Human Rights and the Status of Persons with Disabilities be authorized to broadcast its proceedings from rooms other than room 253-D in the Centre Block, and that the committee be authorized to broadcast either nationally, over the CPAC network, or on a regional basis, as the committee may deem it appropriate.

(Motion agreed to.)

● (1020)

NATIONAL DEFENCE AND VETERANS AFFAIRS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, my second motion is pursuant to an Order made by the House on Thursday, October 24, 1996. I move:

That the Standing Committee on National Defence and Veterans Affairs be authorized to travel to Nova Scotia to visit Cornwallis Park, CFB Greenwood, MTC Aldershot and CFB Halifax on February 27 and 28, 1997 and that the necessary staff do accompany the committee.

(Motion agreed to.)

* * *

PETITIONS

PUBLIC SAFETY OFFICER COMPENSATION FUND

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I have two petitions today. The first comes from Delta, B.C.

The petitioners would like to draw to the attention of the House that police and firefighters place their lives at risk on a daily basis as they serve the emergency needs of all Canadians. They also state

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that in many cases the families are left without sufficient financial means to meet their obligations.

The petitioners therefore pray and call on Parliament to establish a public safety officer compensation fund to receive gifts and bequests for the families of police officers and firefighters killed in the line of duty.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the second petition comes from Calgary, Alberta.

The petitioners would like to 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.

The petitioners therefore pray and call on Parliament to pursue initiatives to assist families who choose to provide care in the home for preschool children, the chronically ill, the aged or the disabled.

MARRIAGE

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, I would like to table a petition signed by the constituents of Lambton—Middlesex and surrounding area duly certified by the clerk of petitions pursuant to Standing Order 36.

The petitioners request that the House of Commons enact legislation or amend existing legislation to define marriage as the voluntary union for life of one woman and one man to each other to the exclusion of all others.

[Translation]

ABOLITION OF SENATE

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I am submitting a petition signed by 116 people from my riding of Bourassa, Montreal North and elsewhere.

The petitioners are asking Parliament to start procedures to abolish the Senate. Their request is based on a number of arguments, including the fact that the Senate is made up of non-elected people who are accountable to no one, that its annual operating budget is \$43 million, and that it refuses to account to House of Commons committees for this money.

The petitioners point out that the Senate duplicates the work done by members of the House of Commons and, in this period of economic restraint, they wonder about the relevance of maintaining institutions that are as costly as they are useless.

[English]

PORNOGRAPHY

Mr. John Harvard (Winnipeg St. James, Lib.): Madam Speaker, I have the honour and pleasure to present a petition signed by 440 Canadians, many of whom are residents of the city of Winnipeg.

Routine Proceedings

The petitioners bring to the attention of the House that among other things pornography is widely available in our society and despite its negative impact it exists in our communities for the most part unhindered and with impunity. They call on Parliament to have the present laws on obscenity strictly upheld, demonstrating a will to protect men, women and children from pornography's impact.

DIVORCE ACT

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Madam Speaker, it is appropriate that I rise today during child week, pursuant to Standing Order 36, to present my petitions on behalf of all British Columbians to ask the government to amend the Divorce Act to include grandparents standing in the courts at the time of a divorce to ask to continue to have access to their grandchildren.

* * *

• (1025)

QUESTIONS ON THE ORDER PAPER

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, the following questions will be answered today: Nos. 83, 84 and 85.

[Text]

Question No. 83—**Ms. Meredith:**

Can the Minister of Citizenship and Immigration indicate: (a) if special arrangements were made or contemplated at Taiwan, during the recent confrontation between the governments of China and Taiwan, to authorize the transportation of prospective immigrants and temporary entrants to Canada who had not been examined by authorized Canadian personnel and (b) if any such applicants were permitted to proceed to Canada without properly conducted oral examinations?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration): (a) During the recent confrontation between the governments of China and Taiwan, no special arrangements were made or contemplated at Taiwan to authorize the transportation of immigrants and visitors to Canada who had not been examined by authorized Canadian immigration officials.

(b) No such applicants were permitted to proceed to Canada without properly conducted examinations by Canadian immigration officials. However, following normal procedures, an oral interview of an applicant is only conducted by immigration officials if there is a need to clarify the admissibility of an applicant to Canada. If such a determination can be made using written documentation then an interview may not be required.

[Text]

Question No. 84—**Ms. Meredith:**

Can the Minister of Citizenship and Immigration indicate the relative importance of personal suitability in the selection process under the point rating system and for the screening of sponsored family members other than spouses and children?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration): A maximum score of 10 units for Personal Suitability is possible under the current points system for assessment of independent immigration applicants. An independent applicant must score at least 70 points to pass the assessment. By comparison, the maximum scores available for the other selection criteria are:

1. Education	16
2. Specific Vocational Preparation	18
3. Experience	8
4. Occupational Demand	10
5. Arranged Employment or Designated Occupation	10
6. Demographic Factor	8
7. Age	10
8. Knowledge of English and French Languages	15

Since the point rating system is only applied to members of the Independent and Business Classes of immigrants, neither the Personal Suitability criterion nor any of the other criteria in the point rating system are applied to sponsored family members.

[Text]

Question No. 85—**Ms. Meredith:**

Can the Minister of Citizenship and Immigration provide statistical breakdown by classes, for the last five years ending March 31, 1996, of all applicants who have been granted entry visas without oral examinations?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration): Table 1 provides a statistical breakdown by category for persons granted immigrant visas and/or Minister's Permits to enter Canada without a selection interview. Figures cover only applicants processed for permanent residence at overseas missions. The figures are for the total number of persons, including spouses and dependent children.

Table 2 gives the number of persons for whom the interview was waived as a percentage of total persons issued immigrant visas or Minister's Permits.

No statistics are maintained for applicants for visitor visas, student authorizations, employment authorizations or returning resident permits who are issued visas and/or permits without an interview.

Routine Proceedings

Table 1

Number of persons accepted without a selection interview

	Year: 1991	Year: 1992	Year: 1993	Year: 1994	Year: 1995	Year: 1996 First Quarter
All Immigrant Classes	57,753	70,057	84,229	81,679	81,145	23,248
Family	42,798	47,289	55,597	55,618	42,237	9,685
Assisted Relative	866	921	1,362	3,525	7,556	2,695
Skilled Worker	7,745	11,179	11,477	14,132	23,048	7,874
Business	4,692	7,143	7,222	3,905	4,470	1,601
Other	1,121	2,994	7,992	3,506	2,048	638
Government Assisted	136	186	96	107	105	11
Privately Sponsored	323	246	244	143	91	38
Dependant Abroad	71	63	192	718	1,565	704
Miscoded\Unknown	1	36	47	25	25	2

Table 2

Number of persons accepted without a selection interview as % of total number of persons accepted

	Year: 1991	Year: 1992	Year: 1993	Year: 1994	Year: 1995	Year: 1996 First Quarter
All Immigrant Classes	33.7%	37.8%	40.3%	42.3%	45.8%	48.3%
Family	59.2%	57.5%	60.7%	69.6%	68.1%	69.7%
Assisted Relative	4.4%	4.7%	6.0%	11.1%	28.6%	36.7%
Skilled Worker	28.7%	35.2%	31.2%	31.9%	43.6%	47.3%
Business	20.3%	24.5%	20.0%	18.7%	22.1%	27.8%
Other	22.2%	45.9%	87.0%	88.5%	95.3%	95.1%
Government Assisted	1.9%	3.0%	1.4%	1.4%	1.4%	0.5%
Privately Sponsored	1.9%	2.7%	5.4%	5.2%	3.0%	4.8%
Dependant Abroad	25.0%	39.1%	40.5%	48.8%	62.9%	76.8%
Miscoded/Unknown	0.4%	8.3%	8.5%	3.4%	4.6%	4.2%

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, if Question No. 49 could be made an order for return, the return would be tabled immediately.

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

Some hon. members: Agreed.

[Text]

Question No. 49—**Mr. O'Brien (London—Middlesex):**

For the past two years, which departments, agencies or crown corporations have (a) contributed funding to UNICEF and (b) in what amounts?

Return tabled.

[English]

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I rise on a point of order. I would like to ask the government representative when we could expect an answer to Question No. 9

Supply

put by my hon. colleague from Kindersley—Lloydminster. It has been on the paper since February. Normally we would expect a timely response; I think 45 days is what is expected. That question has been on the paper for a long time. Does the member have any idea when we might expect an answer?

Mr. Zed: Madam Speaker, I am sorry I do not have a specific answer on when that question will be returned to the House. It is a very large question, a request that goes to all government departments. I have been informed that it is in the final stages of being revised. I hope we can have that information soon.

I ask that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—CHILD CARE TAX DEDUCTION

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.) moved:

That, in the opinion of this House, the government should provide tax fairness for all Canadian families by extending the Child Care Tax deduction to all families of all income levels and converting it to a credit, thereby removing the tax bias against parents caring for their own children.

Mr. Strahl: Madam Speaker, on a point of order, the first two speakers from the Reform Party, the members for Port Moody—Coquitlam and Mission—Coquitlam, will be splitting their time.

[Translation]

The Acting Speaker (Mrs. Ringuette-Maltais): Today being the final allotted day for the business of supply ending December 10, 1996, the House will proceed as usual to the review and adoption of a supply bill.

In light of recent practices, does the House agree to have the bill distributed now?

Some hon. members: Agreed.

[English]

Mrs. Hayes: Madam Speaker, I am pleased to rise today and also to split my time with my colleague from Mission—Coquitlam. My colleague and I share some of the same community. Certainly that community like other communities across Canada is very much affected by the decisions of this House and the priorities it sets. The topic of today is how government priorities affect children and parents, indeed all people of this nation.

Today, one day after national child day, we want to highlight the Reform Party's proposal make tax relief for Canadian families a priority in government policy.

The proposal I will elaborate on today reflects a recognition of the importance of family units and the importance of choices for parents in public policy. The greatness of our country today is a reflection of the legacy of the greatness of the families which have built it, families both from abroad and those that are Canadian born. Today we must not forfeit the source of our success as a country.

Existing government priorities seem only too eager to ignore the family unit. For instance, there is but a single reference to the word family in the Liberal red book. This certainly illustrates the reality of government neglect of this important institution. The years of sowing the seeds of neglect of the family in public policy are now yielding a whirlwind of social, economic and judicial consequences. Our homes, our streets and even the statistics on youth crime, youth suicide and teen pregnancy all give too great evidence that government priorities and policies must change in this area.

• (1030)

What are the government's priorities and policies? What is the Liberal vision of government? Today I would like to remind the House that we have a government that is wedded to big spending, high taxes and big government. The Liberal government is addicted to expenditures exceeding \$150 billion a year and it has shown no sign of changing that philosophy.

The deficit reduction that has been accomplished has been accomplished on the backs on the Canadian taxpayers, the families of this country. The reduced deficit is due only to the increase in revenues.

The Reform vision in contrast is a vision of smaller government, lower taxes and more choices for the Canadians who must pay those taxes. We would like to reduce government expenditures by \$15 billion a year. We would like to balance the budget, not just talk about balancing the budget. That would give tax relief to our overtaxed Canadian families.

A major plank of the Reform fresh start program will extend the following child care deduction to all parents, including those who care for their children at home: \$5,000 for every preschool child and \$3,000 for every child seven to 12 years of age. We will make this as fair as possible for families of all income levels. We will turn the deduction into a tax credit so that everyone will receive the same saving.

The Liberal plan that now exists for the child care deduction is very unfair. It favours parents who choose to have paid child care over those who choose to take care of their own children. It also favours rich parents over poor because it is a tax deduction.

Supply

How does it favour parents who choose to have paid child care? The Liberal plan for the child care deduction applies only to receiptable day care expenses. Therefore it denies the value and the choice to care for one's own children. It denies the flexibility of the family to choose to have another family member look after the children or to have some kind of co-operative arrangement within the neighbourhood.

This morning in the *Globe and Mail* there was an article which described how many children are in step-families. The article stated that in 1994-95, 32.4 per cent of children under 12 years of age were in the care of someone other than the parent. In other words 67.6 per cent were cared for by a parent.

These choices in child care are completely ignored by the Liberal plan for the child care deduction. The government through its plan rewards those who would use outside care. The government discriminates against 67 per cent of parents who want to take care of their own children in their own home.

This government by its policies denies choice to parents. Also it denies the value of parenting.

I mentioned that the tax deduction given by the Liberal government is more valuable for higher income earners. If we look at a quick example, a tax deduction of \$5,000 to a person earning more than \$100,000 could be worth approximately \$2,500 at the end of the tax year. To a struggling Canadian who is making \$20,000 a year, that tax deduction would only be worth approximately \$1,500. It is a discriminatory practice which works against those who need it most.

For all the puffery of the finance minister, perhaps he would like to admit that he fails to mention that his rich friends benefit the most by the present system of the child care tax deduction. That same minister is also proud of extending day care deductions to 16-year olds from the 12-year old ceiling. These two things illustrate the misplaced priorities of government policy. Is it not those who need it most that should be given the greatest attention in government policy?

● (1035)

Earlier I mentioned that the government has no appreciation of the value of parenting. More and more I see that interest groups, from day care advocates to affirmative action zealots, all ignore parents in order to push their own agenda in government policy. With what this government does and its priority in budgeting, and I noticed something unique in the government's budgets in that it recently tripled the budget for the status of women while other budgets are being cut. What kind of priority does this show to families?

The priorities of government in budgeting and in legislation are predicated on other things, not the priorities of the nation's families. For example, when the finance minister claimed that doubling the working income supplement helps families and also

stated that our party did not support the bill, he failed to point out that this provision, that is, the doubling of the working income supplement, was but a small part of the amendments to the Divorce Act.

Bill C-41, like so many bills brought by the government to this House, had some good elements in it. Tragically however the incidence of divorce, the bitterness of the disputes in a divorce and the resulting devastation on the children and families will only escalate given the mindset of the provisions of Bill C-41. It totally ignores essential elements or provisions that should have been put in place, such as mandatory mediation, unified family court and more basically, equal treatment of the parties involved in divorce so that enforcement of access and support are both looked at by government.

Divorce hurts children. Single parenthood and broken families are the surest way to predicate financial needs. It is a cruel joke for the Liberals to increase the working income supplement and in the same legislation fuel the number of families that will need that supplement.

When Reform challenges the Liberal government for its lack of concern for Canadian families, the only answer is a list of programs through which increased funding will be given to targeted groups. The federal government has in place over 25 programs which specifically target at least a portion of its spending to children, over 25 programs costing billions of taxpayer dollars.

Many of these programs have existed for years, yet the government over the last decade has never undertaken a thorough evaluation of them to determine if they are accomplishing the intended outcome. Using the government's own figures, child poverty has risen from 15 to 20 per cent since 1989 despite all of the government spending that took place on behalf of children. Where is the evidence that more spending is going to reduce these figures?

This government is clearly not interested in evidence. It would rather listen to the people who tickle the ears of the Liberals with cries for help. They like to listen to people who see government as their source of funds.

Reform makes families a priority. The well-being of our nation's children cannot be separated from the well-being of our nation's families. A happy child is not the sum of government programs, but it is found in the strength of personal relationships that surround that child. Reform's fresh start seeks to strengthen families with the basic philosophy that a dollar left in the hands of the taxpayer is better than a dollar in the hands of any bureaucrat.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, first I want to congratulate the member for Port Moody—Coquitlam for her presentation this morning in the House. I listened very carefully to her comments. I have a couple of questions.

Supply

She mentioned that government of big spending leads to high taxes and big government. I think everyone in this House and all Canadians by this time are well aware that this government has taken those actions which were demanded by Canadians to reduce the size of government, to reduce the size of expenditures, to reduce spending, and to do it in a balanced fashion so that we could look forward to balancing our budget.

• (1040)

As everyone in this House and most Canadians know, the hon. Minister of Finance took those actions by setting targets which to date have been either met or exceeded. Economists not only here in Canada but throughout the world are suggesting that Canada leads the world, or at least the industrialized countries of the world, in its actions and meeting its commitments to date. Therefore I wonder why the hon. member would state that.

All members of this House are well aware that we are not talking about bigger government. This government made a commitment, not one that it particularly wanted to do, but one that was necessary because Canadians said that they wanted to see a smaller government. The government committed to a reduction of 45,000 positions in the federal government over a three or four year period which affected every department.

We also know that one of the first steps taken after this government took office was to reduce the size of ministers' staffs. Previously junior portfolios had 50 to 60 staff persons and senior portfolios 100 to 120 staff persons. They are now down to 10 to 15 staff members. That is responsibility.

With respect to deficit reduction we have met or exceeded those targets to date. I might add that we are on target for the future for this year and certainly will be for subsequent years. The result has been interest rate reductions to levels that have not been seen for the past 30 or 40 years. This has put money in the pockets of Canadian families.

The hon. member spoke of Liberalism and the Liberal government not being for the family. I have been involved for a number of years with the Liberals and I can say that the family is always first and foremost for all Liberals I have met. They are a family and they also have the greatest respect for the family. I have not seen a group of men and women across this country who work more for the family, for family units.

I would point out to the hon. member for Port Moody—Coquitlam that this government has taken action. Obviously in the weeks and months to come further actions will be introduced in this House that will continue to promote the family.

The hon. member referred to children. There is no question that children have to be first and foremost on all of our minds.

The Acting Speaker (Mrs. Ringuette-Maltais): The hon. member for Port Moody—Coquitlam, you have 45 seconds.

Mrs. Hayes: Madam Speaker, that is short work for some interesting points.

I remind my friend of the red book. If the Liberals are so concerned with family, why is it just mentioned once?

With respect to government targets and the ability of government to meet them, it still has no specific goal for deficit elimination. In terms of that we can talk about money spent here but what about the record personal bankruptcies that Canadian families are addressing across this country? We have a 10 per cent unemployment rate.

Whatever the government is doing certainly it does not seem to be getting to the people who need it the most. I remind my colleague that because the government has not addressed its deficit position, real income in the last three years has decreased for the average family by \$3,000.

• (1045)

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Madam Speaker, it is my privilege today to speak on Reform's supply day motion which reads:

That, in the opinion of this House, the government should provide tax fairness for all Canadian families by extending the child care tax deduction to all families of all income levels and converting it to a credit, thereby removing the tax bias against parents caring for their own children.

Canadians have told us that they want a tax system that is fair to all families. Let us take a look at the taxes paid by families today. The average family pays an incredible 46 per cent of its income each year in taxes, almost half of its income.

High taxes have stripped families of the disposable income they need to plan for their future and exercise choice in how to arrange their lives. A Reform government will provide real tax relief for all Canadians and simplify the tax system to make it fairer for families at all income levels.

Children are this country's key to the future, but more often than not the policies and programs of the federal government have a negative impact on Canadian families. We must give parents greater freedom to spend time parenting and to succeed economically while doing so.

That is why Reform will extend the following child care deduction to all parents, including those who care for their children at home: \$5,000 for every preschool child and \$3,000 for every child seven to twelve years of age. To make this as fair as possible for families at all income levels we will turn the deduction into a tax credit so everyone gets the same savings.

These changes are necessary since fiscal burdens and government intervention both mean that Canadian parents have fewer choices about how to raise and care for their children. Big

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government programs such as universal day care, which the Liberals promised in the 1993 election campaign, only add to the burden of government debt and high taxes and contribute to removing choices away from Canadian families.

The Reform Party believes that parents are the people best equipped to make these decisions and wants to leave them as much choice and decision making power as possible. Reform believes that returning money into the hands of families will provide them with the choice and the flexibility they need to make the best decisions for their children.

Reform therefore opposes state run day care, supporting in its place child care programs that subsidize financial need, not the method of child care chosen, and that subsidize children and parents, not institutions and professionals.

These initiatives are important because more parents are choosing to stay at home to look after their young children.

According to Sherry Cooper, the chief economist for the Canadian investment firm Nesbit Burns, birth rates are rising in Canada and traditional families, father working and mother at home with the children, are growing from a record low of 28 per cent of all households in the 1980s toward the level of 44 per cent by the year 2005. Demographic trends, she says, point to the resurgence of traditional family life. Canadian parents who want to stay home to raise their children find that government policy penalizes them for their decision. Consequently many spouses are forced to work outside the home even if they do not want to.

Given today's unemployment rate of 10 per cent surely the government would have enough sense to realize more jobs will be available for the unemployed if working parents can stay home and raise their children rather than go out to work and take up the jobs that are in the marketplace.

Consequently Reform supports a revision of the federal income tax regulations to end discrimination against parents who provide for child care at home.

How does Reform view Canadian parents? We are convinced that the majority of Canadian parents are caring, are capable and are responsible. They know what is best for their own children. What is more, they demonstrate it every day through the large and the small sacrifices they make, that the well-being of their children is their top priority.

In the case of divorced parents we want to see fair and equal treatment for all parties involved in a support ruling. It is vital in any child access or custody settlement that the needs of the child and the parents' ability to pay are the first consideration. This government constantly puts forth flowery phrases of how supportive it is of family. Yet its actions makes lies of its words. Children need the loving care and visits from all family members.

• (1050)

Yet this government, in contradiction to Canada's acceptance of the convention of the child and of a child's right of access to their families, voted down the grandparents bill which would have given grandparents the right to ask the judge at the time of divorce if they could continue to see their grandchildren.

How could this government do this, knowing that many of our seniors have already died without seeing their grandchildren in their later years? How could it be so cruel as to continue to deny families the right of access?

This government cares about families, we heard the Liberal member say a few minutes ago. Oh, yes.

What about this government's promise to remove the GST on reading material and thereby enable families to have reading material in their homes without paying GST on those essential? Remember, the Deputy Prime Minister promised that there would be no GST on books which were as necessary as food.

The member for Glengarry—Prescott—Russell said it would be undemocratic to put GST on books. Yet Atlantic Canadians are now paying 15 per cent on books at retail book stores in the Atlantic provinces. That is not helping families.

Who are the victims in the terrible crimes across this country? Good law-abiding families have been made to suffer while the rights of criminals have been upper most in Liberals' minds since 1971 when the Liberals at the time decided that the rehabilitation of criminals was more important than the victims of crime and the families of victims.

What did the government do when Mr. Niven, a good family man, was kicked to death outside a 7-Eleven store just outside my riding? This government passed Bill C-41 which dealt with sentencing. It stressed that the murder of a gay deserved a stiffer sentence than the murder of a family man like Mr. Niven.

The new Bill C-41 deals with punitive measures for support payments in arrears. Once again this government did not help families. This government was concerned only with punishment. It could have dealt with a comprehensive package which would have included access and visitation rights.

In the American legislation under the Florida statutes its package was comprehensive. It did deal with all those issues. This government did not even care about families. What is worse, this government took the drawing up of guidelines out of the hands of parliamentarians. It ended up with inflexible and unrealistic guidelines.

Elected members of Parliament could have ensured that families were encouraged to make realistic settlements, settlements which

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dealt with the needs of the child and the ability to pay and add that these agreements be considered first by the judge rather than going first to the inflexible guidelines, which is what that bill instructs the judge to do at this time. That is a recipe for failure.

In the guidelines there are a number of omissions and additions that would result in many unfair awards. For example, the lack of an adjustment of awards for the time the child spends with a non-custodial parent. However, that is not in there. There is also the completely different and extreme treatment of joint custody situations, which is getting very common in our country today.

Mr. Bouchard, co-ordinator of the National Alliance for the Advancement of Non-Custodial Parents, stated: "Fair and equitable guidelines would go a long way to bring some consistency to support awards". Support awards must be paid and it is essential that parliamentarians be responsible and set guidelines which will help prevent future arrears in these necessary support payments.

In fact, the Equitable Child Maintenance and Access Society stated that the federal, provincial and territorial task force was supposed to deal jointly with the issues of custody, access and maintenance. This government ignored two-thirds of this mandate and gave the area of child support preferential and exclusive treatment.

Studies in the area of divorce show that children suffer more from the custody and access conflicts and therefore priority must be given to these areas in conjunction with financial support.

The result is that Bill C-41 is designed to specifically exclude the paying spouse from the definition of family. The finance minister brags about all the wonderful things this government is doing for families.

What about the new tax treatment of child support payments? No deductions and no inclusions. Who benefits from this set up? It is not the families, Mr. Finance Minister. It is a major tax grab at the expense of families. The spouse paying support, usually the higher earner in family settlements, will now not be able to claim deductions and consequently will pay higher income tax to the government, causing him to have less money to look after his new family and his first family.

In short, by eliminating the deduction inclusion system there is less money to go around for divorced families and both sides suffer while government revenues obviously rise.

It is essential that we as parliamentarians put families first. In this way we do not only help to build character and self-respect in our children, we also help our literacy rate to rise and help prevent crime.

• (1055)

By including those parents who are able to stay at home and raise their children without state run day care and by giving them child care deductions which can be turned into tax credits, we are also helping those who are unemployed in our society. After all the fanfare this government made about supporting families, it seems it is up to the Reform Party to raise a motion in the House to reinforce support for families.

It is time to make a fresh start for families. Therefore I move:

That the motion be amended by deleting the word "should".

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I was truly touched by the attempt by the hon. member opposite to put a human face on the gibberish we normally hear from the Reform Party.

I was also struck by the fact that she seemed to be talking about a different kind of world than most Canadians inhabit.

I wonder if she would share with us her understanding of the composition of the Canadian family out there today. I hear it described as if all families are comprised of an Ozzie and Harriet vision. That is what I heard portrayed across the way.

Also I would like her to comment on the extent to which Reform's recent budget proposals would adversely impact on families in this country, no matter how they may be defined, whether in the Ozzie and Harriet world she lives in or in the world in which real Canadians live. The dramatic changes and the increased cuts across the board that would be made as a result of that document would gut this country.

Mrs. Jennings: Madam Speaker, I thank the member for his question.

I really wish that members of this House, particularly Liberals, would stop the insulting remarks. I find it degrading for parliamentarians. Having been a teacher for 30 years, I abhor this kind of speech in the House of Commons. I do not wish to hear it again.

I am very glad that this member was truly touched by what I had to say.

With respect to the different kind of world, I suggest that the member should take a moment to think. The Reform members, apart from one, have all been from the private sector, from the public sector, but not members of Parliament. Because we have not been members of Parliament in the past we have been in touch with real Canadians. We have worked with real Canadians. We have been teachers. We have been doctors. We have worked in the resource industries. We have been there. As citizens of Canada we have been more than aware of the issues that are out there.

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The hon. member mentioned some gibberish about Ozzie and Harriet. I agree that would be a wonderful situation. I am sure the member agrees that it would be wonderful. Unfortunately, with the high rate of divorce and the difficult unemployment levels which the government has helped to create by not lowering taxes, that situation no longer exists. Reform is the first to acknowledge that. That is why Reform would introduce child care tax deductions in the amount of \$5,000 for each preschool child and \$3,000 for each child between the ages of 7 and 12.

I wonder if the member knows that over 80 per cent of Canadian families are comprised of a husband, a wife and children.

I believe that those who are not connected with reality are the Liberals. Surely common sense dictates that if the Liberals would lower taxes, and not have 46 per cent of the income of Canadians going to the tax structure, and leave more in their pockets so they could employ more people in their businesses it would encourage a more positive outlook. Perhaps the Liberals should look at the fact that retail sales are down. They were up at the beginning of 1995 by about 7 per cent. They have gone down all the way through 1995 and 1996. People are cautious and worried, they are not spending.

• (1100)

By my last accounting bankruptcies are over 52,000, up 23 per cent. This suggests a government that is unaware of what going on out there. I think the member who asked me to answer a question spoke a lot of nonsense.

I recently read an article in the September *Reader's Digest* and even Mr. McKenna, a Liberal premier, said that duplication in provincial and federal programs is costing us \$5 billion a year.

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Madam Speaker, when I first heard the supply day motion, I was briefly tempted to congratulate the hon. member and the Reform Party for raising issues that were genuinely worthy of consideration.

Improving tax fairness is something the government believes in strongly. That is why it has taken concrete action in each of its three budgets to close loopholes and eliminate inequities.

Then there is the action that would benefit children in need. Who would dare deny the special responsibility the government holds to use available resources actively and aggressively to protect and sustain the most innocent and vulnerable of all our citizens. Here again we have as a government taken concrete action, especially in the 1996 budget.

These are the issues the motion may appear to address. Unfortunately it takes only a moment's reflection to see through the

illusion, to recognize that there is actually little or nothing about equity and nothing about compassion here at all. What is at work, masquerading in the guise of fairness and family, is an attempt to buy electoral support. Because underneath the rhetoric the motion proposes nothing less than a \$5 billion tax cut. The hidden agenda behind the motion goes beyond deception into the realm of duplicity.

Not only are we being asked to endorse a dramatic tax cut in a year when the deficit is targeted at about \$24 billion, it is a tax cut that will create unfairness in two ways. First, if the motion became law it would actually create inequity in the tax treatment of child care deductions. What is more damning is the fact that the real beneficiaries of this motion would be the affluent and the wealthy and their children at the expense of poor Canadians and their families.

This not so hidden agenda will come as no surprise to anyone who has studied the philosophy and the rhetoric of the Reform Party. Theirs is the gospel of comforting the comfortable and abusing the afflicted. Perhaps that sounds a little intemperate, but the false logic and perverse pandering of today's motion deserves no respect.

Let me prove my point by addressing the first aspect of this motion, the mistaken idea that fairness as enunciated by the Reform Party requires "extending the child care expense deduction to all families of all income levels". This is in keeping with the Reform's continuing allegation that the Income Tax Act discriminates against families that provide care at home for their children. They ask why working Canadians should be able to claim a deduction for their expenses when stay at home caregivers cannot claim the expense they incur.

Mr. Morrison: Do you think they do not work?

Mr. Peters: This is not just a case of apples and oranges logic. This is apples and sour grapes logic. It is attempting to make night equal day. In reality, the rationale for the child care expense deduction is to prevent discrimination and unfairness. It does this by recognizing for tax purposes the child care expenses that taxpayers must incur in order to earn income or to study.

• (1105)

In other words, the deduction is a way for the tax system to acknowledge that when both spouses work, these taxpayers generally have less of a capacity to pay taxes than other taxpaying families with identical incomes that do not have these child care expenses. That may sound a little bureaucratic but it is not.

Of course families with a stay at home spouse has child care expenses. That is why in addition to the regular child tax benefit of \$1,020 for each child, the tax system also provides a supplement to

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help modest income parents who choose to remain in the home to raise preschool aged children.

The fact is when both spouses work they will have higher child care expenses than families where one spouse stays at home. Those additional expenses will include day care, work transportation for two people and other costs incurred in earning income.

This takes me back to the bottom line. Despite Reform's implication, the child care expense deduction is not anti-family social engineering. It has nothing to do with providing a benefit or acting as an incentive for people to participate in the workforce. Instead the child care expense deduction seeks to ensure that families where both partners must work or study do not suffer a disadvantage by being taxed on gross income when child care costs mean that they have reduced capacity to pay.

Incidentally, I should point out that the child care expense deduction parallels the approach applied to business. Firms do not pay taxes on expenses they incur to generate income but only on their profits. By the same logic, the child care expense deduction does not tax—up to a certain limit—the expenses incurred when both parents must work to generate income.

I have established that this motion clearly fails to recognize the real purpose and process of the child care expense deduction. That purpose is to deliver neutrality, in effect, real fairness, within the tax system.

I will address the more fatal flaws of today's proposal: fiscal irresponsibility and rewarding affluent Canadians at the expense of those in real need. The motion seeks to extend the child care expense deduction to all families of all income levels and convert it to a credit.

This raises an obvious question which the hon. member has not answered. What is the cost? Assuming we use the current structure of the deduction, which is \$5,000 for children under seven years of age and \$3,000 for children between seven and fourteen, the cost in lost revenue will probably be in the vicinity of \$5 billion. That compares to about \$400 million under the existing deduction system.

That \$5 billion can only come from one of three places: adding \$5 billion to the yearly deficit, not just this year, not just next year, but year after year after year; or raising other taxes by the same \$5 billion; or cutting federal spending by a further \$5 billion, which would be on top of the most dramatic government spending cuts in Canada's post-war history. Inevitably that would require new cuts to transfers to provinces for social assistance and health care.

Who would be the real beneficiaries? There would be some benefits to families with stay at home parents, a group which is less than 25 per cent of Canadian families. This benefit would have little to do with real need and the problem of child poverty which should be the priority issue in family policy.

Let us look at Reform's priority. The simple fact is that under this motion every professional and executive, people who earn \$75,000, \$100,000 or \$1 million a year, those who can best afford a stay at home spouse probably with housekeeping help and a nanny to boot, would enjoy a nice fat tax break. But this motion adds nothing for the low income family where both partners must work or choose to work.

Mr. Morrison: Have you ever heard of a tax credit?

Mr. Peters: There is another damning downside. There is a real risk that for the less affluent families with a stay at home spouse, any improvement provided by the revised deduction could easily disappear. The reason is simple.

• (1110)

As I have pointed out, the \$5 billion cost of the so-called Reform child care expense deduction has to come from somewhere, from higher taxes, from reduced spending on social programs or a deficit that puts new pressure on interest rates. Obviously raising taxes to pay for an effective tax cut is just going in circles so that cannot be the Reform's agenda, although going in circles seems to be what they do best.

Cutting social programs is part of the Reform agenda and their fresh start manifesto makes it clear. It is the needy and the less affluent who will feel the impact when welfare transfers, equalization and employment insurance are cut. All are contained in their fresh start. It should be called a phoney start. The needy and the less affluent will ultimately pay for Reform's child care break for the affluent executive.

Or we could let the deficit jump, although that hardly fits the Reform Party credo. If we did, it is the needy who suffer again under the pressure of higher interest rates, higher mortgage costs and a reduction in the business investment that fuels jobs and incomes.

As a parent and grandparent I share the heartfelt concern of every member here that there are children in Canada who suffer real hardship, whose future prospects are dimmed by the burden of poverty and neglect. As a taxpayer I understand the driving desire for fairness in the tax system and that we continue to eliminate inequities and absurdities.

As someone with a background in economics and as a legislator who understands the importance of the continued battle to reduce the deficit, I cannot support the Reform's motion today. These proposals are not based on need. Instead they will shift vital resources away from those who we as legislators are most obliged to help, and in order to do what? To reward families who already enjoy a superior standard of living. This would mean a meaner and a more inequitable Canada.

In conclusion, the child care expense deduction should be maintained in its current form because it plays an important role in recognizing the particular circumstances of working parents. When

both parents work outside the home, additional child care expenses are a necessary cost of earning income that is subject to tax. Because of these child care expenses, families with two working parents have a reduced ability to pay that tax compared to a single earner family with the same gross income. That is why the deduction supports a tax neutrality that makes for a fairer tax system.

The choice is clear. We can support this motion if our goal is a meaner Canada with a more inequitable tax system, or we can reject this proposal and by doing so show that we stand for a country marked by compassion and fairness.

I urge hon. members to vote no because that is what good conscience and good government demand.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, the hon. member stresses that he has a background in economics. I think it must have been a way back because I have never in my life heard such an Alice in Wonderland dissertation or so many distortions in one short speech in this House. It is incredible.

The Liberal and Tory governments have condemned Canadian families to economic serfdom and now a catch-22. The government says: "We are going to make it easier for you to pay your taxes. We will make it easier for both to go out and work". What great hearts the Liberals have.

Study after study show that taxes and taxes alone are the largest single expense faced by working parents. Did the hon. member ever consider, or is he capable of considering, the bitter fact faced by real Canadians, not the strata of society he comes from but real Canadians, that there might be couples out there who would not both work, who would like to have somebody stay at home, if it was economically possible for them to do so. Did he ever consider that one of the reasons so many couples in the lower income levels both have to work is that they are paying 46 per cent of their income in taxes to the three levels of government that there is nothing left for them?

• (1115)

Mr. Peters: Madam Speaker, I am delighted to hear the member for Swift Current—Maple Creek—Assiniboia. I have lived in Swift Current, by the way. I know the real people in Canada. I know the real people in Swift Current.

Our child care expense deductions treat real people fairly and equitably, not like the Alice in Wonderland proposals the Reform Party puts forth. If the Reform Party formed a government it would be like a Mad Hatter's tea party.

Talk about knowledge of economics. I am appalled at Reformers' suggestions on economics. I am appalled that they cannot even mention a \$5 billion cost here. They talk about a \$5 billion cost and

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they do not even say where they are going to get the \$5 billion from.

Higher taxes, is that what the Reform Party stands for? Goodness, Reformers are always complaining about tax levels the way they are now, yet they are going to give \$5 billion more. Are they going to cut social programs? Yes, they are going to cut social programs. Yes, they are going to cut unemployment insurance. Yes, they are going to do the poor in. Yes, that is it: the Reform Party for the wealthy; the poor can go to the blazes. That seems to be the Reform Party's sense of economics.

That is not the sense which this party has. That is not the Liberal government's plan. That is not what this government will be doing. We do not have the sense that the senior executives get the tax breaks and the poor get nothing which is exactly what today's motion proposes. It is not a plan that shows the meanness and the inequities of the system; it is meanness and inequities that the Reform Party stands for. It is not fairness, it is not equitable treatment. It is simply meanness and inequity. That is the Reform Party's policy and it should have meanness and inequity written on its banner.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, I would like to hear from the secretary of state exactly how we differ from previous administrations. Exactly how many increases are there on the record for this House that this administration has brought forth in personal income taxes since this government took power?

Could he explain exactly what the advantages have been of bringing our deficit under control, meeting our targets and bringing down interest rates to the lowest levels in the past 30 or 40 years? What has this meant to Canadian families regardless of the make-up of Canadian families, and how has that put money in their pockets?

Finally, the question was put forth about when we would have a balanced budget. It would seem to me with the hon. Minister of Finance's projections of reaching a deficit reduction of \$9 billion by 1998, that the step subsequent to that would be a balanced budget in this country for the first time in decades.

Mr. Peters: Madam Speaker, the hon. member has some very important and interesting questions.

The first one I am not able to answer. He asked me how many tax increases have we had in personal income taxes. I am not able to answer that question because there have not been any. There have been none, so I cannot give him an example. I cannot give him even one example over the past three years.

The hon. member asked me about deficit reduction and lower interest rates which have been brought about. When this government came into power we were faced with a \$44 billion deficit, a deficit that was absolutely shocking in size. We thought it was

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going to be \$34 billion. The promise in our red book was to bring that deficit down to \$25 billion or 3 per cent of GDP. However, bringing it down from \$44 billion to \$25 billion is a lot different problem from bringing it down from \$55 billion to \$34 billion. We faced up to that problem. We said we were going to do that and we did it.

• (1120)

Our program has not been a single purpose one. It has not been about setting a target. The previous government set many targets every year and did not meet any of them. Our program has not just been to set targets but to meet targets. I would suggest that the Reform Party has never met a target in its existence. We have not only set targets, we have met those targets.

The result has been a massive increase in the credibility of the Canadian government. We are now the darlings of the international financial community. We were much less than that three years ago. We have lowered interest rates in this country so that the bank's prime rate is 3.5 percentage points below the U.S. prime rate. I cannot remember in all my years, and that goes back a long time, since we have had interest rates as low as they are now.

I can tell the hon. members across the way who seem to keep chattering away while I am talking that lower interest rates are a real boon for Canadians. Lower interest rates lead to lower mortgage costs and lower credit costs for Canadians. This makes jobs. It enables industries to bring new plants into being which creates jobs for Canadians. The results are clear and they will be coming as we progress in this economic recovery with our low interest rates. We are already seeing those results in the increase in the number of jobs this country is producing now and it will be seen even more so in the future.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, I must admit that what I am hearing today boggles my mind. I listened to the hon. member and most of what he said goes completely against the facts and figures I have here.

I certainly have some questions to ask him. Before I do, I want to make a quick comment. He mentioned the expensive tax cuts and went on about the low interest rates which we now have. Yes, we do have low interest rates, but we also have a 10 per cent unemployment rate. That is a scourge on the Canadian population. If low interest rates create jobs, what happened?

I would also like to put to him that rather than low interest rates we also need an economy that has a future, that has hope and has jobs. Tax cuts are what we need in this country more than anything else. We need tax relief for overtaxed families, overtaxed and over-regulated businesses. That is where there is a blind spot within that party.

When the member talks about reverse pandering and who gets the benefits as to what the programs are, can he tell me, yes or no, does the child care tax deduction give more benefits to a higher income earner or a lower one? In the present system put forward by this government, someone making \$100,000 and someone making \$20,000, who would get the larger benefit from the present child care deduction?

The member also made the point that dual parent families have less ability to pay their taxes and therefore need added benefits. Can he tell me which kind of family would pay the higher taxes: one with an income of \$60,000 from two wage earners, or one with an income of \$60,000 from one wage earner? I would like to put to him that it is the dual earner family that has the benefit in our present tax system.

The Acting Speaker (Mrs. Ringuette-Maltais): The question and comment period has expired. I will allow 30 seconds for the hon. secretary of state to answer.

• (1125)

Mr. Peters: Madam Speaker, first I would like to tell the hon. member that these are not benefits. The child care expense deduction is not a benefit. It is an expense deduction. If the expenses are not incurred, then the deduction is not allowed. So it is not a benefit and the whole argument has been stood on its head.

Second, we have a 10 per cent unemployment rate and yes it is far too high. Yes, interest rates are low. What would the Reform Party do about this? It would raise interest rates and ask whether that would increase employment. That would increase unemployment. As usual, the Reform Party's policies are mistaken.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Madam Speaker, before commenting on the Reform Party's motion, I think it would be helpful to viewers to repeat the text of the motion, which reads as follows:

That, in the opinion of this House—and there was an amendment—the government should provide tax fairness for all Canadian families by extending the Child Care Tax deduction to all families of all income levels and converting it to a credit, thereby removing the tax bias against parents caring for their own children.

My first comment takes the form of a question. In the motion, we are not told whether this deduction will be converted to a refundable or a non-refundable credit. The motion does not say. However, if our information is correct, the Reform Party would like this deduction converted to a non-refundable credit, which means that a person paying tax could benefit from a deduction, whereas a person not earning enough to pay taxes would be deprived of this assistance for child care.

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In other words, this could mean that a person or a couple earning \$100,000 a year could be allowed a deduction for child care, but a couple earning \$20,000 a year and paying no, or practically no, taxes, would not be eligible for a refundable credit.

The question then arises as to who is being helped. Is it those most in need of child care assistance, or those least in need of it? That is the first question.

However, if we consider the spirit of the Reform Party's motion, our conclusion must be that there is indeed a real problem, but we could still agree with it. There are people who need help, and we want to help them. The reference is to a policy, a policy on the family or an anti-poverty policy. Reform members tell us that this motion is part of their family policy.

At this point, perhaps we should consider the concept of family as seen by the Reform Party. As far as Reform members are concerned, a family is a group of individuals who are related and whose union is recognized by the state. We are therefore talking about a group of individuals related by blood, marriage or adoption. Clearly, Reform members, who are ultra-conservative, are dreaming of a concept that hardly applies today.

• (1130)

Some families today are single-parent families, but families nevertheless. With a concept as obsolete as the one held by Reform members, obviously their solutions to family problems will differ vastly from what we might expect of people with a more modern outlook.

Although we agree that Reform members are addressing a very real problem this morning, we do not quite agree with the way they intend to deal with that problem.

First of all, the Bloc Quebecois feels that providing assistance to families should be strictly a matter of provincial jurisdiction. What has the federal government done about all the promises it made during the last election campaign that it would help our families? The Liberal government promised to spend about \$700 million to create 150,000 new daycare places. What did the Liberal government do about the promise it made in the red book? What did the Liberal government try to achieve? A fraction of that promise. The Liberal government claimed that because no agreement was reached between the federal government and the provinces, that was ample justification for the government to withdraw its commitment.

The Liberal government could at least have taken the money it had promised to spend and transferred it to the provinces, which would then have been able to implement the daycare plan or create spaces for children according to a plan of their own choosing and

adapted to their own needs. The bulk of the responsibility for the lack of a family policy lies with the federal government, led by the Liberal Party.

It is also perhaps worthwhile at this point to indicate that, wishing to make this a provincial responsibility, Quebec and other provinces have recently been looking at family issues. In the wake of an economic summit at which this was much discussed, the Government of Quebec has taken certain steps. It is, I think, worth mentioning that Quebec's policy puts its children first.

If the federal government acknowledges that this is a provincial responsibility, it might be worthwhile to look at a picture of the Quebec family of today. Although the family plays as fundamental a role in our society as it did in the past, the changes that have occurred in Quebec society must be taken into consideration, and this is what was proposed at the summit.

These changes indicate just how necessary a new family policy is. I am defining the present family situation in Quebec because our commitment at the time of the election was to work in the interest of all Canadians, particularly Quebecers.

At this time, there are 1.66 million children in Quebec, one third of them under the age of six. They belong to 960,000 families, 20 per cent of which are headed by single-parents.

• (1135)

Twenty-three per cent of our families have an income of less than \$25,000, while the average family income is \$50,000. In 70 per cent of two-parent families with young children, both spouses work, while 20 years ago the figure was 30 per cent, so that the family profile has changed significantly. Furthermore, a steadily increasing number of people are self-employed or work at non-typical jobs, that is to say, jobs that are unstable, involve irregular working hours or are strictly casual employment.

These changes oblige us to rethink our policies and adapt them to the new needs of our society, to make them fair, consistent and sensible. That is why Quebec's family policy will be revised and restructured around three central themes, and we hope the federal government will recognize the relevance of these changes.

The policy's first theme is how we provide services for young children and includes the following: first, plans for making full-time kindergarten available to all five-year-olds will be implemented as of September 1997; second, accelerated phasing-in of part-time educational services and free daycare for four-year-olds from disadvantaged families; and the phasing-in over a six-year period of low cost daycare for all young children whose parents are either employed or going to school.

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Phase one of daycare for four-year-olds will be implemented as of September 1997, while phase 5 for children under the age of one will start in 2001.

The second central theme of this program will be to improve financial support to families as follows: a comprehensive allowance covering the essential needs of all dependent children of low income parents, whether they are employed or on welfare. This new allowance will include the Quebec family allowance and that part of social assistance payments that is used to cover children's needs. This will be in addition to the federal tax credit, for the time being, provided the federal tax credit does not disappear sometime in the coming months. That may be the case when the next budget is brought down by the Minister of Finance.

The third component is a parental insurance that will provide, upon the birth of a child, benefits equivalent to 75 per cent of net earned income, for a period of 25 weeks. Here is a measure that will help families and pregnant women who want to look after their children but still have the possibility of returning, within a short period of time, to their job outside the family home. This parental insurance will also provide additional benefits for a period of six months, starting with the third child. It increases from \$39,000 to \$49,000 the ceiling for eligible earnings, and it provides an insurance fund that will be funded partly by recovering part of the contributions made by employers and employees to the employment insurance fund, as provided for under federal legislation, and partly by collecting additional contributions from workers who are not covered by the employment insurance program.

Again, we hope the federal government will co-operate and allow the Quebec government to take advantage of the federal provision that authorizes the use of the employment insurance fund for such purposes.

• (1140)

The Quebec government will also provide substantial help to children and young families. The beneficiaries of this reform are the people who immediately come to mind: women. For several years, women's groups in Quebec have been asking for concrete measures to help women reconcile their roles as mothers and active members of the workforce, without penalizing them.

The biggest winners of this family policy are the 550,000 Quebec children who are under six years of age, including those living in socioeconomically disadvantaged environments. Early childhood services include half-day classes and free child care for disadvantaged children under four. This is undoubtedly the best solution to ensure that all children benefit from equal opportunities, and to prevent teenagers from dropping out of school in such large numbers.

This policy also promotes a better balance between work and family. In a society where both parents work, adequate and available child care services are an absolute requirement. Educational and child care services are essential in a modern society, but they are insufficient.

The Quebec government wants to ensure that child benefits are based on the principle of fairness and constitute an incentive to work. These premises guided the development of the new integrated allowance that will better meet the basic needs of all children from low income families.

Finally, the new policy takes into account the profound changes that have occurred in the workplace, by proposing the creation of a new parental insurance program. This new system will be more accessible and more generous than the system now provided through employment insurance.

Furthermore, one of the most important indirect benefits of the new policy is that the rapid growth of day care services will encourage the development of the social economy, as well as facilitate the battle against the underground economy. For the Province of Quebec, as for Ontario and other Canadian provinces, this has become a very serious problem in recent years.

It must be pointed out that the proposed family policy shows that, despite a difficult budgetary context, which exists in Quebec as well as in Canada, we in Quebec at least have shown that we have the imagination and creativity to remain a progressive society that puts its children first. It is in this perspective that, in Quebec, the government has decided to adapt so as to continue to be a tool for social development and the key to its future success.

We sincerely believe that this is a progressive policy and that it confirms the dynamic role of the government to which citizens are so deeply attached. I wanted to highlight these statements by the Government of Quebec because it is what we would most like to see happen. The Reform Party motion proposes a very restrictive and limiting measure, and we feel that this is not the right approach.

The best chance for finding solutions lies in leaving this authority with the provinces, who are still in the best position to decide what is required so that the choices made by the provinces will better correspond to the real needs of their society, to the actual composition of their families, and will provide the best future for their children.

• (1145)

[English]

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, I would like to make a brief comment and then pose a short question to the member. I thank him for his intervention on this issue.

Supply

He mentioned toward the beginning of his speech refundable and non-refundable tax credits. I thought I would speak to that for a moment to clarify the issue.

I believe that most people, certainly those who look to fairness and equity within the system, would agree that the present system of a child care tax deduction is not equitable and not fair to Canadian families. In fact, the benefit of that system goes to the more wealthy who pay the greatest amount of income tax.

The reverse of that would be a tax credit which would give an equitable benefit to all Canadians no matter what their income level might be.

A non-refundable tax credit could be used to reduce the amount of federal tax a person pays. However, it could not be used for a refund. For example, if someone were required to pay a tax of \$2,000 and a credit were determined to be \$2,500, that taxpayer would not receive a refund nor would they be taxed. The tax would be eliminated and they would not receive a refund. However, if the tax credit were deemed to be refundable, they would have a tax levy of zero and they would receive a payment of \$500 in addition to that. That is the difference between a non-refundable tax credit and a refundable tax credit.

In our proposal we have not specifically said what kind of credit we would put forward. We are looking at the issue of a refundable versus a non-refundable tax credit. Assuming this is accepted by the House, we would lean toward a refundable tax credit for Canadian families. Indeed that would be our preference.

Either way, refundable or non-refundable, the issue of a tax credit over deduction would certainly be the choice of Canadian families.

My question to the hon. member is quite specific. Could he tell me what he feels is more important? In his speech he mentioned that he thought it more important to provide more day care for families. He thought this was a priority in the province of Quebec. Would he think it more important to provide day care spaces for families or to provide a choice for families as to whether they want day care or whether they want to stay at home with their children? Which would be the more important policy that a government should look at, simply providing day care or providing choice for parents?

[*Translation*]

Mr. Laurin: Madam Speaker, I thank my colleague for providing me with the opportunity to clarify the comments I have just made.

What is important for the members of the Bloc Québécois in this issue is to ensure that all families, and all women, have an equal opportunity to raise their children. I mean all families, all women, all men, all couples. Whether families are poor or not, whether there are one or two parents in the home, what we want is for no

one to be at a disadvantage for deciding to stay home, or to work outside the home.

• (1150)

No mother ought to be penalized because she has made one choice or the other. This is a fundamental freedom of choice we acknowledge for women, or for men who might be in the same situation.

We feel that rearing children must come first. We also feel that mothers, while providing this child-rearing, must also have access to the fundamental freedom to realize their potential by working outside the home or within the home.

We would not like to see a government policy which favoured one choice over the other. What we want is to see the fundamental policies designed and implemented in such a way as to ensure that a person is not penalized for having made a free choice. We would not like to see government policies advocating practices or programs that would encourage or discourage one or the other choice. We would like to see the individual's most basic rights respected.

[*English*]

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I was very pleased to hear from the hon. member opposite. He always has very cogent remarks to make in the debates in this House. I welcome his comments about not skewing the system one way or the other but I am confused about a situation that prevails in his own province of Quebec.

For many years Quebec governments have provided a significant benefit to parents for having children, indeed an increasing amount of money. They have expended tens of millions of dollars in this effort to engineer more births in the province of Quebec and I understand without much success. I wonder how that program squares with his comments about equity and not providing unequal incentives. What about couples who have chosen not to have children or not as many as the government of Quebec wanted them to have?

[*Translation*]

Mr. Laurin: Madam Speaker, if the hon. member opposite wants to discuss the family policies of the federal government and those of the provincial government, perhaps we should go back in history and see how the Government of Canada treated the Quebec government when in Quebec most families had ten children or more. The hon. member may care to recall what the federal government did at the time. What kind of choices were made then to help families?

In Quebec, families were raised without waiting for subsidies from the government. Quebec couples did not wait for subsidies to have children. They knew what their responsibilities were, and they believed in the future of the family. Family policies came much

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later, and it was the Quebec government at the time that would have appreciated more flexibility to be able to help these large families, which was not necessarily the case in other Canadian provinces.

At a time when Quebec would have liked to see specific criteria for providing assistance in situations peculiar to Quebec, it did not get the federal government's co-operation. When we want the power to deal with our own problems, that is the kind of situation we are referring to.

Today, Quebec is in favour of a family policy that is in fact quite unique and quite different from what the federal government had in mind. We believe that Quebec's needs are different, and because they are, Quebec needs all the political resources available to meet those needs.

It always boils down to this: since we have different views on most of the problems facing us today, we keep asking for all the powers we need to implement our vision and guarantee the development of our families as well as our cultural, economic and social development.

• (1155)

[English]

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, two of the issues that face families today are high unemployment levels and taxation. We constantly hear from across the floor the parliamentary secretary talking about all the jobs that the government has created. I find it very odd that when the Liberals came to power there were 1.4 million Canadians out of work and presently there are 1.4 million Canadians out of work.

It is not low interest rates that are causing the problem. Low interest rates should fuel the economy—

The Acting Speaker (Mrs. Ringuette-Maltais): Resuming debate, the hon. member for Fraser Valley East.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, it is a pleasure to rise to speak to this supply day motion. It is always a pleasure to talk about issues involving the family. All of us here come from a family and so we all have an opinion on it and a strategy on how we would like to see families strengthened. That is what this debate is about. It is a pleasure to enter into that.

The Liberal speech from the throne was delivered in February of this year. It was 13 pages long by my count. It was read into the record about all of the priorities of the government, the direction it is taking, the things it wants to emphasize, the promises it says it is making to the Canadian people. Although the throne speech was 13 pages long and although it emphasized a lot of things within that text only once in the 13 pages did it mention the word family. Even at that it was just a passing reference.

The red book, which is the gospel according to the Liberals, mentions family only on one page in the entire book which is 100 and some pages long. Where it mentions the word family in the entire red book is on a page where it says that the Liberal government promises to create thousands of federally run day care spaces. That is their entire reference to the family.

I hope it is an error of omission and it does not reflect the priority that they place on the family, but we do notice a disturbing trend. It is interesting that Parliament has created an auditor general for finances, an auditor general for the environment, an ethics counselor for lobbyists, secretaries of states for various functions from women to youth and so on. I do not know why but there does not seem to be anybody who wants to touch this issue of should we be concerned about the family. The Liberals it would seem do not want to touch that with a ten foot pole.

A couple of years ago I did bring forward a private member's bill which would have created a small office called the auditor general for the family. That office's role would have been similar to the other auditors general to check legislation that affects the environment or the finances of the nation and so on.

The office I conceived of would also check on the government to see how legislation affects families. For some reason that was defeated. The government did not want to see how legislation affected families and I to this day do not understand why.

In a town hall meeting today if I give a speech it is something like this: "The family today feels burnt out, stressed out and in crisis". I go down a list for the crowd which goes something like this: "Let me describe your situation for you. You are working two jobs or more. Both parents are working. You have no time to spend with your children. Your credit cards are maxed out. You are worried about your job. You wish you could spend more time teaching your children to read but you do not have that time any more. It seems it has been taken away from you. You are working harder than ever but are not getting further ahead".

When I make a statement like that a hush comes over the room. The people just start nodding their heads. They say: "You are describing my situation. That's the way I feel. I'm stressed out, I'm burnt out, I'm working harder than ever, and it doesn't seem like I'm getting ahead. I'm just not getting ahead".

• (1200)

It is no wonder that in a recent Angus Reid poll, 63 per cent of people said that the family is in crisis. People are not just stressed out but they feel that the family is in crisis. No doubt there are a variety of responsible factors. But the list I went through is part and parcel of what determines that crisis.

I mentioned how families are not emphasized in this place often enough. We talk about all other categories of people. We seem to put them all in little slots. We have royal commissions, investigations, priorities, auditors general, you name it; but we do not do the same for the family. That is one of the things that differentiates the Reform and Liberal parties as we head into the next election which will likely be in 1997.

The Reform Party has decided on some principles concerning the family. Those principles are important to the framing of the debate today as we talk about child tax credits, tax benefits and tax relief for families.

The first principle could be stated as follows: That the family is the fundamental building block of our society. It is the primary institution for the transfer and protection of beliefs, culture and social stability. The first principle of the Reform Party in the foundation of our beliefs is that the family is key. The family is key in crime prevention. It is key in education, in providing financial benefits to children and in providing for its own financial prospects down the road.

Study after study proves that the family is the key institution for passing on attitudes, beliefs, respect for others, educational opportunities, standard of living, you name it. That is why the strengthening of the family unit is a cornerstone of our social policy. I re-emphasize that the state, the government, is not the fundamental building block of society. It is the family.

The second Reform principle is our belief that parents must have the primary responsibility and opportunity to nurture and provide for their children. It must be re-emphasized that the state does not have that primary responsibility. The state does not bring people into the world. The state does not form a family. The state is not the primary building block of society. It is the family. It is not the welfare worker, although they are important. It is not the teacher in the school. It is not the legal system. It is not an advocacy group. It is not the Reform Party of Canada. It is the family that has the primary responsibility.

The family not only has responsibility and obligation but it also needs opportunity. It needs governments to move out of its way. As someone put it, government should be doing for the family only what the family cannot do for itself. In other words, the government should fill in where there are cracks. Obviously some programs are needed to look after people across Canada.

The family needs to be reinforced, encouraged and endorsed, patted on the back both morally and financially to do the job it does best if it is to fulfil its role as a primary building block of society.

In exceptional cases the government does need to be involved, for example, in situations of child abuse or child neglect. We have a

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collective obligation to ensure that the least protected in society, the least able to defend themselves, have the protection of the state. Obviously we need adequate legal protection and a welfare system in the country to ensure the well-being of those children who are being abused.

We have been studying this big problem in British Columbia. The Gove commission and others have made recommendations in an attempt to ensure those cracks are not so wide that children fall right through them. However, those interventions should be kept to a minimum and not try to impose a national government idea of what that family should do or how they should behave themselves.

• (1205)

I get repeated letters and phone calls from people who are concerned about the government trend to interfere in the lives of families. For example, there is a concern, at least at the United Nations, about the government interfering in a families' right to exercise fair discipline. Families are saying that how they raise their children, as long as they are not abusing or physically hurting them, and how they exercise corrective measures in their home is their business. I agree with them.

We have had many questions about what is a family. How does one define a family? For the purposes of government benefits, which is often what we are talking about, I ask the question: What is a family?

The Reform Party defines a family as follows: Individuals related by ties of blood, marriage and adoption. When I was in a different position here, I had a member from the NDP jump up and tell me that a family is anybody who is related by close emotional ties. That was her definition of a family. That is not a family. I have close emotional ties with many people. I sometimes feel quite emotional about quite a few things. I can even get quite emotional about the people at the Table but we are not a family and it is not a family relationship.

A family is people related by blood, marriage and adoption. Just so we are clear on that, does that mean a single parent with children is a family? Of course, they are related by blood. If somebody adopts children are they a family? Of course they are a family. If somebody is related by marriage is that a family? Of course.

The definition is important because we are now going to get into benefits that are offered by the government to those people.

We also need to talk for a few minutes about marriage because I am going to talk about spousal benefits in a few minutes. What is a definition of a marriage? The current definition of marriage, which is used in all existing federal statutes and should be retained, is that a marriage is a union between a man and a woman as recognized by the state. It is important to have those definitions in place because benefits derive from those definitions.

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We ought to resist all attempts to redefine marriage. The Supreme Court of Canada backs up this position in the *Egan v. Canada* case in 1995. Justice LaForest stated:

—marriage has from time immemorial been firmly grounded in our legal tradition, one that is itself a reflection of long standing philosophical and religious traditions. But its ultimate *raison d'être* transcends all of these and is firmly anchored in the biological and social realities that heterosexual couples have the unique ability to procreate, that most children are the product of these relationships, and that they are generally cared for and nurtured by those who live in that relationship.

We simply agree with the Supreme Court of Canada when it made that statement a year ago and when it talked about benefits that this Parliament gives to married couples.

Obviously marriage, by definition, also includes common law couples. Again, that is recognized by the state. One does not have to be married in a church, although that is my experience and what I have gone through, but the state does recognize common law relationships and church or civil marriages and that is what we should stick with.

We also agree with the Parliament of Canada. We debated a private member's bill about whether spousal benefits should be extended to same sex couples. A private member's bill was brought before the House. We all spoke to the issue. It was then defeated by all parties in the House, including the Liberal Party and the front bench, who said that Parliament was not going to redefine marriage like that and spousal benefits would not be extended for that. I think our party voted unanimously against it. The Liberals voted against it and cabinet voted against it. I also agree with the Prime Minister. He said in Winnipeg that he does not agree that marriage should include same sex couples. That is not his idea of marriage. This is unusual. Parliament, the Prime Minister and the Reform Party all agree. It has all been debated in the House, voted on, passed and is a matter of record.

• (1210)

Although it is a matter of record, what has transpired since then is also a matter of record and it has not followed the wishes of Parliament or the wishes of the Prime Minister. That is why we know that the definition of marriage is going to come under attack and has come under attack. The reason is Bill C-33.

The justice minister said in the House that Bill C-33 was not about entitlements and repeatedly denied that the amendment would lead to same sex benefits. He said that time and again and promised it time and again. But what has followed has proven him wrong.

Just to get it on the record again, in the *Montreal Gazette* of May 9 he was reported as having said: "Everyone should be clear on what this amendment is not about. It does not confer benefits on same sex couples or on homosexual individuals". However, it was reported in a magazine in my end of the country, the *Extra West* magazine, a gay magazine from Vancouver: "If the government

takes the position that you cannot discriminate, it follows as a matter of logic that you have spousal entitlement to benefits". That is what he said outside the House in Vancouver.

The redefinition of marriage and spouse has begun on that side of the House in contradiction of the wishes of Parliament. I think that is unfortunate. If Parliament wanted to do that, it should bring forward a bill, have a debate on it, pass it and let people know where it is heading and what it wants to do. That is fair and we can all live with the consequences. I would argue and vote against it.

But when all that was done and the private members' bill defeated, the government did not listen to the will of Parliament. It sneaked in its own definition of spouse and marriage through the back door, and we see the results of that today.

The human rights tribunal has now demanded of the government a list of all laws that will be changed when the definition of marriage changes. It is being compiled. I do not know how long it is going to take because many statutes state the definition of marriage is the union of a man and a woman as recognized by the state. The Minister of Justice got into this and got himself into a mess.

Why then do we need this change in the child tax credit? We need it because the average family income has dropped \$3,100 since 1993. We need it because Canadian families deserve the option of how to raise their children. In other words, if families choose to raise children at home, they deserve as much of a tax break as those who choose to put their children in a day care centre.

Families deserve to see some light at the end of the tunnel, so that instead of decreasing family incomes and increasing stress and diminishing their time with their children, they will be able to see down the road they are going to have more money, more time and some options.

This motion is about options for families. It means that we believe that the state does not have the answer for families. Canadian families should exercise their options and not be restricted by tax policy to do what the government wants, but that they should have the freedom to do as they wish. That would happen if this motion were passed. I urge all members to support it.

• (1215)

Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I am pleased to have the opportunity to participate in today's debate.

The motion before us relates to a topic dear to every member of this House and to Canadians everywhere: the well-being of our children. Indeed, the matter is so important that we must be especially vigilant to ensure that we think about it as clearly as we can. Unfortunately, the motion as proposed tends not to clarify but rather to obscure some very important points about the purpose of the child care expense deduction, about genuine tax fairness, about

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fiscal responsibility and about the important steps this government has taken to advance the well-being of Canadian children.

Let me begin with the first point, the purpose of a child care expense deduction.

As we have already heard, the child care expense deduction is designed to help modest income families with two working parents shoulder the child care expenses they must incur in order to earn an income or to study. In other words it exists to help ensure that the tax burden of these families is fair compared to those with similar incomes who do not face these additional expenses.

This leads me to another point that deserves to be emphasized. The existing system is designed to assist parents with modest incomes. In these tough fiscal times if not always, it would be unrealistic and even unfair to use taxpayers' money to introduce new benefits that would largely go to affluent Canadians.

These are issues that by themselves are sufficient to show why today's motion does not deserve the support of this House.

There is another important point I would like to turn to now. That is to remind hon. members of the important steps, the targeted steps our government has taken to advance the well-being of children, especially those of families in need.

[Translation]

In fact, despite the austerity we are forced to come to terms with, the federal government continues to provide significant support, through the child tax benefit, to low and middle income families with children. These benefits are tax exempt; they are revenue based and paid monthly.

[English]

Maximum payments go to families with net incomes below \$26,000 and include a basic benefit of \$1,020 per child, as well as an additional \$75 for the third and each subsequent child in the family.

In addition, there is also the child tax benefit supplement which specifically helps parents who stay at home to raise their preschool age children. This supplement provides modest income families who do not have deductible child care expenses with an additional \$213 for each child under the age of seven.

Beyond this, federal assistance to families with children is further enhanced by the working income supplement. This supplement helps low income working families meet some of the extra costs related to earning employment income. It is important to recognize that the working income supplement is not just limited to

two income families but also applies to single earner families where one spouse stays home as the caregiver.

The bottom line for this program is both clear and considerable. The total annual cost of the child tax benefit including the working income supplement is over \$5 billion.

It is also vital to note that these are not static programs. This government recognizes that the issue of child hardship and poverty is of growing concern to us all. That is why we have taken effective, targeted action to enhance them.

For example, until the 1996 federal budget the maximum value of the working income supplement was \$500 annually. The budget doubled this benefit to \$1,000 to be phased in over two years. Over 700,000 working families will benefit from the increased working income supplement. The average benefit they will receive will increase from \$350 a year to \$700. About 250,000 families will receive the maximum increase of \$500. When this measure is fully implemented in July 1998, benefits to low income working families will be enhanced and enriched by \$250 million a year. I would add that about one-third of the families that will benefit from the increased working income supplement are single parent families.

● (1220)

I would also like to mention another important measure in last year's budget which will help families with children. In fact it will help them with one of the most important investments a young person in his or her family can make for the future and that is education.

I am referring to the learning package, an additional \$80 million a year in tax assistance to help students and their families deal with the increased costs of education. Students receive assistance with their educational costs under two tax provisions: the tuition fee credit and the education credit. As tuition fees rise, the amount of assistance provided by the tuition fee credit rises automatically.

In the 1996 federal budget the amount on which the education credit is based was increased from \$80 to \$100 per month. In addition, the limit on the transfer of tuition and educational amounts, for example from a student to her parents, was increased from \$4,000 to \$5,000. Moreover the annual limit on registered education savings plans contributions was increased from \$1,500 to \$2,000 and the lifetime limit was raised from \$31,500 to \$42,000.

Finally, we have also taken action to improve the child care expense deduction, the issue at the heart of today's debate.

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[Translation]

The 1996 budget broadened eligibility for the child care expense deduction by allowing single parents studying full time to receive the benefit and deduct it from all other income. Families with both father and mother studying full time may enjoy this benefit as well.

Furthermore, and this is a first, the benefit is now available to parents completing high school. At the same time, the age determining deduction eligibility has been raised, thus enabling parents with older children to take advantage of the deduction.

The measures I have just set out have provided considerable support to many children and parents in Canada, but I am not claiming that these measures alone are enough.

[English]

Surely there is more that could and should be done but in this period of limited resources we have to make sure that we are doing the most good we possibly can do with every dollar we spend. On this score the measure before this House fails miserably. It is proposed without regard to cost; incredibly it is proposed without regard to need and without regard to impact. Everyone agrees that we must do the very best we can for our children. To that extent I appreciate the intent of today's motion, but is it really the best we can do? Would children in need derive the most benefit? I think not.

What is needed is for better thought out and better targeted proposals to be brought before this House. But typical of the party opposite, we have simple solutions offered to complex problems.

[Translation]

However, today's debate and for that matter every issue under debate in this House would be of national interest only if it were grounded on clear intentions and proposals of substance, which must be expressed in clear terms and accompanied by accurate figures. Today's motion miserably fails the test on both counts.

[English]

The Reform Party claims it is concerned about families, about family time, about providing a better standard of living and care for Canada's children, but in its proposals here today and in other venues it proves conclusively that it places no real priority on child poverty and has little true understanding about family life in the 1990s.

Families with two working parents exist for a number of reasons. Financial need is just one. The operation of the tax system might be another but it is not the sole reason that parents make a decision to stay home or seek work outside the home.

● (1225)

Reform has nothing to offer the majority of Canadian families who must or choose to have both parents work. Even more troubling, today's motion dares to suggest that tax fairness would be enhanced by providing a credit to every family irrespective of income level. This simply means to a host of families who enjoy material benefits which low and modest income families can only dream of that they would benefit even more.

The real agenda here is very clear. Reform has staked out a policy of a broad national tax cut, a policy that has not won the hearts of very many Canadians. Canadians see through the cheap appeal of Reform's tax proposals. Those Canadians are the ones with real common sense. They will not allow governments to buy electoral success by promising rapid and wide ranging tax reductions. Canadians will not be fooled by this phoney reform of the human face. When communism was collapsing in eastern Europe we started to hear about communism with a human face. That is what is happening here. Canadians will not be fooled by this political cross-dressing.

In closing, there is no politician who would not like to lower taxes as far as possible. But good government means acting with constraint and consideration and making sure that today's tax cuts do not come at the price of increased pain and suffering tomorrow for those who are most vulnerable. That is why this government has opted in its three budgets to take targeted action that works within our fiscal conditions and that serves those who are most in need.

That is what real political leadership and nation building is about. It is not about picking winners and losers. And because today's motion does not meet those tests of real leadership, does not increase real tax fairness and does not focus its benefits on those most in need, I have no hesitation whatsoever in urging all hon. members to vote against today's superficially appealing but essentially misleading motion.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, earlier I addressed questions to the hon. member's colleague. I would like to repeat them so I can clarify what the actual answer would be from the Liberal side.

I do want to make a comment before I ask the questions though. The member mentioned that he does not know a politician who does not want to lower taxes. I happen to know a bunch of politicians who do not want to lower government spending and that is a problem. They sit on the Liberal benches. They refuse to reduce the size of government and so refuse to allow the relief that Canadians need and want both in their personal lives and in their businesses.

Could the member please tell me who benefits the most from the existing child care tax deduction? Would it be someone earning

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\$20,000 or someone earning \$60,000? Who benefits most from the present tax system: a dual wage earner family earning \$60,000 or a single wage earner family earning \$60,000?

As I may not have time to reply to his answer, I would say that it is the rich who benefit most from the present child care tax deduction and it is the dual parent family that benefits most by the income tax system.

Mr. Campbell: Mr. Speaker, I find it somewhat incredible that the hon. member opposite would speak about members on this side of the House not being in favour of reducing government spending.

• (1230)

As the hon. member would know if she had read the last three budgets, or would recall if she thought about it, we took unprecedented steps in the three budgets we have presented as a government to reduce government spending to its lowest level in many years as a percentage of the gross domestic product; in fact, soon to its lowest level since the late 1940s.

I know that the hon. member opposite and her colleagues would like to see government spending go down even more. They have this small problem of telling us how that would happen without having an unfortunate negative impact on this country without leading to the kind of meanness and nastiness that my hon. colleague, the secretary of state, referred to.

The government will continue to stand alongside Canadians. It is not going to stand aside and out of the way. We are going to stay in the game, helping and working with Canadians.

The kinds of spending reductions we have achieved have been done in a reasonable, realistic and compassionate way, but not without impact and not without cost.

It is incredible that the members of the third party stand up day after day telling the government to cut further because it does not affect anybody.

As to the questions which were asked, I am going to respond in the following way. The hon. member asked some questions and then proceeded to answer them. I am going to ask her who would benefit most from the proposal that is in the motion before us. I would just note that it is proposed to be a tax credit. There is no indication that it is a refundable tax credit with the result that people without income would not benefit and it would not be available to them.

Mrs. Hayes: Mr. Speaker, I still did not hear his answer. I assume from his non-answer to my two questions that he agrees with my answer, which rather flies in the face of everything we have heard in question period lately from a finance minister who rails on other parties and perhaps even casts us as a party that speaks for the wealthy, when in fact it is his very party in the

present circumstances that gives the advantage to the higher income earner. That is yet another example of the spin or the duplicity of some of the comments made in the House. I find it most notable.

In our fresh start program we have outlined where government expenditures can be reduced. The government continues to require in excess of \$150 billion a year in order to operate. That figure is far higher than we feel is necessary. Without undue stress on the population our fresh start program outlines where the cuts can be made to government and indeed would put more money in the hands of the tax paying public and not in the hands of government bureaucrats.

Again, does the member feel that money is better in the hands of bureaucrats than in the hands of taxpayers? What we propose would take approximately \$5 billion out of the hands of government and put that \$5 billion directly into the hands of families across the country.

Mr. Campbell: Mr. Speaker, very briefly. I find it fascinating that as we look at the opposition motion today, it is not costed.

I heard the hon. member state a great concern about spending and cost deficits, which we hear from that side of the House and which is a concern we share and one which we are acting on. As I reread the motion, there is no indication whatsoever about what this would cost. Estimates I have seen range into the billions and billions of dollars and the suggestion in the fresh start document that they would have to find only \$12 billion would be blown out of the water. Some would look at the motion and say "if you do this along the lines you have been saying, your costs would be additional billions of dollars".

• (1235)

I find it really distressing that we are debating a motion of a party, which consistently is concerned about government spending, government revenues and taxation levels, which is not costed. It has offered us no indication today whatsoever about the costing of this motion.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, my simple question is why does the government continue to maintain the facade that program spending rather than tax cuts is the way to go.

Chapter 19 of the auditor general's report which was tabled in September 1996 dealt with the child tax credit in detail. He pointed out that in many cases the program appears to be spending money on child tax credits for children who, quite simply, do not exist. The department does not have the programs and the checks and balances in place to find out how many dollars are being paid to families that do not have children and that are not entitled to those moneys. That is the type of waste and abuse that we find in program spending, which tax cuts would prevent.

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I would like the parliamentary secretary to tell us why program spending, his vision, is so much better than what we are talking about, which is tax cuts.

Mr. Campbell: Mr. Speaker, the hon. member asked two questions. The first is why we address the deficit through program cuts rather than tax cuts. The answer is simple: because it is working.

The second question that he asks is about the auditor general. I would reply by wondering out loud what the auditor general would have to say about this House's adopting a motion which is not costed in this fiscal climate.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, just following up on the question which I asked a minute ago, which clearly points out the fundamental philosophical difference between members on this side of the House and members on that side of the House, they believe in taxing and spending because Canadians exist to provide money for the government so it can turn around and give it back to whomever it wishes and under whatever basis it feels is appropriate.

This side of the House quite definitely believes that Canadians work for themselves, that Canadians feel that small government is important, that government should not be in their lives any more than it has to be and that they are prepared to pay a small amount of money toward government to ensure that some services and some uniformity of programs across the country are provided.

This is the point. Canadians do not exist to create wealth for the government so the government can turn around and give it back to them in some form or another. That is a fundamental philosophical difference.

When this government uses that type of program spending, as the auditor general pointed out in chapter 19, there is waste, there is mismanagement, there are bureaucrats to be paid, there are all kinds of overhead expenses. As I have said before, a tax cut with no administration cost could be implemented the day it is announced. That is the type of thing that people want. They want to take charge of their lives. Taking charge of their lives means they will pay less tax.

We have laid it out quite clearly in our fresh start program, step one and step two.

This country is in a financial mess. It is \$600 billion in debt. We are running at almost a \$30 billion deficit for the year ending March 31, 1996. When the Minister of Finance appeared before the finance committee and announced the results of the figures and a budget deficit of \$28.9 billion, there was applause from the Liberals on that committee. It was incredible.

It all stems from the philosophy that government should take money from Canadians because they owe it to the government so

that it can turn around and deliver it back in programs. We say the opposite.

• (1240)

Our first point is to balance the budget and stop digging ourselves into a bigger hole. Once we have done that we want to help Canadians by giving them tax cuts. Step one, get the fiscal house in order. Step two, start giving back to Canadians control over their lives.

What are we proposing for families after the budget is balanced? We are proposing to make families our priority and to ensure that government policies and regulations are family friendly. That is from the Reform Party's fresh start booklet published a month ago.

We also said extend the \$3,000 to \$5,000 child care deduction to all parents including those who care for their children at home. It is a valid point and the essence of the resolution we are debating today. We want to extend the child tax credit of \$3,000 to \$5,000 which this government is currently giving to families that obtain day care services outside their homes.

We want to give people the choice. We want to give every Canadian parent the ability to make the decision of how they want to raise their child based on their family circumstances and not based on a tax policy imposed on them by the Minister of Finance. There is a fundamental and significant difference.

We want to give parents charge of their lives. We want them to make the choices that are right for their families. We do not want them to have to make a decision based on the tax policy of the Minister of Finance. We do not want him to dictate to families in Canada.

I forgot to inform the Speaker that I will be sharing my time with the member for Medicine Hat. I will take only 10 minutes.

We go on to strengthen families in other ways. From the fresh start program for Canadians, we are going to increase the spousal amount from \$5,380 to \$7,900 which will level the playing field for parents who choose to stay at home to look after young children. It will help families meet the needs of a more demanding economy.

Is that not a wonderful idea, that we help families to keep one spouse at home to look after the kids? It is better than having a tax policy that says "I am going to put my kids next door with the neighbour, the neighbour will put his kids next door and I will look after them, and if we do a swap we can meet the requirements of the Minister of Finance, but if I want to raise my kids in my house and my neighbour wants to raise his kids in his House, it cannot be done". The tax policy says you cannot do that.

Surely it is an incredible statement that you cannot raise your own kids, you can raise only your neighbours' kids. I like to raise my own children. I believe that every family in this country would love to raise their own children. Yet the Minister of Finance by his

own tax policy which he is imposing on these families says “No, you cannot do that. I do not want you to do that. We are going to institutionalize your children and put them in day care. We are going to have them raised by somebody else because we feel that is the way to go”.

As Reformers we say that is detrimental to families, that is harmful to families, that causes pressure on families. We have so much marital break-up and we know that marital break-up is horribly painful to children. They are the innocent victims of marital break-up. They are the young and the innocent who are involved in sometimes messy situations. They are pulled and dragged by each side. They are in the courts. People go to court to find out whom the children will be raised by, the mother or the father. It is a horrible situation.

I am sure the House would agree that anything that can be done to protect the family, to remove the tax disincentive, to keep the family together surely must be in the best interests of Canadians.

• (1245)

I cannot stress it strongly enough that we have to help families rather than thinking we are going to introduce all kinds of policies and programs to pick up the broken pieces. Let us work beforehand.

We are not asking for government intervention with a thousand more bureaucrats and programs across the country. We are saying to give back to families control of their own lives by removing the tax policies that want to put the kids somewhere else.

We heard the parliamentary secretary tell us that programs are the way to do it: tax and spend; take the money from Canadians and pass it through to the bureaucrats who try to put it back into this segment or that segment of society. There are programs for widows, programs for single parents, programs for kids and programs for businesses. Bombardier was given \$87 million. Name it and there is a program for it. Let us leave people alone and allow them to make their own decisions without having to worry about taxes.

I picked up a pamphlet entitled: “Canadian Families: International Year of the Family, 1994” which was produced by the Vanier Institute of the Family. I am just picking out a few of the quotes. Under the heading “What counts in Canadian Families”, it is stated: “The desire to spend more time with the family is unlikely to wane in the years ahead”. Another quote: “Although Canadian families experience many problems, for better or worse, the majority of Canadian marriages do last for a lifetime”.

It is an interesting little pamphlet about Canadian families. The whole concept behind the pamphlet is to give families the opportunity to look after themselves and they will likely do the best job in

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raising their kids. They will likely do the best job of looking after their own circumstances.

This is what the Reform Party wants to do. We want to give the control back to the families. This is only a small start in getting bureaucrats out of their hair, getting the taxation policy of the Minister of Finance out of their hair and allowing Canadian families to do what they do best which is to raise their own kids.

We all know that an institution is no substitute for a family. I cannot imagine being raised in an institution. My kids would hate the idea of being raised in an institution. A number of years ago when my son was in grade three or four, we put him in day care for one afternoon. It was tax time and I was busy so we had to put him in day care for a few weeks. We thought he was having a good time because as an older kid he was helping the younger ones. He still remembers that we put him in day care for a number of weeks and he would have preferred to have stayed at home with his mother.

The point is that our motion is concerned about doing something. It has the right idea. It gets bureaucrats out of the families’ hair and lets them raise their kids. It lets parents love their own kids. This will help Canadians, Canada and everyone else.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a real pleasure to rise in support of today’s motion. I cannot stress enough how proud I am to be a member of a party that upholds the traditional place of the family in society as the most important institution in society, period. It is absolutely the most important institution in society. That is why I am just thrilled to be standing in support of today’s motion.

I will start by talking about the tremendous importance of families for a moment. I heard my hon. colleague from St. Albert talk about his personal situation. There is no question that the family is the institution which people rely on overwhelmingly to supply their children with values. Rather obviously, people need to have good, strong values of some kind in order to be good citizens and contribute to society. These values come from families.

• (1250)

Families are needed to provide education. I was on the finance committee and people from the various groups promoting literacy were there. I made the argument that the most effective, the best and the most cost efficient institution for providing education in this country is the family. Only a family can really instil the joy of learning. Only a family can provide all that knowledge that people do not necessarily get through their schools. The literacy groups made the point that the people who do learn in schools are the ones who get a good grounding in education from their own families. It is vital for education that we have strong families.

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Families provide security for their members. When people for some reason are thrown out of work, the best place for them to go, initially at least, should be their families. That is where they not only get monetary support and other resources but they also get the moral support they need in a situation like that.

Finally, families provide roots so that people can become part of a larger community which really contributes to their sense of well-being and their sense of purpose in life. If people are part of a strong family and therefore part of a stronger community, they feel that their life really does have a sense of meaning and a sense of purpose. It is vital that we have strong families just for that reason alone.

I want to make the argument that families do not get the recognition they deserve. If we were able to put a monetary value on what families contribute to society, it would certainly be a lot more than what governments at all levels put in in terms of trying to support families. There is no question that people today in families no matter how we describe them put a tremendous amount of value back into society. We must do whatever we can to ensure that those families are supported, that they prosper and that the children who come from those families go on to be productive citizens in society.

It is clear that today's families are under a tremendous amount of stress. The hon. member for St. Albert spoke about the broken families. Sociologists and psychologists have pointed to the negative impact of broken families. One of the reasons there are broken families today is that there is so much stress due to the fact that people's finances are tight. People have to work night and day. Both parents often have to work night and day just to bring home enough money to provide the basic necessities of life.

Here is how it works: People make their income; the finance minister gets half and then mom, dad and the kids get the other half to live on. The finance minister gets half the bowl of porridge and mom, dad and the kids get to share the other half of the bowl of porridge. Unfortunately in September, 6,500 Canadians went bankrupt; they could no longer live on that half a bowl of porridge. That is one of the big stresses on families today.

As a result of having to work all day and in some cases six and seven days a week, people simply do not have the time to spend with their children. I know they regret that very much. I regret how much time I have to be away from my family to do this job. It means that I cannot devote the time I would like to to be with my children, to do some of the things I have talked about: to provide them with the education that can only come from families; to give them a sense that they are part of a larger group, a part of a community and a tradition and a history in our own family; to give them the security by talking about the big safety net that a family provides. And of course we have to instil values.

All of that takes time. People come home after working all day and they are tired. It is extremely tempting to sit children in front of

the electronic babysitter, the TV. It is not a replacement for people who actually give their children guidance. The family is under stress today.

• (1255)

I mentioned a minute ago all the debt which people are carrying. There were 6,500 bankruptcies in September, a 20 per cent increase. This country has record high levels of personal debt. Again people feel that they have to go out and work and work and work to try to pay down their debt.

As a result of the high taxes not only do we have personal debt at record levels and not only do we have all those bankruptcies, we have tremendously high levels of unemployment. Unemployment is about 10 per cent right now in Canada. That does not include the half a million people who have given up completely looking for work. It does not include the one in four people who are constantly worried about being able to find a job. Because of high taxes this country has a real problem with high unemployment.

We have unfair taxation policies. Not only do we have high taxes which are unfair, but we have taxation policies that encourage and have incentives for people to spend even less time with their children. Families are rewarded for having their children brought up outside the home as opposed to being rewarded for bringing them up at home where a lot of people would like to do it.

About a year ago in a *Maclean's* magazine poll about 70 per cent of Canadian families where both parents were working said that, given their druthers, they would have one parent at home. Seventy per cent. We are not talking about a minority. We are talking about a majority of families who have both parents working today who would like to have the option.

The facts are clear. When families have a tax burden that constitutes 46 per cent of their income, about half of their income, it is almost impossible for many families, especially low income families, to have one parent at home to spend time with their children. It makes it virtually impossible and it is getting worse.

In the last three years, since 1993, we have seen that families have been left with \$3,000 per family less in purchasing power than when this government came into office. That is \$3,000 a family. It makes it virtually impossible for people who are struggling to get ahead to be able to ever hope to spend more time with their children at home, especially in those early years when the guidance of the parents is so needed. Obviously there is a huge problem in this country.

I have heard government members today say that they have done this and they have given them that and they have done this for families. It is not enough. The problem also is that it comes at it from a bureaucratic, big government point of view. The government is saying that it has decided it will give back to parents money in such and such a form if they conform to such and such a behaviour. That is not right.

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Families make a lot better decisions about how to spend their own money and about how to raise their own children than a big bureaucratic bloated government will ever do. Most people agree with that. It is time to shrink the size of government. It is time that we gave taxpayers and families more money in their pockets to decide what to do with their children, to decide how to raise their own children.

That is what the Reform Party fresh start for families is all about. That is what today's motion is all about. We want to give Canadian families that choice. They want that choice. We are not saying that both parents cannot go out to work. Of course they can.

In my own situation, for years my wife worked in the workforce along with me. It is not that we particularly wanted to have it that way but that is how it worked for a number of years, because we wanted to try to get ahead. People should always have that option, absolutely.

We are not saying they should not have that option. But we are saying that they should also have the option to stay home with their children. We are just asking that people have some freedom.

I heard the hon. parliamentary secretary for finance say that the Reform Party wants the Ozzie and Harriet approach to child care. That is a strawman and let us knock it down right now. What the hon. member is worried about is that this motion is striking a chord with Canadians. He knows how stressed out families are today. He knows that people want to have some options. He knows that people want to have the choice of being able to raise their families the way they decide, not the way the hon. parliamentary secretary, the finance minister, the government, the bureaucracy or a bunch of special interest groups decides. Give families the ability, the freedom to raise children as they choose. The best way to do that is to leave more money in the pockets of those ordinary Canadians who just want government to leave them alone.

• (1300)

The question has been raised about how that can happen. How can that be done? The deficit is \$28.6 billion right now. In fact, the government is going to add about \$107 billion to the total debt by the time its mandate is done. So far it has already added to the personal tax burden of Canadians approximately \$3,000 per family.

What can we do when there is a deficit situation like that? We have said that we would balance the budget and we would run surpluses. We would shrink the size of government, get rid of all the ridiculous spending. We do not need to spend money on Bombardier. We need to spend it on families. We need to spend it on health care. We do not need to spend it on CBC television. We need to spend that money on families to ensure that people get to keep more money in their own pockets.

Our fresh start for families allows people to keep \$2,000 per family by the year 2000. That is a great start. It gives people some hope that they will have the opportunity, if they so choose, to stay

at home with their children so that they can provide them the guidance, education and the protection that many Canadian families want today.

Mr. John Harvard (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, before I come to my point, I want to say that I am a father of five children, a grandfather of four and I am one who strongly believes that the family is the fundamental building block of our society. I think that families that are in a position to have at least one parent home when the children are growing up, especially in the formative years between the time of birth and when they go to school, are indeed very fortunate.

In my case, all of our children had the good fortune of having at least one parent, always their mother, at home in those formative years before they went to school. So I believe in that very strongly.

It is very interesting to note when looking at polls that only 7 per cent of women support the Reform Party. One might ask the question: With a party that is so strongly in support of the family, why would so few women support the Reform Party? I think I know the answer, as do most Canadians.

Women, perhaps more than anyone else in the country realize that if their families do not fit the certain preconceived model of the Reform Party, they are out. They do not care about them. Everyone knows that the Reform Party has a particular model in mind when it comes to the family and if you do not fit that model, you are nobody. For example, the mother who wants to work outside the house or who has to work outside because there is a need for additional income, does the Reform Party place any emphasis on that parent, on that woman?

I have been listening to the debate and rarely does the Reform Party ever say anything about the woman who either wants to work outside the home or who has to work because of financial needs. That is the reason why women do not trust that party. They have this funny notion that there is a particular kind of family and if the model does not fit you, just forget it. Your family is out in the cold. That is my observation about this party.

• (1305)

Mr. Solberg: Mr. Speaker, the member may have been sitting there, but I do not think he was listening. I used my own family as an example of a family where my wife went out into the workforce, partially because she had a tremendous career. She was a very able person in her chosen line of work and she wanted to pursue it. Ultimately, of course she brought in income. That enabled us to provide some of the basic necessities for our family after the government had taken its half, which it always gets. It is ridiculous for the member to throw up that red herring.

I feel that I must also point out that we have many people in our caucus who come from all kinds of backgrounds. We have mem-

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bers in our caucus who are single mothers. Maybe the hon. member was not aware of that. There are people in our caucus who are divorced. We have people who come from all kinds of backgrounds. We are sensitive to what goes on out in the real world. That is why we are offering people complete choice.

If the Liberals do not believe in choice, why do they not just state it?

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to be able to speak on this opposition motion today.

Members will know that I have had a very active role in the House on issues dealing with the family. I have advocated many of the things which members have spoken of today. I am also a legislator. I have a responsibility to do the job in the best way I can.

My first point is to advise the House that I will not be supporting this motion. I would like to explain to the House why.

The motion states:

That, in the opinion of this House, the government should provide tax fairness for all Canadian families by extending the child care tax deduction to all families of all income levels and converting it to a credit, thereby removing the tax bias against parents caring for their own children.

The first thing that members should be doing is assessing the motion. This motion says that we "should" provide this rather than the typical wording "consider the advisability of". This motion is an absolute. It says: "You should do this". When a motion says specifically that we should do something, it has to be judged on the merits of the motion; not on its intent or what the crafters of the motion were trying to say, but on what the motion says. That is what is before the House.

I support the concepts of equity and fairness in the tax system. However, when a motion contains errors or omissions it must be defeated. The error in the motion is the reference to the child care tax deduction. In the Income Tax Act there is no such thing as a child care tax deduction. There is, however, a child care expense deduction which is available to taxpayers who incur child care costs outside of the home.

The motion also refers to converting the child care expense deduction to a credit. There are two forms of tax credits. There is a refundable tax credit and a non-refundable tax credit. Just by brief explanation, a refundable tax credit—

Mr. Penson: Sounds like an accountant.

Mr. Szabo: I am a CA. That is right. I think it is important to explain the difference. It is an important difference. It is important to the acceptability of the motion.

A refundable tax credit is available even if a person has no income taxes payable. For instance, the GST rebate is a form of a refundable tax credit. Even if you have no income, you may file a tax return and get a refund for the amount of the GST credit.

• (1310)

However, there are also non-refundable tax credits which can only reduce taxes otherwise payable. They cannot generate a refund. On that basis and by virtue of the fact that this motion does not even explain who would be able to claim this credit, if it were a non-refundable credit, a spouse working in the home, managing the family home and caring for preschool children, who had no income would not get any benefit from this. This is precisely what I have been working against.

This motion has twisted the language in such a way that it could ultimately lead to something even worse than what already exists today. It could provide even further benefits in other situations and absolutely no benefit to a parent who chooses to stay at home and care for a family member.

Typically private members' motions state "that, in the opinion of this House, the government should consider the advisability" et cetera. As such the House is dealing with a principle without quantification of the financial implications. That is typically the private member's motion. It deals with principles. If the principles cannot be accepted then it does not matter what the dollars are. We have to first buy into the concept, then we can talk about how we can implement it.

However, this motion does not say "consider the advisability". It says "do it. This is what you have to do". But it does not explain the detail.

I want to thank the whole House for supporting Motion No. 30 on November 5, a motion which proposed a child care tax credit for those who choose to provide care in the home to preschool children, the disabled, the chronically ill or the aged. That vote passed in this place by 129 to 63.

If members look at the record they will see that the full cabinet and almost all of the parliamentary secretaries did not support the motion. I know why. They could not support the motion because of the absence of a reference to cost and because of the detail in the debate.

The intent of Motion No. 30 was not to impose an action on the government, but rather to ask it to deal with the principle, the advisability of giving a tax break to families who choose to provide care to a family member in need.

As a result of that, if the vote were adjusted for those who could not vote for it because of the technical nature, the vote would have

been something like 129 to 13. No matter how it is cut, on November 5 the House of Commons sent a very powerful message to the government that members, on behalf of their constituents, on behalf of all the people they encounter, knew in their hearts that investing in families was the right thing to do.

The motion suggests that tax fairness, the removal of tax bias, can be achieved by making the change it proposes. The National Forum on Health just issued a dialogue paper to which I will refer. In its press release on November 12, the national forum states: "The forum believes that there is an urgent need to invest in children. The draft proposals include a combined federal-provincial child tax benefit for low and moderate income families, a reduction in the tax burden on families with children and home visiting programs for preschool children at risk". That is a tremendous endorsement for Motion No. 30, a motion that was passed by this place.

It will provide ample support for the argument that the government must very seriously consider tax reform as it relates to children and families.

• (1315)

Members will know that in the reports just out from the Canadian Association for Social Development the child poverty statistics are unacceptable. One in four children is living in poverty in our country.

The National Forum on Health report is a dialogue paper which includes their draft proposals and is available for public comment. The final report from the National Forum on Health will be coming out in early 1997. I encourage members and Canadians to inform themselves of this report and to make and to have an input. That is the kind of thing that makes changes in legislation and tax law that will affect the family, children and all things important to members as expressed in their vote on Motion No. 30.

The report states:

We believe there is an urgent need to invest in children. Failure to invest in the early years of life increases the remedial costs to the health, education, social services and justice systems. The problems are compounded when a separation or divorce occurs.

Members will know we just dealt with Bill C-41, dealing with the terrible situation of family breakdown. That exacerbates the situation but notwithstanding in addition to a recommendation to combine the existing child tax benefit which is not taxable, it is outside the tax system, with current provincial welfare programs. It means that the federal and provincial governments should be working together to start to consolidate many of these benefit programs that are in fact already available to families and children.

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The National Forum on Health was started by the Prime Minister and he is the honorary chair of this forum. From the report I thought this one paragraph was the most important:

At the heart of pro-child and pro-family policies should be a recognition of social and familial responsibilities for the well-being of children. Currently, Canada is the only western country that does not take into account the cost of raising children when determining how much families with children should pay compared to those without children. Simply put, families are penalized by the income tax system for having children. The *taxtransfer system could be reformed in a manner which reduces the net tax burden of all families with children.*

That is a very important, major endorsement for Motion No. 30 which this House passed on November 5.

I want to conclude this section of my speech that I am opposed to this motion for technical reasons. I understand the spirit but as a responsible legislator I cannot allow a motion which has an error in it and which has technical limitations, no detail, no specificity. I know the cabinet could not possibly endorse this. The parliamentary secretary cannot and I cannot because I want the job to be done right the first time. I do not want false starts and I do not want things happening that are going to possibly make the situation worse.

There is a saying I enjoy quite a bit, that for every complex problem there is a simple solution. It is wrong. This is a complex issue we are dealing with. We are dealing with the complexity of families, with the complexity of addressing the child poverty issue and we are dealing with the concepts of positive and good health outcomes of our children. One motion in this form is inadequate in the extreme to address those serious problems.

We need to work together to seriously consider the broad range of initiatives that we can come forward with to make a meaningful and a vital effort to deal with the issues of family breakdown, child health, child poverty and a healthy country.

I consider this motion to be dysfunctional. It cannot be implemented in its present form and I cannot support it in this form. I am glad that so many members have risen in this place to talk about the family. We can see from the speeches from all sides there is no question the family is the heart of our country. Strong families make a strong country.

• (1320)

Members know I have been presenting petitions in this place, probably ad nauseam. One I have had circulating across the country since 1994. I am sure members can probably now recite it from memory. However, I would like to put it on the record once again. The petition simply states that 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. The petitioners therefore pray and call on Parliament to pursue initiatives to eliminate tax

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discrimination against families that choose to provide care in the home for preschool children, the chronically ill, the aged or the disabled.

I have had a wonderful response from Canadians on that petition. The reason I frequently presented this petition is when people hear that and hear the nice reaction it is given by members who are here to respond to petitions, it gives them hope that there are people who are actually thinking forward, envisioning the problems, how to solve them and what is going to make this country even better than it is today.

I look back at some of the things I have done. Like all members of Parliament, I keep a little tally on some of the issues I have worked on. One of the first bills I ever presented was Bill C-256, splitting income between spouses so one could stay at home and care for preschool children. That was back in 1994. It taught me a lot. I received a lot of correspondence from people and had a lot of members come to me and support this. However, it was not a votable bill. It involved the expenditure of money and did not meet the criteria and I understand that.

However, that bill did strike a chord back in 1994 and stills strikes a chord today. We know there are things we can do. It has to do with a tax break for families so we can provide more choice, more flexibility and more options because we have a complex social structure today.

I look further and I see Bill C-269 which was to provide Canada pension plan benefits to spouses who work in the home because it is a real job. Whether it is the man or the woman working in a home based business or simply managing the home and caring for children, it is a job and there is a contribution being made to Canada. We know intuitively that good quality parental care generates better outcomes for children. They are healthier, socially better adjusted, less likely to get into trouble with the law and solid Canadians who have a great start at being good contributing citizens to Canada.

Let us move down. I have Bill C-240. I love Bill C-240 because it states convert the child care expense deduction to an unrefundable tax credit, make it subject to income tax and extend the same benefit to those who choose to stay home and provide care in the home to their children. This is precisely the intent of this motion which has been brought before the House today. This is a bill which has been there since May. Unfortunately it has not been drawn for debate as yet.

I want to thank the Conservative Party and the Reform Party for adopting this in their own policy conventions they held. It transcends partisan lines. This is not a partisan issue. This is in fact a Canadian issue that is right. I want all members to know that I have met with the finance minister and have provided him with a plan under which we could re-engineer existing tax credits so that we could fund a caregiver tax credit.

I simply want to conclude my comments by reading a quotation from Dr. Benjamin Spock. He said children are made to love. Parents love children because they remember being loved so much by their own parents. Despite all the hard work, taking care of children and seeing them grow up to develop and become fine young people gives most parents their greatest satisfaction in life. To reflect on children, we see that this is creation. This is our visible immortality.

I thank all members for speaking on behalf of the family. Together we will achieve benefits for families that provide care to their family members.

• (1325)

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I would like to extend a sincere compliment to the hon. member. This is the first time today that we have heard a speech from the opposite side that was not filled with bombasts and vindictiveness. That is much appreciated.

Since he is a man who clearly espouses family values perhaps he would consider administering a spanking to the parliamentary secretary, but in a loving way. We have to avoid any suggestions of the brutalization of children here.

I have no quarrel with most of his speech. I would disagree that our motion is not technically feasible. I ask him, if that is his view and it is technically feasible, if he would join us to try, with his knowledge, to work out something which he would regard as feasible which we could then bring forward at a future date, possibly as a private member's bill.

Mr. Szabo: Mr. Speaker, I thank the hon. member for his kind comments.

The member should also understand that the parliamentary secretary has a role to play and it is a very unfortunate role in this situation because the purview of the Income Tax Act belongs to the government, and the details. They are the ones who will have to determine what we do, how we do it and when we do it.

Simply on the basis of the tradition of this place the parliamentary secretary on behalf of the government has to oppose this motion. I am opposed to this motion on the technicalities.

If this motion does not pass that is really not of much consequence because Motion No. 30 did pass. Motion No. 30, the caregiver tax credit for those who provide care in the home for preschool children, the chronically ill, the aged or the disabled, was embraced by this House. The finance minister now has before him a recommendation on how to implement that. It includes among other things converting the child care expense deduction to a tax credit, making it subject to an income test and extending it to families that provide care in the home.

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That current benefit is worth about \$400 million. The spousal non-refundable tax credit, which is available to one spouse working where the other one is at home, is worth about \$400 million but it has no relevance whether or not there are children involved here. I believe that should be made available for this funding of a child caregiver credit.

The equivalent to married exemption actually benefits families that split apart more than it benefits families that stay together. It is worth about \$600 million and it should be looked at to see how we can re-engineer and refocus this.

If we take these items they would be about \$2.2 billion of current government spending or investment in Canadians. They were brought in a long time ago when family configurations and choices were clearer.

The caregiver tax credit, including seniors, would cost according to the finance department only \$1.6 billion. I am absolutely sure that we can direct real dollars to families so that they can have a tax break, so they can have more choices, more options, more flexibility. That is already before the finance minister, before my caucus and before those who are contemplating other policies that the government can consider.

I am very confident that it is going to get the best consideration given all other things that are going on. I thank the member for the question. I think that what the Reform Party is asking for today is already in process and already has the support of the House.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, I listened very intently to my hon. colleague's presentation. I certainly want to congratulate him on it. As usual he is very astute when it comes to families, family relationships and once again has portrayed that to this House. My compliments to him.

• (1330)

We hear a great deal about the family today and we know that over the last number of years there have been changes to what we considered the traditional make-up of the family.

However, we know that even with all the challenges that our young people and our students face today, there is a tremendous opportunity in the future with the education opportunities for our young people, the changes in the world of technology and their adaptation to those new technologies. I think it is a tremendous challenge and a tremendous opportunity for the youth of today to develop the future of this country. I believe we have a glorious future when I think of our young people. Quite often we hear a small percentage of criticism, but it is the 98 or 99 per cent of the young people who are going to carry the country forward into the future.

I would ask my hon. colleague to comment on that in his perspective with regard to the family.

Mr. Szabo: Mr. Speaker, the member makes a good point. We served on the health committee together and we did a study on preventive strategies for the good health of children.

Members and Canadians should know that according to the very best research the first three years in the life of an infant are the most critical in terms of the probability of positive future outcomes of the child. In fact, the mental health of a human being is more than 80 per cent locked in or established by the age of 3. That is why parents intuitively know that they want the choice to provide direct parental care during those first three years. If we looked at the statistics we would find that the demand for child care spaces for ages 0 to 3 years in Canada is about 270,000 spaces but from ages 3 to 5 years it jumps up to 524,000 spaces. That means that after a child reaches the age of 3 years, more and more families feel they have stabilized the situation.

The member is quite right that we must focus our attention on the formative years. That is when children get a good start. If we do that there will be a healthier outcome, lower health care costs, lower social program costs, lower criminal justice costs and a healthier country because healthy families and healthy children make a strong country.

Also the finance minister said that good fiscal policy makes good social policy and good social policy makes good fiscal policy. This is very good social policy and it will make good fiscal policy as well.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I am pleased to speak today on this Reform motion, as it concerns family taxation, an issue of particular interest to me. This is not the first and certainly not the last time I address the issue in this House, because we in the Bloc Québécois have repeatedly demanded, but to no avail, that the government review its taxation policy.

Despite all the arguments put forward by the Bloc in this respect, the Liberal Party never followed up by reviewing its family taxation policy. The ruling party was careful not to do so. It would rather look after the interests of the wealthy. Witness its policy on tax shelters.

As for the Reform motion, it purports to ensure tax fairness by extending the child care tax deduction to all families. There are several reasons why we do not support this proposal. But before addressing the Reform motion, I would like to share a few thoughts with you about the societal value of and the role played by parents, usually mothers, in the home.

All experts agree that the first three years of a child's life are crucial to the child's development. Some psychologists contend they set the foundation for the rest of their lives. This goes to show how important these first three years and the pre-school years are, not only for children and their families, but also for the communi-

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ties they live in. In this context, there are two views to the role mothers should play during the first years of their children's lives.

• (1335)

I would like to make it quite clear from the outset that I have no intention of listing the merits of both philosophies. Having said that, I think it is important to respect the many child care decisions made by parents.

About the two philosophies, on the one hand, some say that, for children to develop properly, they need to be in close and constant contact with their mothers during the first few years of their lives. In their opinion, close ties between mother and child greatly benefit the child's development and no one could replace the mother at this stage.

By contrast, others believe that a healthy and stimulating environment, whether in public or private child care, largely makes up for the absence of the mother for a few hours, and that the relationship between the mother and the child will not be affected, and neither will the harmonious development of the child.

As I said, I have no intention of getting involved in this debate. I am simply stating that I respect, and so should the state, the decision of a woman, whether she decides to put her career on hold for a few years and devote her energies to raising children, or whether she decides to be both a mother and a worker.

Governments should not try to influence the choices made by parents. On the contrary, they should support these choices and guarantee a degree of tax fairness to both spouses. This is what today's debate is all about.

I have some reservations about the wording of the motion. I fear such a measure may be interpreted as an incentive for women to stay home. Should this be the case, it could kill the small gains made by women as a result of their hard-fought battle to join the workforce.

When women study side by side with their male colleagues, they experience the same fear of failure, the same stress, the same joys, the same success, the same financial constraints. In short, they experience the same reality as male students. However, once they get their degrees, the picture changes. Women then start experiencing the subtle discrimination which, unfortunately, is still too common in the labour market.

For example, during an interview, they may be asked if they are or intend to get married, if they have or intend to have children. There is no need to elaborate, we all know the story.

The majority of male applicants are not asked such questions. If the female candidate answers yes to one of these questions, she is often immediately excluded as a potential incumbent for the

position. Why? Maybe because employers are afraid of children. I do not think it is true of all employers, of course, but there are enough of them to make it harder for graduate women to find work than it is for their male counterparts.

Why are employers afraid of children? Because children may represent a loss of productivity, of efficiency, of availability, and perhaps a loss of money. Obviously, I am simplifying somewhat, but barely. When a female employee becomes pregnant, it means a maternity leave. It means hiring and training a replacement, and it also means that the woman will be less available when she returns to her job. A pregnancy is not necessarily welcomed by all employers, to say the least.

This is what women have been battling since they first began pursuing their education in large numbers. As I said earlier, it was only after a hard fight that they obtained anti-discrimination laws in the area of hiring and employment. They won maternity leave that did not penalize them too heavily, day care centres, and tax regimes that take into account expenses associated with the need to have day care services for their children.

Women have come a long way, and this is very good. We can pat ourselves on the back. However, the survival of a society depends of necessity on its continuation. This is a law of nature to which no society is immune.

In Canada, as in Quebec, citizens and their governments have decided to support the presence of children in families and the presence of mothers in the workforce. The form this support has taken has been uneven and imperfect, but the support is there and I think there has to be a consensus.

• (1340)

This is the direction that society has therefore taken and very few people, except perhaps representatives of the Reform Party, want to change the rules of the game. Everyone wins with this policy: children, parents and society. Women make a very important contribution to the workplace. And this contribution depends on their training and experience, as it does with their male colleagues.

Far from harming our society, women's contribution to the labour force strengthens diversity. A Statistics Canada article published in 1994 entitled *Declining female labour force participation* indicated that the entry into the labour force of women with children at home was the most important factor in the increase in the female participation rate.

Between 1981 and 1993, when the participation rate of women without children at home remained relatively stable at 50 per cent, that of women with children jumped dramatically. The participation rate of mothers of children under the age of six jumped from 47 per cent in 1981 to 65 per cent in 1993. The percentage of

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women in the labour force with children between the ages of 6 and 15 went from 61 per cent in 1981 to 75 per cent in 1993.

In other words, working mothers are with us to stay. The job now is to find the best ways of helping them balance their family responsibilities with their contribution to the labour force. Governments have adopted this approach, and now they have to do something, because there is still a pressing need for child care services.

The Child Care Advocacy Association of Canada estimated that in 1995, three million children needed child care, while there were only 365,000 recognized spaces.

We know that in their election campaign, the Liberals promised to create 150,000 new child care spaces by 1996 and did nothing. One wonders where the money went—\$700 million—that was supposed to be invested in child care. One wonders where that money is today. From what the minister said, he had no idea; it seems it disappeared just like that. I would like to remind the government of its promises in the red book.

So we are way behind, if we compare Canada with certain European countries. Sweden, for instance, has government funded child care spaces for about 50 per cent of children under six. In Denmark, 85 per cent of children between the ages of three and six are entitled to government funded child care. In France, 25 per cent of children under three are in child care funded by the government.

If we look at the percentages in Canada, we see that only 12 per cent of our children are in recognized child care. We know the need is there. I just told you that in 1993, 70 per cent of parents with children were on the labour market. When we see inadequate financing in a child care policy, we wonder how this government could ever implement a genuine family policy. I may remind the House that women have demanded and still demand adequate, quality child care, which is not about to happen overnight, as I just demonstrated.

Would using the state's meagre financial resources to help families, as the motion proposes to do, not threaten the funding of child care services networks developed by the provinces? Unfortunately, I have to ask the question, but we know perfectly well that this government has no intention of proposing any kind of funding so we can really embark on a genuine family policy. So how can you expect the government to respond to a Reform motion when that same government has shamefully hidden, I do not know where, the \$700 million which had been promised for creating 150,000 child care spaces? I have my doubts about this government's political will to implement a genuine family policy.

This motion might not have been debated today if the government had moved. So I think that, considering the importance of such a policy, the multiple needs of families and the realities they

are facing, the government has failed to meet the expectations of the public.

• (1345)

Now for the second reason we are against today's motion: the family is an area of exclusive provincial jurisdiction. The federal government, having gradually and stealthily encroached upon this field over the years, ought quite simply to pull out and transfer the equivalent tax points to the provinces. I am not saying abolish the funding, I am saying transfer it. There is a difference. I do not want people accusing me of not wanting a family policy, because I am calling for it to be transferred. There is a difference.

We know, for example, that at the end of the summit on the economy and employment, Quebec announced the implementation of a parental leave plan. This is a measure designed to broaden Quebec men and women's access to parental leave. This government should transfer tax points so as to contribute to the efforts made by a province—Quebec, in this case, but it could be another province—to implement a real policy to facilitate access to parental leave.

I would like to see this government distribute funds to the provinces in order to enable them to implement a true family policy. The Government of Quebec is calling for the transfer of a portion of the unemployment insurance fund. We know very well that it is destined to pay off the federal deficit, while the provinces will be required to provide more and more of the services the public is demanding.

In the same vein, it is important, within the spirit of decentralization so dear to the Liberals—in lip service at least, but we have yet to see it in action—that all tax points corresponding to fiscal and financial measures for families be transferred to the provinces. They are the ones in the best position to judge what policies are necessary for the development of society. I believe that we will continue to demand such transfers from the federal government, and we know that this trend is spreading to the other provinces.

We are well aware at this time, with all the cuts to the Canada social transfer, that this is another way of preventing the provinces from providing a true family policy. The least well off families will be the first to be penalized by cuts in education, in welfare, in health. I hope that, one day, the federal government will give in to the demands from the provinces.

Finally, the third reason behind our rejection of the motion is that its universality is a thing of the past. It is unacceptable in a society that boasts of wanting to redistribute the collective wealth. In the present context, the families with the greatest need have to be helped.

According to the Reform motion, the tax credit would be the same for all families according to revenue. If we were in fact in a period of wealth, as we have been in the past, as the federal

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government has already stated, if the government had all this money at its disposal, we might have to consider it.

However, at the moment, when the government cannot even provide a day care policy, how can it expect to provide a policy on tax credits for women who have decided to stay home to look after their children?

I would like ask the government for the umpteenth time to think about ways to recognize the work women do at home. These women play an important social role and are totally ignored by this government. This is why the government must once again review investments so that, for once, there will be specific measures to ensure that families may count on government assistance.

It is high time the federal government recognized the fair contribution of all citizens whatever their role in building Quebec and Canadian society. I remind the government of the importance of balance in all its policies, and I invite it to very carefully follow its plan for balance between the sexes to analyze the impact of current tax measures on families in Quebec and Canada.

• (1350)

The Bloc Québécois favours a tax system that ensures equal opportunities for disadvantaged children. This should go even further, but we have to take the current state of the economy into consideration. The Bloc Québécois favours tax policy that takes account of family needs and of the families with the greatest need. The proposal by the Reform Party does not do so, because it would apply to all families including those in the high income bracket.

We would like the government to consider a real family policy. In my opinion, what we have before us as family policy is nothing. Fewer and fewer families can count on support from this government. The wording of this motion is unacceptable. I propose to the government that it give some thought to a real family policy.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I welcome the member's comments on debate. I recall that she spoke on Bill C-256 with respect to splitting income between spouses and made a very similar speech, arguing on behalf of the women who want to have careers.

I would like to mention another point that I failed to mention in my speech. This motion comes on an allotted day, under supply in the estimates, and therefore constitutes a motion of non-confidence in the government. On that basis alone the Reform Party probably should have realized that this motion must be defeated. However, I thank members of the Reform Party for raising the issue because it gives members a chance to talk about the family.

The issue that the hon. member for Quebec raises with regard to family policy and child care policy are very important. I believe all members would agree. However, in the province of Ontario the average income of a trained child caregiver in a day care centre is about \$19,000 a year. That is absolutely obscene when we consider what is expected of those trained people. As a result of that, the turnover in the child care industry is extremely high. That says to me that the security and the consistency of the bonding of a child with an adult during the period of institutionalized care is not as good as it would be with a parent. A person could probably make \$19,000 a year working at McDonald's.

I do not believe that anyone is suggesting, and I hope the member is not suggesting, that there has to be one model and that women must work. I hope the member agrees that we have a complex society and complex family structures. We need flexibility and options more than anything else. If there is a choice, we should let the families, not the women, but the parents make the choice.

The member continues to talk from the perspective of women. I respect that. However, as members of Parliament we must speak on behalf of families and the parents who are trying to make choices.

The member well knows that under the current Income Tax Act the lower income spouse must claim the child care expense deduction. That usually means that the net take home pay after taxes, child care expenses and the cost of employment is so small that it is less than \$100 a week. That is one of the reasons we have to make an effort to reform the tax system in order to help bridge that gap so that the decision is not financial, but a decision based on a family value, on a societal value and on a parental value.

Would the member at least concede that the important thing is what the parents want to choose for their children? Should we as legislators try to provide those options, those choices and that flexibility so that they can provide the care arrangement which they feel best fits their family and social values?

[Translation]

Mrs. Gagnon (Québec): Mr. Speaker, I thank my colleague for his question. He is in a better position than I am; he is a government member. He should get his government to act on the decisions made in terms of family policy.

The advantage is yours, dear colleague, and I urge you to talk to your government to ensure that women can choose between staying at home to care for their children or joining the labour force.

• (1355)

You are in the best position to do that.

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STATEMENTS BY MEMBERS

I realize that, ideally, the decision should not be made on a financial basis. There is also a need to give women the opportunity to achieve their full potential through employment. And this is no easy task nowadays. Many women are facing divorce. We know very well how hard it is for women who are returning to work.

[*English*]

In this respect, I would like to say a word about a policy put in place by this government with its new employment insurance plan that will penalize any woman who has been away from the labour market for any length of time. Women will be required to work many hours to qualify for benefits under the new Employment Insurance Act. We all know that the magic number is 910 hours of work, just to qualify for benefits under the new employment insurance policy.

I could go on for hours about some government policies that do not necessarily help women decide whether to stay at home to raise their children or to re-enter the workforce. Start by implementing real, equitable measures for women, then raise the issue again for discussion.

[*English*]

The Speaker: I will give you half a minute.

Mr. Szabo: Mr. Speaker, the member just raised the issue of doing nothing for women. In fact, if the member would look, she would find under the new EI program wage subsidies and training allowances that allow parents who take parental leave to get back into the workforce.

I ask the member again if she would not concede that the important element of any strategy dealing with families is to provide choice, flexibility and options for families and not to deal with it on any basis other than what is the choice and the value of the family and parents.

[*Translation*]

Mrs. Gagnon (Québec): Again, Mr. Speaker, we know about the policy that was put in place and how flawed it is. We know full well that this requirement will exclude community organizations and that employment must be ensured.

Do not come and tell me that measures are being introduced to help women decide whether to stay at home to raise their children or to join the labour force. I suggest my hon. colleague press his government to put in place real measures to help families.

[*English*]

The Speaker: As it is about 2 p.m., we will now proceed to Statements by Members.

ELAINE POMAJBA

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I want to share a story which shows that Canadians do care for those who suffer misfortune.

The following story appeared in the London *Free Press*. Elaine Pomajba received an emergency liver transplant from the Lung and Health Sciences Centre's multiple organ transplant service which saved her life. In gratitude, Ms. Pomajba decided to donate the proceeds from selling her prize steer at the Royal Agricultural Winter Fair.

Before selling the steer, the auctioneer recounted her story. Buyers then bought and sold the same steer seven times. Manuel Taveres of Dominion Meat started the process and it snowballed from there. Other buyers included Norwich Packers in the riding of Oxford; St. Helen's Meat Packers, Expedite Plus, MCI Packers and Longos Brothers who donated the meat to University Hospital. Elaine Pomajba donated a total of \$13,776 to the transplant centre.

I want to congratulate all who contributed to this heart warming event.

* * *

[*Translation*]

KENWORTH PLANT WORKERS

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, in the days to come, workers from the Kenworth plant in Sainte-Thérèse, which closed last April, will stop receiving unemployment insurance benefits.

The Quebec government has been negotiating for several months with the owner, PACCAR, to have the plant reopen. As for the federal government, it remains silent on this issue. I am asking the government to review, with diligence and compassion, the plight of these 800 workers, whose future depends, in many cases, on their being retrained. Current negotiations would also be easier if Ottawa showed some openness and specified how Kenworth can pay the back taxes it still owes the federal treasury.

If we include the families of these workers, the fate of 2,000 people is at stake, and, in turn, hundreds of local jobs.

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• (1400)

*[English]***JOHN MUNRO**

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, there is good reason to be concerned about the government's treatment of former Liberal cabinet minister John Munro.

In 1991 Mr. Munro was acquitted of charges of corruption, charges based on allegations that arose while he was a minister of the crown. The defence of his reputation cost Mr. Munro approximately \$1 million in legal and related fees. Mr. Munro requested that the government pay his legal fees which would be consistent with previous policy and practice. In 1996, five years after he was acquitted, the government rejected his request for compensation.

In law Mr. Munro is innocent. Yet he has been impoverished because of the unsubstantiated allegations with respect to his conduct while a Liberal cabinet minister. In fairness the Minister of Justice should reconsider the decision to deny compensation to Mr. Munro or at the very least explain why compensation has been denied.

* * *

GOVERNMENT OF PRINCE EDWARD ISLAND

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, this past Monday night the PC Party under the leadership of Pat Binns won a landslide victory and formed the government in P.E.I.

When I was mayor of St. John, New Brunswick I brought in the Calgary Flames AHL team. Every time one of those boys would score they would do a "yes".

I think all my colleagues on both sides of House should give Pat Binns and that beautiful blue wave a "yes".

* * *

ROYAL COMMISSION ON ABORIGINAL PEOPLE

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the Royal Commission on Aboriginal People's report was released today. The commission outlines some 400 recommendations which are an attempt to address the serious issues facing Canada today.

The commission's report is not about how to address what has been called the Indian problem. It is about restructuring the relationships between federal-provincial-territorial governments and aboriginal people to redress the current problems which have been created historically by those same governments.

The Prime Minister has two choices on this issue, shelve the report or assume real leadership. In 1990 the Prime Minister told

aboriginal people that he wanted "aboriginal issues to be front and centre on the agenda of the Liberal government". Here is the chance to do it.

The government can begin by immediately establishing a working special committee of parliamentarians and representatives of aboriginal people to develop an implementation plan.

* * *

BEN POWELL SR.

Mr. Lawrence D. O'Brien (Labrador, Lib.): Mr. Speaker, I would like to pay tribute to a constituent of mine, Mr. Ben Powell Sr. Ben was born in Carbonear, Newfoundland. At the age of 15 with only a grade three education as his mainstay he decided to leave his hometown and head for Labrador where he has lived ever since.

He has developed a deep love for the land and its people and has pursued life to the fullest as a fisherman, sawmiller, merchant, trapper, fishing camp operator and writer. Uncle Ben, as he is known, has made many outstanding contributions to Labrador.

In 1950 he founded and named the community of Charlottetown, Labrador. During his lifetime Ben has worked tirelessly for Confederation. In 1979 Ben became a writer and now has 12 books about Labrador in print. Ben's desire is that the younger generation will hold fast to its heritage.

To you, Uncle Ben, I join your family and great friends—indeed I consider myself to be one of these great friends—in thanking you for your contribution to Labrador, to Newfoundland and to Canada as a whole.

* * *

*[Translation]***OSTEOPOROSIS**

Ms. Albina Guarnieri (Mississauga East, Lib.): Mr. Speaker, I am pleased to tell the House and all Canadians that November is osteoporosis awareness month.

[English]

Osteoporosis is a degenerative bone disease that predisposes individuals to the risk of fractures. It affects 1.4 million Canadians over the age of 50, most of them women. It is estimated that one in four post-menopausal women has osteoporosis which often leads to a substantial deterioration in their quality of life while incurring considerable costs to the individual, their families and caregivers.

The Canadian MultiCentre osteoporosis study, a five year study supported by Health Canada and several private sector partners, provides better insight into this disease, its risk factors and its prevention.

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● (1405)

[Translation]

We welcome team efforts such as this one, where many sectors get together to face a common challenge. The government also supports community programs designed to inform victims and help them improve their quality of life.

* * *

*[English]***MINING**

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I would like to emphasize for my parliamentary colleagues the importance of mining to Canada's economy.

In 1995 the metals and minerals sector accounted for \$23 billion worth of economic activity, an amount equal to 4.4 per cent of Canada's gross domestic product. These numbers represent 340,000 high quality, high paying jobs of the future. Indeed, over 85 per cent of those working in the mining industry use advanced technology every day.

Mining pays a higher average wage than any other industrial sector in Canada and these are not seasonal but year-round jobs.

I applaud all those who are working to promote mining in Canada, including the mining industry representatives and labour we saw this week, as well as the Minister of Natural Resources.

I look forward to continuing my work with this industry, especially in Elliot Lake and Bruce mines, both located in my riding of Algoma. Each has undertaken important local projects to preserve and promote Canada's mining history and heritage with tours, historical sites, museums and the Canadian Mining Hall of Fame in Elliot Lake.

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*[Translation]***PARLIAMENTARY MATCHING PROGRAM**

Mr. Gérard Asselin (Charlevoix, BQ): Mr. Speaker, yesterday and the day before, the House of Commons welcomed a group of about 20 students from the Université de Sherbrooke, as part of the parliamentary matching program.

The purpose of this initiative is to match a student with a member of the House of Commons, preferably one representing the participant's riding.

This year, the vast majority of trainees were teamed with Bloc Québécois members. The program gives these young people an opportunity to familiarize themselves with parliamentary proce-

dures, and to see with their own eyes what parliamentarians do every day.

On behalf of the Bloc Québécois, I congratulate the Université de Sherbrooke, and particularly Luc Dastous, who started this program. I personally want to thank the members on both sides of the House who welcomed a student this year, and I invite all members to do the same next year.

* * *

*[English]***COPYRIGHT LEGISLATION**

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the Liberals are pushing copyright legislation through this House in their usual ramrod way. Bill C-32 is before committee as we speak. We have had 190 briefs and 65 witnesses in eight weeks. It is called legislation by exhaustion.

The Liberals want to charge a blank tape levy on audio tapes that will hit churches, schools and their shut-in supporters. Why? Because some tapes happen to be used to copy music. This is tape tax.

The Liberals will not protect broadcasters in Canada from vexatious charges by composers and performers for the technical transfer of music but will hit those same broadcasters with new performance levies. This is called a performance tax.

However, to show how rushed this flawed copyright bill is and the lack of prior consultation, consider the archivists and people wanting to trace their genealogy. Unbelievably, the Liberal legislation would slam the door on tracing family trees and reviewing property documents. This is typical Liberal legislation, all image, dangerous in substance, rammed through with minuscule meaningful input.

* * *

MINING

Mr. Réginald Bélair (Cochrane—Superior, Lib.): Mr. Speaker, yesterday was the annual lobby day of keep mining in Canada, an industry initiative to explain the importance of Canada's minerals and metals sector to parliamentarians. At the same time, the new minerals and metals policy was released in recognition of the importance of the mining industry in this country.

Mining plays a key role in Canada's economic well-being and the economic growth of cities such as Timmins, Ontario. It provides 12.4 per cent of total Canadian exports and employs some 341,000 people. Forty-nine new mines are scheduled to open in 1996 and 1997 with the potential of creating 31,000 direct and indirect jobs over the next five years. This will make a significant contribution to this government's jobs and growth agenda.

S. O. 31

[Translation]

Thanks to the new policy on minerals and metals, and to other positive measures taken by the government, Canada will get its fair share of foreign mining investments.

* * *

• (1410)

[English]

JUSTICE

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, earlier this month I hosted the Brampton public forum on justice issues for concerned constituents in my riding. The purpose of this forum was to solicit their views on the future direction of Canada's justice policy.

My constituents came together to produce a number of constructive policy recommendations which I have submitted to the Minister of Justice for his review. Their message is clear. This government must continue its efforts to address pressing justice issues which we face as a society.

I would like to acknowledge the efforts of my constituents and the facilitators and recorders who oversaw the functioning of the workshops. I would also like to thank the Parliamentary Secretary to the Minister of Justice, the chief of the Peel regional police, the crown attorney for central west region and other panellists and resource people who were so generous with their experience and knowledge. All these elements came together to make the Brampton public forum on justice issues a success.

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INDUSTRY CANADA

Mr. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, I would like to talk about the community access program of Industry Canada.

It is a program that is being offered which a lot of communities in my riding are adapting well to. It provides Internet access to schools and community groups so that they can receive all the power of the Internet and what it has to offer.

Community access is a very important program because it provides all communities throughout Canada with an equal opportunity to information. It provides all communities, whether you live in Quirpon, Cambridge, Victoria or Fogo Island, with equal access to the resources and to the knowledge of science, technology, culture and language.

This is an incredibly important program and I would like to congratulate Industry Canada on a job well done.

[Translation]

CANADIAN COUNCIL FOR REFUGEES

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, the national conference of the Canadian Council for Refugees is being held from November 21 to 25 at the Aylmer monastery. Commencing today, dozens of participants will assess the situation of refugees in Canada.

The CCR represents 138 associations across the country, all of which are dedicated to providing assistance to refugees. Since its creation in 1977, the Canadian Council for Refugees has been arguing that no individual should be deported to a country where he may be jailed or tortured.

I fervently hope this conference will produce positive measures to improve settlement requirements for those refugees who choose Canada and Quebec as their new home. The government should draw inspiration from the humane policies put forth by this organization, which I commend for the outstanding job it has done over the past 19 years.

* * *

[English]

ROYAL COMMISSION ON ABORIGINAL PEOPLES

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, this morning the Royal Commission on Aboriginal People's report was tabled in the House.

This report costs \$58 million over five years and consists of approximately 4,200 pages. Equating that out to roughly \$13,000 to \$14,000 a page I do not think very many Canadians will consider that a bargain.

Also the report itself on the aboriginal people notes that more than \$10 billion is spent for aboriginal peoples at all levels of government. Yet the royal commission is recommending in the order of a 50 per cent increase in spending.

There are three levels of government spending money but only one set of taxpayers. It is time to stop using these billions of dollars to line the pockets of the Indian industry lawyers and consultants. It is time to start putting money where it is needed, with the grassroots aboriginal people.

* * *

[Translation]

CANADIAN EMBASSIES

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the PQ minister responsible for international affairs said yesterday that Canadian embassies had been instructed to limit Quebec's influence abroad as much as possible.

Oral Questions

Right off I must condemn this statement, which is totally false and unfounded. Second, the minister should admit that, if indeed Quebec does not have as much influence abroad as it used to, he has only himself and his cuts to Quebec delegations abroad to blame.

Sylvain Simard's comment shows that, in the PQ, the more things change, the more they stay the same. When they do not know how to explain their difficulties, they blame the federal government. Quebecers who have travelled or done business abroad are aware of and appreciate the value and quality of the services provided by Canadian embassies.

* * *

• (1415)

MONTREAL INTERNATIONAL

Mr. Nick Discepolo (Vaudreuil, Lib.): Mr. Speaker, on November 18, the secretary of state responsible for FORD-Q announced that the federal government would contribute \$2 million to an initiative aimed at establishing a private company called Montreal International and providing it with \$10 million in working capital.

These funds will enable the new company will be able to focus on promoting the greater Montreal area at the international level. It will, among other things, look for foreign investors and help set up head offices and international organizations in the greater Montreal area.

Montreal International will help create a climate that will promote job creation and enhance business activity significantly in Montreal. My congratulations to everyone involved.

ORAL QUESTION PERIOD

[*Translation*]

NATIVE PEOPLES

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, after more than five years of hearings, including a two year extension under the present government, and \$58 million of the public's money, the Royal Commission on Aboriginal Peoples has just tabled a voluminous report of over 4,000 pages on the situation of native peoples in Canada.

My question is for the minister of Indian affairs. Does he agree with the royal commission that the solution to aboriginal problems lies in a royal proclamation followed by a series of legislative measures by the federal government?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the royal commission tabled a few hours ago a voluminous series of reports involving 440 recommendations, covering everything from housing to royal proclamations. It involves just about every ministry in the federal government and probably every minister of the provincial and territorial governments.

The royal proclamation is something that the premiers of the provinces, the Prime Minister and the First Nations will have to discuss. They will need time to read the report and come up with whatever recommendations they see fit.

[*Translation*]

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, since a good many aboriginal problems come under provincial jurisdiction, how does the minister of Indian affairs intend to proceed in order to respect this jurisdiction, bearing in mind the recommendations of the Dussault-Erasmus report with its extremely centralizing approach?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the commissioners and the commission make it quite clear that on many aspects of the report it will need co-operation of the provinces and territories and the federal government.

There are only 89 recommendations where they say the federal government has the direct right to implementation. In the overwhelming majority, I think over 200, they are saying it will require consultation with the provinces, sometimes cities and sometimes territories.

[*Translation*]

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, my supplementary is for the Minister of Finance.

Can the Minister of Finance tell us whether the proposal in the Dussault-Erasmus report to increase the Indian Affairs budget by some \$2 billion in order to solve aboriginal problems strikes him as acceptable and realistic?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the absence of a response from the Minister of Finance is certainly acceptable to me.

[*Translation*]

The Speaker: Yes, well, if it is another short one like that I will allow it.

Mr. Michel Gauthier (Leader of the Opposition, BQ): Mr. Speaker, my supplementary is for the Minister of Finance.

Oral Questions

Can the Minister of Finance tell us whether the proposal in the Dussault-Erasmus report to increase the Indian Affairs budget by some \$2 billion in order to solve aboriginal problems strikes him as acceptable and realistic?

• (1420)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, pardon me, but I have such faith in my colleague, and he is so familiar with the numbers, that my attention was elsewhere. As my colleague has just said, the report is very interesting. We intend to examine it more closely and I will discuss it with my colleague, the minister of Indian affairs.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, my question is for the Minister of Indian Affairs.

Although the Bloc Québécois is in favour of aboriginal self-government and the economic development of the aboriginal community, the creation of a third tier of government, as called for by the royal commission, strikes us as unrealistic.

Does the Minister of Indian Affairs share the conclusions of the royal commission, which proposes an aboriginal chamber within the Canadian Parliament?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, that is a matter of evolution. I certainly feel that the AFN powers should be enhanced by First Nations people. We are certainly trying to deal in the provinces of Manitoba, Saskatchewan and Nova Scotia with larger groupings. At some point that may evolve. How or where, it is too soon to say but there will be a separate chamber for aboriginal self-government in this country.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I see that the minister is not only distancing himself from the report but also being extremely prudent with his answers.

Does the minister realize that the Dussault—Erasmus report proposal, in addition to creating some twenty new organizations on top of all the existing ones, will require an injection of more than \$2 billion in public funds and accentuate one of the fundamental problems of Canadian federalism, namely the problem of costly and inefficient duplication and overlap?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the question is, will there be duplication or overlap? Who can say? I would prefer that there be less duplication and less overlap.

If we truly mean that we want aboriginal people to be self-sufficient and self-governing, then we have to trust them and let them

do it. As the Prime Minister said when he had this job, we made a lot of mistakes on their behalf through the Indian agents. It is time for them to make a few mistakes on their own.

* * *

TOBACCO

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, what an embarrassing spectacle. We have had the health minister fighting with the finance minister. We have had the finance minister fighting with the Deputy Prime Minister. We have had the Liberal caucus and cabinet fighting with everybody. Meanwhile 30 per cent more teenagers in this country have started smoking and 45,000 Canadians this year will die because of Liberal inaction on tobacco.

Will the government call a truce in its family feud and bring in anti-tobacco legislation immediately?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, we will bring in tobacco legislation and we will bring it in soon.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, while the Liberals have been fighting, Canadians have been dying.

The Reform caucus supports effective enforceable anti-tobacco legislation and we will bring that to a conclusion in one day if these rascals will bring it in. All we need is for the legislation to be on the table.

When, when, when will the government bring the legislation to the floor of the House of Commons so that Canadians will not have to die?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, bientôt.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the minister is real good at these cute little answers, but the issue is very, very specific. There is no excuse to justify the fact that the Liberals have let personality conflicts and political back stabbing nonsense come before the lives of 45,000 Canadians.

• (1425)

Shame on the health minister, shame on the finance minister and shame on that whole caucus for this behaviour. When will the government bring anti-tobacco legislation to the House of Commons? When?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, 24 hours certainly makes a great difference as it relates to the Reform Party of Canada. Months ago the same hon. member, supported by his caucus colleagues, said that legislation was not necessary, that all that was required was education. Now we have a spectacle on the floor of the House Commons and the Reform Party is swallowing itself.

I say to the hon. member that we will bring forward the legislation as we promised and we will do so soon.

*Oral Questions**[Translation]*

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, my question is for the Minister of Health as well.

The Minister of Health said a few weeks ago that we should vote for a party other than the Liberals if they failed to get their tobacco control legislation passed before the next election. So, yesterday once again, the minister put off the official announcement of the tobacco control measures he plans to propose.

How does the Minister of Health explain his last minute retreat? Could it have anything to do with the numerous leaks about a possible increase in the price of cigarettes, resulting in speculation in the tobacco market?

[English]

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, I think the House would really like to know where the hon. member stands and in particular where the Bloc stands as it relates to tobacco legislation.

As I indicated yesterday both in the House and outside the House, we are in the process of finalizing our package. It will be comprehensive and we will bring it forward soon.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, we see a lot of smoke signals, but the message is unclear.

Does the minister realize that he struck out again, because he has very awkwardly placed the Minister of Finance in an absolutely untenable position? Does he realize that?

[English]

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, I accept the premise of the hon. member's question that he is concerned about tobacco legislation. I would hope that the hon. member and members of the Bloc would support the government's initiative which is to reduce tobacco consumption particularly among youth which causes in this country and in the province of Quebec 11,000 deaths every year.

I look forward to and thank the hon. member for his support on the tobacco legislation.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the leak of the government's tobacco taxation measure is an extremely serious breach of parliamentary convention. When tax changes are leaked, insiders are given the ability to manipulate the stock market. In the past the Liberals have called for the resignation of other finance ministers over similar breaches. This is of particular concern when it is clear that the boards of directors of tobacco companies are interchangeable with the Liberal Party hierarchy.

Can the finance minister tell us why this tax measure was leaked, who leaked it, and what action he has taken to ensure that the financial integrity of the government is not compromised again?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member, as is his wont, is engaging in idle speculation. The government will make an announcement when there is an announcement to be made.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the Liberal ties to the big tobacco industry are well known. Yesterday's actions by the government made it clear that it puts its friends in tobacco above the health of young Canadians. How ironic that yesterday was National Child Day. The finance minister needs to explain to Canadians why he and his government have sacrificed the health of our children so that his friends in the tobacco industry are appeased.

Is this legislation being blocked by the finance minister, a former director of Imasco?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, both the substance and the tone of the question are inappropriate. The response to the substance of the question is absolutely not.

* * *

• (1430)

*[Translation]***CAPITAL GAINS**

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question is directed to the Minister of Finance.

In its analysis of corporate taxation presented this week, the Bloc suggested abolishing the partial capital gains exemption for businesses and using the money, which represents nearly one half billion dollars annually, to offer small businesses a tax rebate tied to their job creation performance.

If the Minister of Finance wants to demonstrate his concern for fairness and job creation, is he prepared to make a commitment before this House to eliminate this useless expenditure immediately and allocate the money saved to tax measures that will promote employment?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as a member of the Standing Committee on Finance, the hon. member must be aware that this committee looked into the matter a few years ago, and at the time, the government made a survey of small businesses in Canada to find out whether the \$500,000 exemption was helpful in creating jobs, or whether we should find another way.

All small business associations in Canada, including those in Quebec, and most small businesses that appeared before the

Oral Questions

Standing Committee on Finance or met with government officials said that this exemption was crucial to maintain fairness, and is still crucial for creating jobs, and that is our position.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am afraid I was misunderstood. I was not referring to the capital gains exemption on the first \$500,000 but the partial inclusion of capital gains which consists in taxing only 75 per cent of capital gains and leaving the remaining 25 per cent fully tax exempt.

The minister referred to the Standing Committee on Finance. So far, at the hearings we had in June, July and August, the conclusion was unanimous: this measure is a very costly one, and there is no good reason for keeping it. When even the Canadian Bankers' Association wants to see it abolished, that certainly means something. So we have \$500 million annually that is absolutely nothing. The purpose of this measure was to avoid double taxation where there was a wealth tax. Today, the government takes \$500 million and just throws it away, especially in the pockets of the wealthiest in this country.

Will the minister promise to eliminate this unnecessary tax expenditure and allocate \$500 million annually to job creation?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, once again, the hon. member is wrong. We have analyzed the situation. The vast majority of small companies in the high-tech sector, a very important industry in Quebec, have told us that to increase their equity, to raise capital, it was very important to have access to research and development credits.

Some hon. members: No, no.

Mr. Martin (LaSalle—Émard): Yes, yes. Capital gains are used to raise money. Unfortunately, the hon. member does not understand. In fact, I can tell you that people with the FTQ solidarity funds said they agreed with this exemption because it helped them raise money.

* * *

[English]

ABORIGINAL AFFAIRS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, in 1969 the Liberal minister of Indian affairs said: "The government believes that its policies must lead to the full, free and non-discriminatory participation of the Indian people in Canadian society. It requires that the Indian people's role of dependence be replaced by a role of equal status, opportunity and responsibility, a role they can share with all other Canadians".

Can the Deputy Prime Minister tell Canadians why the Prime Minister, the Liberal government and the Liberal Party have abandoned this equality principle, this common sense approach to solving the serious problems being experienced by aboriginal people in this country?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I was sitting here today with the hope that this member would ask the question.

I just finished watching this member on television. We have to deal with poverty, with schools, with roads, with social assistance, with economic development, and this member's idea of equality is to send \$10,000 to each Indian in this country. I just heard him on television. That is his policy which I have waited three years to hear. If we do that, then who is going to deal with the poverty? Who is going to build the hospitals? If that is his idea of equality, then the Reform Party should go out there and talk to a few Indians.

• (1435)

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, this morning on television the minister of Indian affairs could not answer this simple question: Are aboriginal people equal?

Will the minister promise Canadians that none of the royal commission's recommendations will be implemented unless they can pass the test of equality?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, for this hon. member I will answer that question.

The idea of the Reform Party on Indians and equality is to keep them poor, keep them uneducated and keep them on the reserves. I have heard the idea of the Reform Party for three years. It thinks Indians live in paradise. The member who is grinning stood in this House and said that he knows that aboriginal men burn their wives with cigarettes. That is ignorance. I do not think anybody in this country accepts that.

When the leader of the Reform says that Canadians are not hearing the message of the Reform, they are hearing it and they do not like it. That is why Reform is sinking.

* * *

[Translation]

CAPITAL GAINS

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, a few minutes ago I asked the Minister of Finance a question. However, either my explanations were not sufficiently clear, or the minister was a bit mixed up, so I would like to try again.

Oral Questions

There has been partial inclusion of capital gains since 1987; 75 per cent of the capital gain is taxed at the corporate tax rate; 25 per cent of this capital gain, which is income like any other income, is completely tax exempt. This 25 per cent is placed in a capital dividend account and paid to shareholders, not reinvested.

Since there is general agreement in Quebec, and in Canada, that this partial inclusion of capital gains must be eliminated, that it is costing \$400 to \$500 million a year that other taxpayers must pay, will the minister undertake to eliminate it?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the answer to the question is exactly the same one I gave earlier. It is part of the refundable tax credit. Capital gains exemptions make it possible for our companies to raise capital and benefit Canadian shareholders. This is an advantage they have over a company that must borrow money and pay interest, for example, or an American company that must raise capital in the United States, but is looking for Canadian investors.

What we want to do is encourage investment in Canada. That is part of a sound system. If we make changes here, other changes will have to be made somewhere else. The fundamental question is how we are going to help Canadian companies increase their equity. That is part of the system.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, when a Quebecer or a Canadian earns a dollar, the whole dollar is taxed, all of it, at a rate that can go as high as, or higher than, 40 per cent. When a rich shareholder, a rich corporation holding shares that appreciate in value year after year, is taxed, it is taxed on only three quarters of the amount at a reduced rate, not the full 100 per cent.

How is it justified that 25 per cent of this capital gain is handed back in this ineffective and unproductive manner to the richest holders of Canadian capital, who do not reinvest in the economy, when the rest of the population must pay the full amount?

• (1440)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the member does not seem to understand that we have an equity problem in Canada. We are having difficulties in Canada compared to other countries. Our SMEs, our Canadian companies, are having trouble raising money to establish an equity base they can use for lending, investing and creating jobs.

There are exemptions for political reasons, for creating jobs or investing in the future. This is what we are talking about. It is part of a sound system. We can change it, but if we do, there will be repercussions elsewhere.

Furthermore, there are many incentives in Quebec, and at the summit the government decided to keep them for exactly the same reason: to create jobs and stimulate economic growth.

[English]

RESEARCH AND DEVELOPMENT

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, my question is for the Secretary of State for Science, Research and Development.

The R and D stakeholders that I met across western Canada as part of the Prime Minister's task force on commercializing government science research made it absolutely clear that effective, public-private R and D partnerships in strategic sectors of our economy are critical to enhancing Canada's competitiveness, to bringing our products to market and to creating jobs.

How will the investment announced yesterday benefit Canadians in British Columbia, in the west and throughout the country with Ballard Power Systems, the environmental technology company in Burnaby?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development)(Western Economic Diversification), Lib.): Mr. Speaker, I would like to thank the hon. member for her question.

The government believes in developing new technologies in Canada and building the industries of the future in these new technologies. One of these new technologies is fuel cells which produce electricity in an environmentally friendly way from hydrogen and oxygen. Ballard Power Systems is a company which holds 83 world leading patents in this area, providing an advantage to Canada.

The investment yesterday of \$30 million through Technology Partnerships Canada in Ballard Power Systems provides an example of how the government is working in partnership with the private sector to create jobs and industries in Canada.

* * *

GOVERNMENT CONTRACTS

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, the Liberals have pulled a CF-18 flip-flop. In opposition they criticized the tendering process. When they are in power they have a chance to right a wrong and they refuse to do it. Like the Tories they awarded Bombardier an untendered \$216 million contract. John Turner opposed it. Brian Tobin opposed it. The current foreign affairs minister opposed it. The current health minister opposed it.

How can the Minister of National Defence justify this shameful Liberal flip-flop giving Bombardier an untendered \$216 million contract?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the extension of the contract for the maintenance of the CF-18s was done in June.

Oral Questions

However, there is one thing about which I want to make certain. As we pursue this line of questioning, which is interesting, I want to make certain that I understand the position of my friends in the Reform Party.

Very recently three contracts for Hercules were awarded to CAE of Edmonton, Alberta, totalling \$108 million. It was done on the same basis. Very recently Computing Devices Canada was awarded a contract for the land forces communications system on the same basis. It is worth \$90 million.

I want to know if it is a question of cherry picking, a question of principle or do they know the difference between the two.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): The principle, Mr. Speaker, is quite simple. It is value for money. It is taxpayers' money.

The only way to ensure that Canadians get value for money is to put contracts out to tender. If Bombardier is the best, it will win. Even the Tories put the contract out to tender before they rigged it.

The minister keeps talking about keeping the costs down. If the minister cares about keeping the costs down, then why did his department fail to conduct a review of the contract before handing it to Bombardier? They did not even review the contract.

• (1445)

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, a very thorough review of the situation is required when a contract like this is extended. It was the third or fourth contract extension since the original competed contract was awarded.

The important thing is that even the hon. member in conducting a review himself or anyone who was interested, would know that Canadair is the only company in Canada at this time equipped to do this kind of work.

There are a number of directed contracts. What I want the hon. member to do is to make sure he addresses the question of the Hercules contract in Edmonton and also the contract that I referred to earlier for CAE. Is it just a question of trying to pick the divisive kind of elements which the hon. member likes to raise from time to time? Is it a question of principle or is speaking of principles in matters like this with the Reform Party like talking to an alley cat about a marriage licence?

* * *

[Translation]

FRANCOPHONES OUTSIDE QUEBEC

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, yesterday in the official languages committee, the Minister of

Canadian Heritage stated that there was no assimilation of francophones outside Quebec, despite all of the statistical evidence to the contrary.

If assimilation does not exist, as the minister claims, what explanation is there for the fact that, since the adoption of the Official Languages Act in 1969, the percentage of francophones now using English in the home has risen from 15 to 24 per cent in Ottawa, from 55 to 65 per cent in Hamilton, from 17 to 30 per cent in Sudbury, and from 42 to 52 per cent in Winnipeg and St. Boniface?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, what the hon. member refuses to consider is that, at the present time, our young francophone and anglophone Canadians are the most bilingual generation in the history of Canada.

It is equally true—another fact he denied yesterday—that, according to Statistics Canada, up to 99 per cent of francophones outside Quebec who wish to study in French are able to do so, precisely because of the constitutional and official languages policies.

Yes, the statistics were based on francophones outside Quebec, despite the hon. member's false allegation that they included francophones in Quebec.

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, is the attitude of the Minister of Canadian Heritage not an embarrassment to the government? She, despite being the person responsible for the application of the Official Languages Act, is just about the only one left refusing to see that the assimilation of francophones outside Quebec continues to progress in leaps and bounds.

Why does the minister persist in denying such evidence?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, if the hon. member really wants to combat the problem of anglicization across Canada, he ought to talk to his Quebec colleague, the Minister of Education, who has just raised by 70 per cent tuition fees for francophones from the rest of Canada wishing to study in Quebec. If the hon. member really wants to ensure the survival of the French language in Canada, he should talk to his friend, Mrs. Marois, and tell her to drop this anti-French policy.

* * *

[English]

TAXATION

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, a study shows that the inclusion of the new federal sales tax in all prices will cost millions of dollars. Computer systems have to be changed and there are the large annual costs of advertising,

ticketing, warehousing and distribution. All these costs will be passed on to already overtaxed consumers.

Will the minister stop this new burden on consumers in Atlantic Canada by withdrawing the required tax in pricing until the federal sales tax is implemented nationwide? It is a request made by Canadian retailers and strongly supported by the Reform Party.

• (1450)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the hon. member knows, the vast majority of retailers have already incurred the costs of transition. That occurred some time ago when the previous government brought in the GST. Therefore, the costs of transition are quite within the bounds of acceptability.

The ministers of finance of the three Atlantic provinces have agreed to meet with all of the retailers—in fact, that is happening at this very moment—to work out any difficulties which any retailer may have. The provincial governments and the federal government have said to those retailers that we would be quite flexible in making sure that the transition costs are manageable.

Now that those retailers can take the input tax credits there has been a substantial reduction in their costs which we expect will be passed on to the consumer.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, different information is coming from the retailers of Canada to us and to the minister.

The tax-in pricing policy was recommended by the Reform Party in its minority report on GST reform, but only in the context of a nationwide introduction of a federal sales tax. Reform, as well as national retailers, oppose tax in-pricing when it is applied only in Atlantic Canada because it costs too much and has already caused the closing of some retail outlets.

Will the minister stop trying to download on consumers in Atlantic Canada the costs of his party's indefensible, irresponsible and politically opportunistic election promise to eliminate the GST? Do the right thing and scrap the federal sales tax for Atlantic Canada.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I would suggest that my friend is in the process of engaging in a little historic revisionism of what the Reform Party's position has been on this issue.

The Reform Party has supported harmonization publicly, not necessarily in the House, and it has also supported tax inclusive pricing. I congratulate the Reform Party for that. It is unfortunate that it now, for political purposes, chooses to forget its original position.

The hon. member knows full well that this will lead to a substantial reduction in costs for retailers. There will be a substantial reduction in costs for consumers.

Oral Questions

For the sake of discussion, take a look at Newfoundland, where the reduction is between 4 per cent and 5 per cent. In Nova Scotia and New Brunswick it is between a 3 per cent and a 4 per cent reduction on the vast majority of goods, all of those which were previously covered by the GST. In fact, this is very good for the consumer.

Some hon. members: Order.

Mr. Martin (LaSalle—Émard): Mr. Speaker, I will sit down, but it really is a tremendous deal for Atlantic Canada.

* * *

[Translation]

INCOME TAX

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, my question is for the Minister of Finance.

A lot of questions have been raised about Canadian corporations failing to pay their fair share of taxes. Furthermore, a lot of year end advertising encourages ordinary Canadians to take advantage of tax shelters.

Could the Minister of Finance tell the House what he is doing to ensure everyone pays their fair share?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I thank the hon. member for his work on the public accounts committee in this area. He is well aware that, since forming the government, we have worked with the Minister of National Revenue to eliminate abuse of the tax system.

We have made changes to the system that are very effective in eliminating loopholes. This week, for example, we announced, among other things, that tax shelters related to corporate funding would be limited.

Should you be interested, I can provide you with a list of tax benefits that were eliminated, such as the elimination of the \$100,000 capital gains exemption and the imposition of a minimum tax on all deductions used as tax shelters. It goes on for three pages.

* * *

CANADA POST CORPORATION

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the minister responsible for the Canada Post Corporation.

The few measures the minister has taken in response to the report on the future of Canada Post are totally contradictory. On the one hand, she denies it the lucrative activity of delivering advertising. On the other hand, she says the corporation must make its activities cost effective.

Could the minister tell us clearly whether her intention is not really to dismantle the Canada Post Corporation, because she is cutting its revenues and yet asking it to be cost effective?

Oral Questions

• (1455)

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Absolutely not, Mr. Speaker.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, we are not talking only about dismantling Canada Post, which the minister does not seem to consider seriously, but rather the whole issue of jobs.

Is the minister aware that her decision to force Canada Post to stop delivering advertising mail will mean a loss of 10,000 jobs? Ten thousand jobs means ten thousand more unemployed.

[English]

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, Mr. Radwanski travelled across the country and everywhere he went Canadians unanimously told him that they did not wish to have their post office delivering junk mail. As a result of that we asked Canada Post to cease delivering unaddressed economy ad mail or junk mail.

One thing that will happen as a result is that many community newspapers will be able to stay in business and many other small businesses will be able to increase the numbers of people they hire. The work will be transferred to the private sector and Canada Post will continue to do very well what Canadians expect of it, which is deliver first class mail.

* * *

ATLANTIC GROUND FISH STRATEGY

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, my question is for the Minister of Human Resources Development.

The Atlantic groundfish strategy, otherwise known as TAGS, is off the rails and now we know why. This week we learned that the qualifying rules for TAGS had been ignored and each regional HRD office was making its own eligibility requirements. According to an internal department audit, and I quote from that audit: "The ignoring of these rules was one of the reasons for excessive cost over-runs".

How could the minister allow the gross incompetence which will deny benefits to legitimate fishermen who really need them?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, we are fully aware that the new system, starting with employment insurance, is causing some disruptions because of the change in the number of weeks of required employment. I take note of the question and I will look into it again.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, it is a little late. The TAGS program was announced in 1994 and it has already almost spent its entire \$1.9 billion.

The minister of fisheries is also culpable in this Atlantic Canadian tragedy. The audit revealed that one-third of the licence buyouts by his department, some of which could amount to hundreds of thousands of dollars, are unsupported by documentation. Only Quebec files were found to be in order.

This grotesque display of incompetence cost millions of dollars in over-runs and legitimate fishermen are being denied benefits as a result.

How can the minister even pretend to care about Atlantic Canadian fishermen now that we know his political tricks have backfired in his face?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the insinuations of the member are totally wrong. When the TAGS program was set up the number of candidates who would actually require it were underestimated. That was done by the previous government, as the member knows very well.

The fact that the number of people who actually need it had been underestimated caused a funding problem that we are addressing. It is an important one at this time.

* * *

INDIAN AFFAIRS

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my question is for the minister responsible for Indian affairs.

There is a great concern that the Royal Commission on Aboriginal Peoples' recommendations will be shelved and not taken seriously or acted upon.

I would like to ask the minister if he, along with his government, would consider the immediate establishment of a special committee made up of representatives from aboriginal groups and parliamentarians to discuss and develop an implementation plan of the recommendations and, second, to encourage the Prime Minister to call a first minister's meeting in April 1997 to discuss implementation at that time and also to have the committee report before then.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I thank the member for the question. As a matter of fact, these are two of the recommendations in the report.

• (1500)

As of now, I do not think any of the provinces have seen the report. It will take them about four weeks to read it because it is very extensive. However, I believe these are the two issues that they are going to have to deal with fairly quickly at a first ministers conference, whether they will hold it, whether it needs additional work, the committee that the report is suggesting.

I am prepared to support anything that enhances the lives of the aboriginal people in this country.

*Supply***POINTS OF ORDER**

COMMENTS DURING QUESTION

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, during question period the minister of defence was making some kind of remarks about alley cats and marriages. It seems to me that taking advice on principles from a Liberal cabinet minister is like listening to a pyromaniac talk about firefighting.

The Speaker: I would judge that a point of clarification, not a point of order.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would like to ask today's most important question: What is the government's legislative agenda for the coming days?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to deliver to the House the weekly business statement.

We continue this afternoon with the business of supply, that is to say the opposition day motion we are currently debating. Tomorrow the House shall commence report stage and second reading of Bill C-63, the elections bill. We shall make this bill our priority until it has been passed.

We shall follow this with Bill C-42, the Judges Act amendments; Bill C-62, the fisheries legislation; Bill C-59 regarding passengers by water; Bill C-29, the MMT bill; and then other bills reported from committee.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—CHILD CARE TAX DEDUCTION

The House resumed consideration of the motion and the amendment.

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, the third party in this House has taken a curious perspective on how best to address the needs of children in Canada today and it is one that surprises me. That party normally has a pretty clear position on the role of the federal government on social policy issues. Write cheques and pop them in the mail to provincial capitals sums it up.

It is also a party that prides itself on its commitment to pare government spending to the bone and probably well beyond.

[*Translation*]

And here we are today with a motion before us that runs totally contrary to the broad political policies of the Reform Party. It talks about a greater role for government and increased government expenditures.

I do not intend to use the time allotted me today to repeat arguments already made by my hon. colleagues on the child care deduction. Rather, I would like to talk to you about certain initiatives our government has taken to respond to the real priorities of Canadian children.

[*English*]

This is excellent day to do this, for while the Reform Party sits and talks, our government gets up and works. We are working with our partners, the provincial governments, to tackle the real children's issue in Canada, child poverty.

A federal-provincial meeting is taking place in Toronto. Our government is sitting down with the provinces to discuss how we can build a national child benefit and how we can build it together. We are talking about how to align our programs and services so that we can do the most to help children living in poverty.

The idea for this initiative has been around for a long time. It was discussed during the federal social security reform. More recently, the issue of a national integrated child benefit was raised in the ministerial council report last March.

● (1505)

Our government responded favourably. It became a shared commitment of both levels of government at the first ministers meeting in June. Alberta is the co-chair on behalf of the provinces while the Minister of Human Resources Development is co-chairing on behalf of the federal government.

This is an example of the federal government's renewing federalism and renewing our social union by working with the provinces. It offers so much more than hollow calls for unilateral tax policy changes that would only stand to benefit those families that already have a measure of security, middle to upper class income families.

The government, on the other hand, is concerned with the plight of low income families, in particular their children. At a time of limited finances, this is the direction Canadians are telling us we should go. Nine out of every ten Canadians say that the level of child poverty in this country is a problem. They also tell us they do not want to return to programs that treat rich and poor families alike. If public money is going to be spent, they want it to go where it will meet the real needs. That will be the point of a national child benefit.

Supply

A national child benefit is something for the future. But what of the present? How is this government addressing the needs of parents and children?

[*Translation*]

In our opinion, the best way to fight child poverty is to help the parents find work. I would point out simply that nearly 500,000 people have found work since our government's election.

In fact, between 1993 and 1995, Canada created more jobs than Japan, the United Kingdom, France, Italy and Spain combined. This is a pretty impressive result, and it benefits our children.

[*English*]

We recognize that many Canadians work at jobs that offer relatively low pay. These are people who benefit from the child tax benefit and the working income supplement. I remind members that our government doubled the maximum level of working income supplement in the last budget. Over the next two years it will go up from \$500 to \$1,000. That means more financial help for low income parents to address the extra costs of working.

Helping Canadians get back to work is also the goal of the new employment insurance system. Despite the criticisms of the third party in this place we succeeded in passing legislation a few months ago to build a new system. The key is a set of active employment measures to help people get the skills they need to find new jobs.

[*Translation*]

Another element of employment insurance that benefits the family and children is the new family income supplement, which comes into effect in January. It will be available to families eligible for the child tax benefit and the earned income supplement.

These families will receive an average of \$800 a year, and the children will be the first to benefit.

[*English*]

More than that, EI claimants who get the family income supplement will be exempt from the new intensity rule that would reduce the benefit levels of repeat claims. This is yet another step that reflects the interests of children in lower income families.

Active measures under EI part II will also help Canadians develop the skills they need to build stronger careers. Other measures include grants and loans to students. Here again we have targeted our assistance.

We recognize that parents can find it very difficult to pursue full time studies. Last year we introduced a system of grants for part time students with high financial needs, many of whom are single parents. In the 1995-96 year we started a process that offers as many as 10,000 of these students each year up to \$1,200 for every

academic year of enrolment. This support will help them get the education that will enable them and their families to prosper.

I will address the issue of child care. A year ago the federal government presented a proposal to provinces to expand child care as was outlined in the red book. Although provinces recognize the importance of child care to working parents, there was no consensus on the need to significantly expand child care. The federal government remains committed to further discussions on child care if provinces and territories can reach a consensus on an approach. However, that has not stopped us from taking action where we can.

• (1510)

For example, our government launched the First Nations/Inuit child care initiative last December. The goal is to bring the quality and quantity of child care services in aboriginal communities in line with those of the general population. The result will be some 4,300 new child care spaces and the improvement of 1,700 existing spaces for a total of 6,000 quality child care spaces. This involves an investment of \$72 million over the first three years of the program.

Another example is our child care visions program. This is a research and development fund. It supports studies to help us learn more about the adequacy, outcomes and cost effectiveness of different child care practices. In a world where many parents have no realistic choice but to work, despite nostalgic notions promoted by the Reform Party, this program helps us learn what kinds of child care will be best for our little ones.

Then there are the other joint projects that our government has funded under the strategic initiatives program. For example, thousands of families with young children are benefiting under an improved access to child care project in British Columbia. In Manitoba about 400 lone parents on social assistance are getting help to put them into the workplace. Federal support for Quebec's APPORT program is supporting 27,000 low income wage earners and social assistance recipients.

[*Translation*]

In all these cases, the children benefit when their parents have better job opportunities and extra help for quality child care services. In all these cases, however, the benefit flows from co-operation between the federal government and the provinces.

[*English*]

Yesterday on national child day we paid special attention to the needs of children. What better way to help children in need than by continuing the commitment to co-operation and action that our government is showing?

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I would like to ask the hon. member, since she has raised again for the umpteenth time today the

Supply

chestnut that our tax proposals would benefit the well to do rather than the poor, how she would equate that with the numbers which we have run past independent analysts who say that 737,000 Canadians who should not be paying taxes now would disappear completely from the tax rolls if our proposals were adopted.

The analysts state that a working parent in a single parent environment earning \$30,000 would see his or her taxes reduced by 89 per cent. I wonder if she has actually taken the time to sit down and read our proposals and, more to the point, if she has read any of the independent analyses of them.

Ms. Whelan: Mr. Speaker, the motion under debate proposes that the government should provide tax fairness for all Canadian families by extending the child care tax deduction to all families of all income levels and converting it to a credit, thereby removing the tax bias against parents caring for their own children.

At first blush it might appear it is a good idea but after all, Canada's children are our future and one of our most important resources. Who can honestly say they would oppose—not me of all—that we need to come up with something for children?

However, let us take a look and really examine the Reform Party's motion, which I have done. If we think about this motion we will note the proposal could mean two radically different things. First, if the Reform Party plans to convert the existing child care credit deduction into its equivalent value in tax credits it will provide about \$850 for every child under seven years of age and \$150 for every child between seven and twelve years of age. If this is what the Reform Party is proposing, it is far from clear that is what it means, given the clever wording used in the motion. This motion would hardly provide sufficient incentive or compensation to allow one parent to remain home and care for their children. As well, it would not provide much assistance to any families, especially low income families.

• (1515)

On the other hand, if the Reform Party plan is to give \$5,000 tax credit for every child under seven and a \$3,000 tax credit for every child between seven and twelve years of age, then this program would provide substantial assistance. Unfortunately it would also break the bank.

In Canada today there are 2,402,027 children age seven to twelve. At a cost of \$3,000 per child the proposal would cost \$7.2 billion. As well, there are 2,789,995 children under the age of seven. At a cost of \$5,000 per child the proposal would cost another \$14 billion. In total this proposal if implemented would cost \$21.2 billion.

The existing child care tax credit cost \$305 million in 1989. This means the proposal would cost \$20.9 billion more than the present child care tax deduction. I would like to know where this \$20.9 billion will come from.

I suppose the Reform Party could double the GST in theory. That would raise another \$18 billion. It could cut off federal transfers for health care. That would raise close to the \$20 billion, although the money would of course go straight to medical services.

Reform of course projects a cost that is much lower than this. The total package of tax breaks in its fresh start document is to cost only \$12 billion. However, as we can see, the numbers do not add up. One might legitimately ask what the Reform Party is really proposing.

In their speeches members of the Reform Party talked about a \$3,000 to \$5,000 benefit per child, but if we look at its budget plan the figure is much lower. What is the Reform Party proposing the House of Commons do? By passing this motion are we committing the government to giving every child under seven years of age \$850 or does it mean we are going to give these children \$5,000?

The motion is fuzzy and cannot be supported for that very reason.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, I want to take this opportunity to congratulate my seat mate, the hon. member for Essex—Windsor, on her excellent speech. It certainly had a lot of information about our government's doing many concrete things to help Canadian families, the rich, the poor and the working people of this country.

I also note that the hon. member made an excellent speech in both official languages, which I believe is the first time I have shared with that, if I may say that.

I appreciate hearing about employment insurance. There is a lot of misinformation about the benefits for all Canadians. Today anyone can fall between the cracks and find themselves in dire circumstances. There is an allowance there for anyone with an attachment to the workforce in the last three years who could be eligible for these benefits, for training and any of the other attachments.

Does the hon. member have any other ideas and points that she wants to share with us at this opportunity? I think it is very important that we hear the correct information on this.

Ms. Whelan: Mr. Speaker, I want to thank the hon. member for his question. There are many points that we could share today on what we need to do for children in benefits. I would like to restate that EI claimants who get the family income supplement will be exempt from the new intensity rule that will reduce benefit levels

Supply

of repeat claims. That is very important for all Canadians to know. People need to know this step reflects the interests of children in low income families.

I also think people should know that part II will allow them to develop the skills they need to build stronger careers. Again, in part II we have targeted our assistance. We also recognize that parents find it very difficult to pursue full time studies.

• (1520)

It is important to make another point about the child tax benefit. The child tax benefit right now recognizes the contributions of all families by providing a basic credit of \$1,020 per child per year, plus an additional \$75 for the third child and subsequent children. It recognizes the cost of young children by providing a supplement of \$213 for each child under the age of seven. It targets the greatest benefits to families in need by reducing the total benefit by 5 per cent on family income over \$25,921. I believe the current child tax benefit recognizes the contribution of all parents and at the same time directs more resources to those most in need. That is good family policy.

The Liberal government is working with the provinces to improve this by developing, as I said before, an integrated child benefit. I believe this would be a better use of scarce and limited public resources than the Reform proposal. It would provide greater public benefit to the entire community, while Reform's proposal would channel more resources to one type of family regardless of financial need.

Families do want choices, but they want real choices. Reform talks about choices, but the impact of its policies would only provide real choices for the group of families who can afford to have one parent stay at home, and most families do not have that choice.

Reform based this motion on its proposals in its fresh start program on the notion that a one income earner family of \$60,000 is the same as a two earner family with an income of \$30,000 each. That is not reality. It is not the case.

If a parent earning \$30,000 in the Reform plan decides to stay home, the family might get a tax credit of somewhere between \$2,000 and \$4,000, depending on the age of the children. That would give the household a family income of \$32,000 or \$34,000. The family, obviously, would not have the same choices as a household earning \$60,000.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, it is a pleasure to rise to speak to the Reform Party's motion today. It is so very rare that one has the opportunity in the House to address a motion which has substance, makes sense and has some possible benefits down the road.

I would like to begin by making a brief comment on the comments of the hon. member for Essex—Windsor. Her reply to my question made it very clear that she has indeed not read the Reform Party's fresh start program, nor has she read any of the professional critiques of it. She is bemused by whatever they are telling these people in the inner circles of the Liberal Party. She has joined other members opposite in their unanimous contention that a tax break for families is unaffordable. Coming as that does from her, from a charter member of the very far left side of the Liberal Party, which historically has believed that there are no limits to what we can spend on anything, it is rather astonishing.

They keep asking where the money will come from. I will not go through a long list of cuts on which our fresh start proposal is based, but I can give a couple of examples. I can do that without mentioning such obvious and immediate candidates for cutting as the \$87 million to top up the treasury of a Liberal friendly and profitable corporation or the millions of dollars which have been spent to give away free flags. Let us talk about the heavy duty stuff.

Part of the source of the numbers in our fresh start program was the privatization of the CBC, for an annual saving of about \$1 billion. Which is more important, Yorkville-centric culture or giving a break to children?

I am the Reform critic for international institutions. I along with our researches identified \$800 million which could be cut without taking one penny away from Canadian overseas humanitarian aid. There would be major slashing in contract work for friends of the Liberal Party and there would be a turning away from bilateral aid, with all of its attendant corruption, to providing matching funds for NGOs who historically have shown they know what they are doing. If there are any hon. members who would like to go into the point by point details of the other \$13 billion, they should talk to their friendly Reform Party critics.

• (1525)

Let us bury once and for all the slander that we would cut federal funding to medicare. Those who were around for the 1993 election campaign know very well that one of our platforms was to stop the cuts, which were initiated by the Tories and ruthlessly continued by this government, to the federal contributions to medicare. The contributions are now down to about 23 per cent of total medicare costs. So who in the name of heaven are the bad guys, the Liberals who are doing it or Reformers who the Liberals claim would do it? It is a false claim.

The Liberals say they have not made specific increases in income tax rates. Fair enough and whoopee. But they always fail to mention, very conveniently, that they have increased other taxes, directly and indirectly, 31 times. Count them, 31. Among others, they have increased gasoline taxes, park fees and the taxable portion of income through deindexing, which is a rather sneaky way of increasing income tax, deindexing the basic deduction. The

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government has changed the RRSP rules and it has subjected maritimers to increased sales taxes through their rather convoluted changes to the GST rules.

The bottom line is that federal tax revenues have increased by twenty four and a half per cent since this government took office, and now this government is crying poor. It does not have the money to give tax relief to ordinary Canadians.

I will speak more directly to the motion before us that, in the opinion of this House, the government provide tax fairness for all Canadian families by extending the child care tax deduction to all families of all income levels and converting it to a credit, thereby offering Canadians freedom of choice in caring for their children.

This motion addresses a specific proposal and targets a specific problem. What is the problem, some might ask. In a survey of healthy women in Toronto conducted this year by researchers at a Toronto hospital it was found that the most common health worry of women was not heart problems, not breast cancer, but fatigue.

When the researchers broke down the reasons why women were tired they identified these factors: financial worries, lack of exercise, marital relationship problems, poor sleep, lack of personal time, care of an ill family member. But the number one reason why women feel tired today is the combination of home and outside work which is forced on them in many cases by the inability to make family ends meet because they are paying so much money in taxes.

It is not just federal taxes but provincial taxes, municipal taxes. Forty-six per cent of the average family income is being sucked away by government. The average family can no longer make it without two incomes. It is a big treadmill.

In an international Gallup survey which was conducted this year in Canada as well as in 22 other countries, more than half of Canadian women believe the country would be better off if one spouse were able, the key word, to stay home and take care of the children. But the Liberals through their voracious appetite for taxes—31 tax increases in the last three and a half years—are making it impossible for families to have that choice.

• (1530)

Families have to work hard. Right now two out three two-parent families have two or more jobs. Moonlighting families have increased by 50 per cent over the last 10 years. Sixty per cent of families now have to have two incomes to make ends meet.

The tax system discriminates against one income families. Two income families pay \$7,000 less in income taxes per year than one income families, if the net family income is \$60,000. The average family income in real terms has dropped more than \$3,000 since

1993. This year the average Canadian family will have to pay \$27,000 in taxes alone.

It is not the desire of the Reform Party and it is certainly not my desire to force choices on families. What we have now are choices being forced upon families by the present government. It is the Liberal government that forces both parents to work to survive. It is the desire of Reform to increase choices for the family so that families can care for their children in any way they wish.

One of the Liberals' broken promises, one which was fortunately broken I would suggest, was the creation of a host of new day care spaces so that they could further raise taxes and further reduce the choices of Canadian women. What does subsidized day care mean to you? I will tell you what it means to me as a country boy. It means that a professional couple in Toronto can load their child into a BMW and take it to the Silver Spoon Happy Centre For Lucky Tots while a Saskatchewan farm woman who lives 50 miles from the nearest urban centre has to strap her toddlers into the truck seat beside her while she helps with the harvest because she and her overtaxed spouse cannot afford to hire extra help.

The Reform Party would reduce spending by \$15 billion. We would balance the federal budget by March 31, 1999. We would provide smaller less intrusive government because that is what Canadians want. After the deficit is erased, Reform would increase spending on health and education by \$4 billion a year. I say it is not a bad suggestion.

A smaller government would enable us to provide tax relief to everyone. We would increase the spousal amount of the income tax deduction from \$5,380 to \$7,900. We would change the \$3,000 to \$5,000 child care deduction to a \$3,000 to \$5,000 credit available to all parents including those who look after their kids at home.

This would have an enormous effect on a family earning \$30,000 which would have its taxes cut by 89 per cent. A dual income family of four with earnings of \$60,000 per year would save 31.7 per cent in their taxes. Altogether 727,000 low and middle income taxpayers would come off the tax rolls. That would be a real hit against child poverty in Canada.

• (1535)

Giles Gherson, a columnist for the Ottawa *Citizen* who is certainly no friend of the Reform Party, calls the Reform platform a war on poverty. I quote: "Simply raising the income tax personal and spousal exemptions—will remove an estimated one million low income families from the tax rolls, people who never should have been paying taxes in the first place—the Liberals admit they are not planning anything nearly so generous—.On the menu at next year's election: a real and surprising choice in Canada's stalled war on poverty".

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With policies like the Liberal government's policies, is it any wonder why the family is in trouble in Canada? It would be so much more efficient, so much better for the family to lower taxes and enable parents to do what they want to do with their own money and to have a better quality of home life. Reform is all about child care choice and tax relief for families.

I will end on a rather personal note. Unlike some of the fat cat ivory tower theorists opposite, I have walked the road of single parenthood and I never even considered the option of day care. My family helped me out during vacations. I was able to employ an elderly live-in housekeeper at much less than the cost of day care for school days. It was not easy. We did not maintain the style of living as a single parent household that we had as a two parent household, but we made out. We did not whine to the government. And I am proud to say that I raised two very well adjusted and very successful young people.

In case anybody over there is going to be tempted again to throw the slur across that what we are trying to do is to help out the well off and damn the middle class and damn the poor, I would like to put it on the record that this is not the case. Most of us in this caucus have actually been there, whereas I think it would be a rather small minority among the Liberal government caucus.

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, the hon. member asked a question of me earlier and I feel I have to respond. I forgot to mention the part of the Reform Party plan in the motion they are making today about the child care credit. I am wondering if it is going to be refundable.

The statement that it goes to all families implies that it would be refundable. At the same time the statement that it is a tax benefit could limit the credit to tax paying families which would leave the poorest families, unemployed families on social assistance without any benefit at all. Which is it? Nowhere in the motion does the Reform Party say that the credit would be refundable. This leaves me to suspect that it may be planning to exclude the most needy families who do not pay taxes.

As well, I think there is a mixed conception here. We are talking about child care options. I do not hear that from the Reform Party when they talk about day care or taking care of children. We are talking about options available for families so that if one spouse wants to stay home, those options are there.

There are no options in the Reform Party platform. There is no choice either. Reformers do not support any of the measures that would allow women to combine work and family life, which is what a lot of women would like to do. The Reform Party does not support the inclusion of parental leave policies in employment insurance. It did not support and does not support employment insurance for part time workers.

In fact the Reform Party would eliminate the CPP provisions which cover a parent's contributions for any years away from the

workplace. I do not believe and I do not see how that assists children.

Mr. Morrison: I thank the hon. member for her comments. I am afraid she misses the point. What we are saying with respect to tax relief is that if money is left in the hands of individual Canadians or Canadian families, they will then be able to provide their own choices.

• (1540)

The hon. member seems to think that day care has to be a big government heavily subsidized entity. That is not true. If the hon. member shakes her head and says that is not what she had in mind, then I retract that statement. The point is that when families do not have money, families do not have choices. When families are taxed until they squeak, they do not have money. It is a simple corollary. That is why we say that the taxes must be lowered in order to give people the chance to make their own choices.

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, I must say that the hon. member for Essex—Windsor has given a detailed response to the motion to which I attach myself very proudly. Her knowledge of this subject is obvious. She has done a tremendous amount of homework studying it.

The Reform motion, on the face of it, is quite compelling. The motion calls for the extension of the child care tax deduction to all families of all income levels and so on. I will forgive the technical glitch. It speaks of a child care tax deduction, but it should speak of something else.

When we examine the motion, the problem is that we begin to ask questions about what the motion really means. If it means, as my hon. friend from Swift Current—Maple Creek—Assiniboia has said, transferring the \$5,000 to a tax credit, then it begins to raise even more questions.

My hon. friend from Essex—Windsor asked the question: What would happen if the Reform Party's second chance program were to come into play and more people were taken off the tax rolls? That \$5,000 tax credit would be available to people who would not be paying any taxes. What would happen to those people with low incomes?

One could go on to ask a number of questions like that to get into the detail of this motion. While the spirit of the motion may be quite commendable, it is not workable. It is not doable. If the Reform Party were the government of the day—perish the thought—it would be introducing something which would have rather horrendous implications.

My friend from Swift Current—Maple Creek—Assiniboia spoke of certain loans that our government has made recently to various companies. He has attempted to discredit them in the face of the need for adequate financing for children. He referred to the war on poverty. Let me make it very clear that the most effective war on

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poverty is employment. When people are working and putting bread on the table, that is the most effective war on poverty.

I would like to respond to the charges about the \$87 million which was lent to Bombardier. It is a repayable loan. It was not given to the company. It is a loan which is repayable in royalties when the next new generation of Bombardier aircraft are out on the line, built and flying.

• (1545)

Actually the aerospace industry, as my hon. friend will acknowledge, is one of the greatest exports Canada has at the present time. To bring us into a position where Canada will become the fourth largest manufacturer of aerospace equipment, aircraft particularly, it seems to me that research and development partnerships with industry are a very suitable way to go, especially in they are in the form of repayable loans.

Recently some money was loaned for the further development of the tar sands. It was done on a similar basis. Thirty million dollars was given to a company in Vancouver that is a specialist in fuel cell production. It represents the vanguard of some of the new energy utilization we will have in this country.

The Liberal government has always believed in these kinds of partnerships. This is not done as a handout to industry. It is done in the spirit of investment because this kind of investment pays huge dividends.

The hon. member speaks of income declines in recent years. I wonder if he would pay the same attention to interest rate declines. If someone has a young family at the present time, it is pretty common to have a mortgage on a home. If you go to the bank today to renew your mortgage after five years, you will walk out of there with \$3,000 to \$4,000 more in your pockets than you had previously. The financial policies of the government have been instrumental in the resulting decline in interest rates—

Mr. Morrison: Mr. Speaker, on a point of order. Is there a question in there somewhere or is the hon. member making a speech on my time?

The Speaker: The hon. member is in fact making a speech but it is my understanding that it is on his time. There were questions and comments with you and he now has the floor on debate.

Mr. Reed: Mr. Speaker, I am sorry the hon. member did not realize that you had called for debate. I am in a very forgiving mood this afternoon so I will acknowledge that the hon. member just did not hear it.

Mr. Morrison: Mr. Speaker, with respect, I do not think debate was called.

The Speaker: Actually I should have done it if I did not because he is now debating and he has the floor.

Mr. Reed: Mr. Speaker, it is probably because I am closer to the Speaker that I heard the word “debate”.

There is no question that the financial policies of the government as they relate to economic recovery and renewal are probably one of the strongest things that can be done for the family. As a result of policies which have strengthened the dollar, lowered interest rates and raised export levels to record highs, the country is in a position where 700,000 new jobs have been created. The country is now in a position to move on and be one of the strongest, if not the strongest, economy in the G-7. It seems to me that has a direct impact on the family.

• (1550)

In spite of the fact that Canadians have come through a serious period of constraint in the last few years and has partnered with the Canadian people to asked them to bear with it in its attempt to fix the economy, the government has continued to provide substantial assistance to low income families and those who need it most.

I give the example of the child tax benefit. It was recognized that as the economy strengthens that the effort must be increased, especially the war on child poverty, and to strengthen the institution of the family as much as possible. We are headed that way, but perhaps in a little different way than my hon. friend suggests.

If this country was to adopt the policies put forward by the Reform Party Canadians would be in a horrific financial situation because the arithmetic does not add up. Money cannot be given out here and there on the never, never without some revenue to compensate for it. That is the direction we are heading under Reform.

I am very comfortable in declining to support the motion. I have great sympathy for its intent, and I hope it is not just a populist ploy but a sincere attempt by the Reform Party. However, in all conscience I cannot support the motion. I am sure that if the Reform Party were to introduce something more detailed and a little more correct in the future, I might consider it at that time.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I could not help but reply to the member's statement.

He compared the money that is being put into the tar sands in Alberta with the \$87 million no interest loan to Bombardier. He said, basically: “Can you not see that we are doing as much for Alberta and as much for western Canada as we are for central Canada?” That is a slap in the face to people who live in Alberta and British Columbia and who suffered through the \$80 billion rip-off by the government through the national energy program. It took the money that belonged to those provinces and walked away

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with it for the benefit of central Canada and the federal government.

By throwing a few crumbs back into Alberta in the tar sands project and suggesting that in some way it is the benevolent government looking out for the best interests of Alberta, I frankly find that a bit of a slap in the face.

I do not forget things like that. There are a lot of people in western Canada who will never forget what the Liberal government did with the \$80 billion rip-off under the national energy program. I will never forget that.

The Speaker: I know there is a question in there someplace and the hon. member will find it.

Mr. Reed: Mr. Speaker, I am not capable of living in the past. I try to live in the present and look to the future. It seems to me that the \$400 million that is going to improve the tar sands is going to allow the tar sands to develop in a way that is going to be very beneficial to western Canada.

• (1555)

The Speaker: I might have gotten the wrong signal here. I asked the hon. member for Halton—Peel if he was going to use the full time and I thought he indicated to me that he was going to use the full 20 minutes. Is that correct?

Mr. Reed: Mr. Speaker, what I indicated to you was that I had no one to share the time with.

An hon. member: Yes you do.

Mr. Reed: I am learning something new every minute of this afternoon. I would be very honoured to share my time with the hon. member for Algoma.

The Speaker: Colleagues, with your consent may we give the 10 minutes to the member for Algoma?

Some hon. members: Agreed.

The Speaker: The hon. member for Algoma has 10 minutes. It is 10 minutes and 5 minutes.

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I want to thank my colleagues on both sides of the House for allowing me 10 minutes of comments on an opposition day motion. It is not the worst motion I have seen from the opposition side but it is certainly not one that I can support even though they have kindly let me have a few minutes here this afternoon.

There is a hidden agenda with this motion but I suppose we should come to expect that from the third party. As much as I respect individual members of the third party, the total package from time to time leaves something to be desired. The hidden

agenda I sense in this motion is that the Reform Party is against a broad based day care, child care, system in Canada.

I would like to begin by relating an experience that I had when I was a student at the University of Toronto. At that time I was involved in establishing the first parent co-op day care centre at the University of Toronto, a day care centre I am proud to say still exists as the Sussex Parent Co-op Day Care Centre. It is quite an interesting story and maybe some other time I could go into details.

That experience taught me that there is no one simple solution for the care of our children. While I accept that the pre-eminent place of care for children should always be the family, the circumstances in this present world do not always allow us to have that circumstance available to everybody.

Single parents need day care whether they can afford to fully pay for it themselves or whether they need publicly assisted day care. In some families it is absolutely necessary that both parents work in order to pay the bills that are part of family life.

To suggest that simply providing a child care tax deduction to all families of all income levels pretends that there is a uniform situation for families. I think we tend to fool ourselves sometimes by talking about the typical family or standard family. There are many varieties of family arrangements in the modern world and we cannot try to adapt the social culture to take care of all situations with the simplistic solution we are offered here today.

The tax system provides a measure of relief for low and middle income families.

• (1600)

I would be the last one to say it is perfect. In times past, when my children were younger, I was happily able to take advantage of that tax deduction. My children are old enough now that I do not have to worry about that, but I was sure glad it was there for me at the time when I was a low to middle income person in my younger years.

I do not think even well-to-do families would generally agree they need a tax deduction for which I have seen estimates of billions of dollars. I ask the Reform Party to take note of these numbers and do their own arithmetic. I wonder if the arithmetic might not be better than we have seen in the past.

I will quote from some research notes. If Reform means to give a \$5,000 tax credit for every child under seven years of age and a \$3,000 tax credit for every child aged seven to twelve, the cost of the program would be approximately \$21 billion or far greater than the figures Reform projects when it says its total package of tax breaks is worth \$12 billion. Even \$12 billion is a lot of money. I wonder whether the upper income families the Reformers may be thinking about need that kind of tax break at this time.

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I am not against targeting tax cuts and tax incentives for needy sectors of our society at the proper time when the deficit is taken care of. However this smacks of a broad based tax break from income zero to income millions per annum and I must object to that.

The other hidden agenda, besides being against a broad based community day care system, is that the Reform Party is telling women to stay home to take care of the children. I accept that a lot of women would choose that. Some are able to and some cannot because of life circumstances.

It is an individual decision on the part of the mother. It is not a decision we as a society should be imposing on any woman. It should be that men and women are equals in society. I resent the subliminal message in this Reform motion that women should stay at home to take care of the children.

The government has already answered—and I admit we have a way to go—the concerns of families with children. I wish we could go further right now. In due course I suspect we will be able to. We should be focusing our attention on the the whole issue of children and poverty among children in our society.

I do not think this plan which would redistribute tax dollars to upper income families would allow us to do what is needed to ensure the poor and the poorest in society have a proper share of what this great country has to offer.

With great respect to the fine members who are here, I do not know how Reform Party members can argue on the one hand for deficit reduction—and I would argue the government is doing a great job with that program—and then propose a plan that would cost \$10 billion to \$21 billion according to our estimates. Perhaps they could explain that to me as other members participate in the debate.

As I much as I appreciate it is the privilege of the opposition members to bring forward ideas for debate, they have missed an opportunity to bring forward a good idea. They brought forward an idea I cannot support.

I conclude by saying that there are among other things two hidden items: that the Reform Party is against broad based child care and that it is asking women to stay home to take care of their children.

• (1605)

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I have a great deal of respect for the member opposite. He and I shared some time together on the Standing Committee on Finance. I got to know him as being an honourable gentleman. Therefore I can only assume he has not taken the time to understand what the Reform Party is about.

My wife and I have some very dear friends. When their children were growing up he was a school teacher and hated his job. His wife was a dental assistant and loved her job. They decided he would become a home husband, which we applauded.

The description the member has given of the Reform Party was completely out of place. The Reform Party is about choice. This is something that he and unfortunately his Liberal friends do not understand. The reality is that when he talks about one simple solution, his one simple solution is some kind of a national child day care program.

The difference is that the Reform Party is saying we should put the money in the hands of the people at the bottom end of the scale. We should give them the opportunity to have a choice, whether they are single parent families with a man or woman as the parent, whether they are traditional family units or whether they are in multiple family arrangements.

Let us assume for the sake of discussion we are talking about a woman with two or three children. This person is now in a position where she has a choice. She can do what the Liberals tell her to do, or not get any support if she decides to use a family member as the person who would be helping her with the rearing of her children or somebody she respects in the neighbourhood, perhaps a friend through some kind of charitable organization or church she belongs to. The Liberals, NDPers and Conservatives have the simple solution of some kind of massive child day care program.

Another point I am rather surprised by is that my friend, a very intelligent person, went along with the \$21 billion figure. He seems to have lost the relationship between a tax credit and a tax deduction.

The Reform Party is talking about a tax credit. We want to get up to a million families away from paying taxes. Those million families would be at the bottom end of the scale and not at all as he described.

Rather than just reading the notes he was handed by the Prime Minister's office, which seems to have a good time coming up with all sorts of interpretations and misinformation of what Reform is all about, has the member actually taken the time to read the fresh start document so that he understands the Reform Party is about giving Canadians a choice in how they choose as parents their values and how they bring up their children?

Mr. St. Denis: Madam Speaker, with great respect, the hon. member talks about creating choice if the Reform Party motion were adopted and implemented. I think it would lead to less choice.

As I understand, it is an income based proposal. The more money made, the more potential tax credit would be available.

Mr. Abbott: That is dead wrong.

Mr. St. Denis: In a scenario like that one we will be tilting this significantly toward higher income families in society.

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This will lead to a further drain on the funds of the country as they are tilted toward higher income families, giving the government less freedom and less flexibility to deal with the real issue facing many families, the issue of poverty, particularly child poverty. Regardless of how it is cut I do not see how it is a progressive suggestion. Our tax system is not perfect. We hope it is as progressive as it can be, but it is not perfect. I do not see this idea as being progressive, that the better off we are in terms of income the more choices we have because there will be more tax benefit. The choices for lower income families would still be very limited.

• (1610)

The Prime Minister promised during the campaign that when the finances of the country allowed we would deal with the issue of a national child care program.

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Madam Speaker, it is a pleasure to take part in the debate.

I would like to set the hon. gentleman straight on the tax credit. Reform policy says that it will be at the lowest possible tax rate, which is about 17 per cent. If I am correct that means about \$850 per child, which to a low income family is a lot of money. It would probably take care of their household needs for a month. For a millionaire like the gentleman was talking about, \$850 probably does not pay for the car licence for his Mercedes. That is the difference. That is why we targeted low income families. Nobody gets a higher rate of tax credit than low income families. That is the Reform tax credit. It is a very wise decision.

I started farming in 1957. When our family came along in 1962, \$850 bought us groceries for a long time. Even though the cost of living has risen a lot, to the low income families it still means a great deal. That is why the motion is so important to farm or rural communities. If there were this type of tax credit during the years my wife and I farmed pretty well on our own, it would have meant our children could have been looked after by someone locally who wanted to earn a few dollars. That tax credit was not available at that time. We needed every penny we had to keep our farm operating.

From 1961 to 1994 the average family saw its before tax income increase by 768 per cent, which is a tremendous increase. If we look at the other side of the story we see that taxes grew by 1,200 per cent. If we take that into consideration plus the increases in the cost of food, clothing and shelter, the family on the farm today is probably in a lot worse position than it was when I started farming.

We always had enough money to put food on the table without my wife taking a second job. We always had enough money to pay our bills and to pay the interest on the money we borrowed to buy our farm. That is not the case on the rural scene any more.

According to Statistics Canada 48 per cent of net farm income today comes from off farm jobs. This is very sad and very serious. We have seen farms increase from a half section to probably two sections as the average today. The expense and the stress are unbelievable, as well as mother or father probably having to work at an off farm job. The extra money will be beneficial to rural families trying to survive on one income.

In 1971 the average family earned \$3,600. Only 39 per cent of those families had dual income.

• (1615)

It was rare if we saw a dual income on the farm in 1957, 1961 to 1970, but today we see that happening on almost every farm. By 1990 the average family income had crept up to \$43,500 but 60 per cent of those families had dual incomes. We can see what has happened in society and with family income.

As the hon. gentleman explained, it seems that Liberals or Conservatives in power during those 35 to 40 years had all the good ideas. I am wondering why we are \$600 billion in debt, why our families today have to pay interest to the tune of almost \$45 billion on money that was never earned during this period but was borrowed. We are expecting our younger families to take over this burden and take care of that debt that was made before they ever had any input into how government should be run.

It bothers me when I see that we want take credit for things that we really do not deserve credit for. Sure things were tough in the 1950s, 1960s and probably the early 1970s but the communities were there and they looked after each other. There was a lot of fun even when we did not have that much money. We had local curling and skating rinks. Today they are gone. They are in the larger centres, and farm families and other industries that look after farmers such as fertilizer dealers drive 40 or 50 miles to take their kids to hockey games or hockey practises or to music lessons. This has all disappeared because we had the good idea that we could live on borrowed money and now it is catching up. I do not want to take too much credit for making things better on borrowed money.

When I look at the latest statistic that a single income family has to pay \$7,000 more in taxes than a dual income family it really worries me. That is why things are being geared to a two income family where one member of that family pretty well works full time for the government.

With the Reform's fresh start child care policy we are directing the tax cuts to those families that desperately need it. Under Reform's plan a single income family of four making \$30,000 will pay 89 per cent less tax. To me that means a tremendous benefit, that there is that amount of money left to spend on necessities that this family probably was not able to afford before this tax cut. People will appreciate this and will take that into consideration in

the next election because it is the family that still drives the nation. If we do not realize that very soon I think we are in big trouble.

One of the farm papers was mailed to me. In it a gentleman writer portrays what is happening with this Liberal government. It is comic: "You are driving up to Goodale's General Store". Whether there is a store like that I do not know but that is what this writer says: "Your wife has asked you to pick up a loaf of bread. You ask the storekeeper for one loaf of 100 per cent whole wheat but the storekeeper hands you a dozen grade A large eggs. 'No', you protest, 'a loaf of bread is what I came in to buy. I do not need eggs. My wife said we need a loaf of bread'. The storekeeper tells you this is better for you. He says 'believe me, I have been running this store for three years now and I know what is best for my customers, including you. When I run across something I do not know myself my suppliers explain it to me and tell me what to do. Here are your eggs and that will be \$3, please'. Since there is no other general store in this country you will have to take it and like it".

• (1620)

That is what I have seen happening in this political arena for the last three years. We have a government that thinks it knows what is best for families. It tells us: "This is even better for you than you yourself know. It is better that two parents should be working than one paying taxes so we can afford some handouts". I think it is a dead wrong and I will say why.

When I see that 48 per cent of net farm income today is coming from off farm jobs, what is left to the rural lifestyle? Not very much. I must tell this House that not only has the Liberal government increased taxes over the past number of years, but it has really decreased farmer incomes by making certain moves which I believe are disastrous to the farm community.

In 1975-76 when we were told under GATT that we could import 76,000 tonnes of beef, the Liberal government knew better. It increased that to 119,000 tonnes of offshore beef imports. We had a beef industry that was already realizing decreases in prices because of overproduction due to depressed grain prices. This added fuel and the prices continued to slide.

Yesterday I phoned one of the farm input dealers. We got talking about what was happening in the farm scene. He said: "It's sad, Jake. I have had a number of young beef producers come in recently and tell me that they cannot afford to pay their bills. With interest rates at a record low, the lowest in 40 years, the banker is still telling them to liquidate". These people who diversified three or four years ago because of low grain prices are now told that they should liquidate.

What else has happened to these young farmers? We know we had to restructure the western grain transportation subsidies. Every farmer realized that would have to happen. But what did we do?

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The entrepreneurial young farmers who went into beef production because of low grain prices were excluded from these western grain transportation subsidies because their tame hay farms or silage corn farms did not qualify. They were not able to get funding out of that WGTA payout. They got a double whammy. That is very sad.

Just as these young people started to rebuild their lives with the hope that grain prices would stay low for a number of years, it backfired. The prices went up. Cattle prices went down. Now they are told to liquidate with the lowest interest rates we have seen in a long time. That is not building a country; that is destroying a lifestyle and a country.

Once agriculture is destroyed there is not much left. It drives the engine of a country. It is the backbone of a country and we had better start to realize that.

The marketing of grain prices has also helped to decrease grain prices. We had record high prices last year from January through June. Now we find out through Stats Canada that we have a record carryover of durum wheat and feed grains because of poor weather conditions. This is depressing prices again while young farmers who have started in the livestock industry are being told to go out of business. This means we will need less of these grains when the product is building up. Again we are going to destroy that type of industry.

I cannot imagine it. A young farmer from my province, Mr. McMechan, spent four months in jail because he violated a customs regulation that said he could not export grain without a wheat board export permit. This young farmer sold his grain for the best price he could get, a price that the wheat board was not willing to pay him. So he went to jail. He is not the only one to be prosecuted. There are approximately 300 farmers who are being prosecuted for the same thing. Why? We had record amounts of grain on hand and the wheat board sold 31 per cent less durum last year than the previous year when the demand was tremendous. How is that supposed to build a country?

• (1625)

Sure that farmer violated a law, but in a democracy when we are deprived of selling our product for the best price available, that industry is not going to survive very long. If we are going to provide a democracy where nobody gets a price lower than the next, that is going in the wrong direction.

What are we going to do about this? Are we going to overturn the system? The agriculture minister is asking western grain farmers to either defend the wheat board or totally sell under single desk. This no allowance for an option for people to decide what they want to do.

There is no allowance for competition between grain companies and the single desk marketing system. Competition is what keeps

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the system fair and honest. But that seems to be something the government is not interested in doing.

I picked this out of an article in the Ottawa *Citizen*: "Canadian families are more like the Cleaver family of the 1950s television than the patchwork of mixed families portrayed in the media during the 1990s. A landmark Statistics Canada survey of 23,000 children found that 83 per cent of the kids under 12 lived in a two parent family in 1994. Only 16.5 per cent lived with a single parent. Moreover, the vast majority of their families were biological families, not reconstructed by marriage or other means".

The biggest difference between the TV household of the Cleaver family where the mother stayed at home is that today in 36 per cent of the two parent families, both parents have full time jobs. That is a good thing if the mother wants to work or the father wants to work. But what is parenting?

Another article states: "A child's prospects were at least as good with positive parenting in a single or disadvantaged family as with negative parenting in a family with two parents or more money". That tells me that any advantage we can give to the traditional family can improve its lifestyle and standard of living will only be positive for the country. That is what Reform's fresh start family policy does.

Another thing surprised me in another article on behavioural problems. It stated that a single mother, low income family has 34 per cent more behavioural problems than a two parent family; a 13 per cent difference between the same lifestyle or income because of the parenting. A single mother not in a low income situation has 28 per cent more problems than a two parent family.

• (1630)

Parents are very important in creating good young citizens for the future.

One thing that really impressed me, and I have said it before in this House, was when an RCMP officer from northern Manitoba said: "Jake, it is so much easier to build a good kid than to fix a broken adult". I hope we can do that in this House.

The Acting Speaker (Mrs. Ringuette-Maltais): Before going to questions and comments, it is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Mackenzie—Canadian Airlines.

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Madam Speaker, I want to pick up on a sentence that the member delivered in his speech when he said: "Any help we"—being the Reform Party—"can give to the traditional family this party supports". I

believe that is an accurate phrase from the member's speech. I see the member nodding in agreement.

I would like to suggest humbly that the Reform Party can talk about its commitment to the traditional family. I believe the member is sincere when he talks about that. However, at the same time, I do not think the Reform Party realizes that its campaign that has gone on in this House for the last three years plus on cuts in every sector of government, the lean, mean machine type of approach to government, in fact not only directly but indirectly causes a tremendous assault on the traditional family.

It is important, when we have the opportunity to debate some of these issues, that we realize we have to look not just at the micro issues but at the macro effect. The Reform Party has not been sensitive to traditional family values. It would be interesting to see if the member would say that maybe this is a conversion as we are heading into an election year or something.

Maybe the member could clarify why the Reform Party now believes that its campaign on cuts over the last three years has been an assault on the traditional family and that it is prepared to reconsider that approach and start looking at a more generous approach in using government agencies and departments to look out for the needs of families?

Mr. Hoepfner: Madam Speaker, I thank the hon. member for that question. I am very sincere when I say we need to direct our help to low income families.

When I started farming in 1957 I think the national debt was something like \$16 or \$17 billion. I was able to buy a farm by borrowing the money. I did not have a cent at that time. I paid 6 per cent interest at the bank. The government at that time had brought in a program that gave me 4.5 per cent financing over 29 years. That is what helped me get started.

I was able to expand. On a half section I grew enough product to pay my bills and put a few dollars aside for a rainy day if something went badly wrong because we did not have crop insurance at that time. I was able to raise my family and still have a fairly comfortable livelihood.

Then, all of a sudden, we started to live beyond our means. We needed things we never dreamed we would need. We needed a pickup truck. We needed a car also. Then all of a sudden we realized we were losing implement dealerships and we had to go further and further. Why? Because taxes kept increasing. Taxes went up, up, up.

• (1635)

The amount of taxes that today have to be paid by a young family running a half section farm is unbelievable. They have to have an outside job or they cannot survive on a half section farm. They need at least a two section farm to make it viable.

Supply

If you cannot raise half a million dollars today you cannot start farming because of over taxation, because of all the government programs.

In 1957 I needed \$10,000 to buy a farm which my dad put up for me. That is all I needed. Today you cannot even buy a garden tractor for that. Why? Tell me why. We have the same land, we have the same natural resources but we have lived beyond our means.

Canada's debt is \$600 billion. It will never be paid in my lifetime or that of my children or my grandchildren. That is debt we borrowed on the backs of future generations. We must give the consumer some buying power.

In 1991 a family could buy an average sized car with 28 weeks of work. In 1996 statisticians tell us that it takes 36 weeks to buy the same type of car. How are consumers supposed to be able to buy the products that they need? Sixty per cent of the domestic economy is still driven by consumer spending.

When the prime interest rate is at 3.5 per cent and consumers cannot afford to spend, something is wrong in the country. The buying power is gone to a few elite people. That is why we are directing this tax credit to the lower income families because an \$850 tax credit to that family buys a lot of stuff for them as compared to the elite.

The other thing that has happened is that today a lot of high paid people are running corporations. These multimillionaires do not pay a cent of tax. They do not even need this tax credit. However, our \$600 billion debt has to have the interest paid on it. Who is paying it? The middle income earners, the low income earners.

With our new fresh start program we will take almost one million people out of that tax bracket, or at least lower it for 89 per cent to give them some buying power. When they have buying power then the economy is going to start booming again like it did in the fifties and the sixties.

We have to realize that we have had 40 years of Conservative and Liberal governments that had a lot of good ideas and we are bankrupt. If a farmer or a businessman had that debt load compared to his income as the government has today he would be foreclosed on.

I see the hon. member wants to ask another question, so I will give him some time.

Mr. Mills (Broadview—Greenwood): Madam Speaker, I agree with many parts of the member's comments. I agree with the statement that consumer spending is what drives a big part of this economy. I think the member mentioned that close to 60 per cent of the economy is made up of consumer spending.

That leads me to ask the member a question about monetary policy. I personally believe that one of the real challenges we have in the House is to review the whole monetary policy, in other

words, the management of the distribution of money in this country. As a member pointed out a couple of days ago, the Bank of Canada is totally independent of this Chamber. The relationship with banks is such that they can decide basically on their own what monetary policy is all about in this country.

• (1640)

I would like to ask the member, one of the leaders of the Reform Party, if he would agree that the issue of monetary policy needs serious debate in this Chamber.

Mr. Hoepfner: Madam Speaker, I thank the hon. member for his question. I happen to agree with him, but I do not have the answers. I am a farmer. I am not a financial wizard. However, I know that if I spend more than I make I will get into financial difficulty.

That is what this country has done. It has spent more money than it has received in revenue. It has had to borrow. Whether we blame that on the Bank Act or whether we blame it on the people who run the government and who should look after the Bank Act is the question. I believe it is the government who is to blame. It has allowed the banks to get a crippling hold on us. When you owe banks money they own you. When we do not owe them money they come to us to borrow it. That is the big problem. I hope I have clarified that somewhat.

Mr. Roy Cullen (Etobicoke North, Lib.): Madam Speaker, I am very pleased to be able to speak today on the Reform Party motion which calls for the child care tax deduction to be converted to a tax credit.

I was interested in the comments of my colleague, the member for Broadview—Greenwood, when he asked the Reform Party member who spoke earlier about this new generosity of spirit as it relates to social programs. It seems to be a new position which has been taken by the Reform Party. I thought I heard a hint of increase in corporate taxes as well.

I will be sharing my time today with the hon. member for Parry Sound—Muskoka.

As members have said today, when the Reform Party refers to a child care tax deduction, I believe it is really referring to the child care expense deduction. It is a matter of terminology and wording, but it is a point which should be clarified.

I am firmly committed to child care programs. I support a strong federal government role in the area of child care support. In fact, the government is on record as supporting a national child care program. The obstacle, certainly in the province of Ontario, is getting the provincial government to agree to cost share the program. Some would say that if the provincial governments will not cost share, why does the federal government not move unilaterally? I believe it would be wrong to do that. I do not see any rationale, in terms of fiscal policy or public policy, which would indicate that the federal government should unilaterally move on a

Supply

national day care program, even though I feel strongly that we need one.

Perhaps members of the Reform Party will talk to their colleagues at Queen's Park. They certainly seem to have their ear on many issues. Maybe they could convince them that they should move swiftly to co-operate with the federal government on a child care program.

Coming back to the specific motion which is before the House today, not unlike many Reform Party initiatives, it provides no relief to the individuals in our society who need the help most. Converting the child care expense deduction to a tax credit benefits only those who are paying income tax. Members of the Reform Party can talk about numbers here and numbers there and who benefits and who does not, but the fact remains that if it is changed to a tax credit, or even if it is an income tax deduction, it only affects people who are paying income tax.

I would like to speak about the individuals in my riding who are on unemployment insurance or welfare. They would not benefit from what is being proposed in this motion. These are the people who need it the most. Let me provide a specific example.

• (1645)

In my riding in Etobicoke North there are many members of the Somali community and many single parents, many mothers separated from their husbands with large families to support and maintain. In many cases they have no child care support so they cannot leave their dwelling to learn English. If they could learn English, they could better integrate into Canadian society. A child care tax credit with respect will do nothing for these individuals. There are many other individuals in our society who are in the same predicament.

Besides this major reservation of mine for this motion, the motion states that the Income Tax Act currently has a bias against parents caring for their children. Nothing could be further from the truth. Our government currently provides nearly \$1 billion in tax assistance to families who provide care in the home for dependants. This is in addition to the \$5 billion that the federal government provides in child tax benefit assistance.

Let me describe first the assistance the Income Tax Act provides to both parents and children and to persons with disabilities and families caring for elderly or disabled relatives. The child care expense deduction, which has been referred to today by my colleagues opposite, helps parents with modest incomes with child care expenses they incur while earning income or attending school full time or taking an eligible vocational training course.

In addition to the regular child tax benefit of \$1,020 for each child, the child tax benefit supplement helps parents who choose to remain in the home to raise preschool age children. Assistance is

provided to modest income families who have preschool age children but do not have deductible child care expenses. The supplement is \$213 for each child six years old or younger.

Some of the Reform Party members earlier spoke of their models and of consultants who have run the numbers. I can say that the models I am familiar with indicate that the motion before us today would really impact beneficially 25 per cent of those people in this predicament and need.

The working income supplement is another. It helps low income working class families meet some of the extra costs related to earning employment income with a non-taxable benefit of up to \$500. Changes introduced in the 1996 budget will double the supplement to \$1,000. The working income supplement is available to two income families as well as single earner families where one spouse stays at home as a caregiver.

[Translation]

The Income Tax Act also provides assistance to persons with disabilities and to families caring for elderly or disabled relatives.

The disability tax credit provides important benefits for persons suffering from long term mental or physical disabilities. It reduces applicants' federal tax by approximately \$720 and is equivalent to a tax rate of 17 per cent. The unused portion of the credit can be transferred to a parent contributing to the support of the disabled person.

[English]

Additionally we have the medical expense tax credit which provides tax relief to those with extraordinary medical expenses by providing a credit for medical expenses up to \$5,000 in respect of part time attendant care expenses. This is specifically intended to help families caring for elderly or disabled relatives at home by providing tax assistance for part time or temporary attendant care. Families who care for elderly or disabled relatives can claim the unused amounts of the credit.

[Translation]

Persons caring for disabled relatives may also claim a disabled dependent credit, which was significantly increased in the 1996 budget. The credit reduces the federal tax payable by a maximum of \$400, or the equivalent of a maximum deduction of \$2,352 for a person whose income is in the 17 per cent tax bracket.

• (1650)

[English]

The Reform Party motion states that the government should convert the child care tax credit, meaning I believe as I stated earlier, the child care expense deduction to a tax credit. However, there is no discussion of the cost to the government of such a tax

expenditure. I find this most surprising from the Reform Party because it is supposed to be a fiscally responsible party. Perhaps I should not be surprised given its recent flip-flop from its focus on the deficit to its focus on tax reductions.

In the next few weeks I will be supporting Bill C-214, a private member's bill proposed by the hon. member for Durham which calls for a full disclosure of costs for all legislation introduced into this House.

I have stated before in this House that the best social policies are jobs in a healthy economy. When the Minister of Finance brings in his budget next year I am quite confident he will not introduce measures such as this one to assist individuals in our society who do not need help or those who are already benefiting significantly from benefits already in the Income Tax Act. For this reason, I will not be supporting the motion.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I suspect that this hon. gentleman, as every other one of the Liberals who have stood up, have not taken the time to look at the Reform's actual document, the fresh start for Canadians. In taking a look at it they would realize that there is a very specific plan.

Let me talk specifically about the fact that we would be increasing the basic amount of the basic personal deduction from \$6,456 to \$7,900.

I have two questions and I will keep them very short. I wonder if this member and every other member of the Liberal caucus is aware of this fact. Since 1983—and we always say, Liberal, Tory, same old story, and the Tories started this—they decided that they were going to de-index the relationship of the basic personal exemption from anything to do with inflation unless it exceeded 3 per cent. This was really cute because obviously if inflation only went to 2.9 per cent, then the basic exemption would not increase. It was a very subtle and quiet way and one which most Canadians were not aware of that if there had been full indexing as originally had been envisioned with the basic exemption, that in fact the basic exemption today instead of being \$6,400 and change would be \$7,800 and change.

It is no coincidence then that the Reform Party is simply giving back to Canadians that which the Liberals and the Tories have taken away. When we increase the basic exemption from \$6,400 to \$7,900 we change the fact that the people at the low end of the scale who are earning for the sake of argument, \$500, \$600 or \$1,000 a month, would suddenly find themselves not paying any tax at all. That by the way is also part of the story where we are increasing the spousal amount from \$5,380 to \$7,900 as well.

I wonder if the member is also aware of the way that he and the Tories have been very quietly taking money from people. In fact we

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have been accused of doing a flip-flop on the \$4 billion to be able to support health care and the Reform Party position is that after we have achieved a balanced budget we would then proceed to put \$4 billion back into health care. It is he and his colleagues over a two year period who have removed \$7 billion from that package, yet they have the audacity to say that we are the people who are doing the cuts. It is the Liberals who have done the cuts and the Reform Party is going to put the cuts back where they should never have been taken from in the first place.

Is the member aware of the fact that this basic exemption creep has been happening as a result of the traditional old parties just taking more and more money out of Canadians' pockets? Is he also aware of the fact that it is he and his colleagues who have removed \$7 billion from health care funding in Canada?

Mr. Cullen: Madam Speaker, on the first question I would comment in a couple of ways, first on the indexing of the basic exemption. I have not seen the member's numbers. Frankly I am not sure if he is planning to give us the fresh start document as a stocking stuffer but I would be glad to read it over the holidays.

• (1655)

The member opposite was talking about the rate of inflation in Canada monetary policy. It is clear that inflation has been kept to a very low level. I would be surprised if those numbers even if indexing went forward would produce the kind of difference the member is talking about but I would be glad to look at his numbers.

As a government we would like to implement a lot of things and do more with tax but our job is to reduce the deficit. It is quite intriguing that the member talks about the Reform plan to first balance the budget and then put money into social programs. It was only six or eight months ago that the Reform Party was talking about reducing or completely eliminating the national debt. It was only in the last election that the Reform Party was talking of cuts of \$12 billion out of social programs. In addition to what the finance minister had in his fiscal plan, now the member is talking about putting money into social programs. This new approach I find refreshing but it is a little inconsistent.

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Madam Speaker, I appreciate the opportunity to rise in debate on this motion by the third party.

We can probably begin the debate by certainly agreeing that everybody in this House and indeed every Canadian in the land would support the concept that we need to help children in Canadian society. I do not think anybody would disagree with that. However the way that the Reform Party has made this suggestion does not totally provide all of the facts and ramifications to the Canadian people. It is important that we do just that.

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First of all, the actual concept of how this would work is not spelled out either in the resolution nor is it spelled out that I can see in the Reform's particular plan. Reform talked about it being turned into a tax credit. Is it an equivalent tax credit or is it a tax credit for the amount of the deduction? They are not clear about that and it makes a tremendous amount of difference on the economic impact of this item.

Is it going to be a refundable or non-refundable tax credit? Again not only is that an important concept in terms of the fiscal ramifications but the way Reform is planning to work this socially makes a big difference on whether it is refundable or non-refundable.

Regardless of which way the Reform come at it, and to be fair to the Canadian people they ought to be saying which way they want to approach this, this is going to be a tremendous cost to the Canadian taxpayer. Estimates I have received from various sources range from \$1 billion up to \$12 billion. I think that \$5 billion to put this plan in place is probably a pretty good bet. Is it worth \$5 billion? Perhaps, but what the Reform Party fails to tell us in the House and Canadians in general is where it is going to get that \$5 billion. What will Reform cut? What is Reform going to take it away from? How is it going to fund this?

The Reform Party talks about honesty and integrity in government, yet it makes a major proposal like this one and it does not clearly identify where that money is going to come from. Reform ought to do that. I will get to Reform's green book in just a minute.

The expanded plan is going to deal with 25 per cent of Canadian families. Those families have a need and a requirement as do all families in Canada. I have a lot of difficulty when we are putting in a program like this one. We could very well be introducing it for—and I have often heard this expression before—these millionaires who would be able to get tax breaks and so on. There are going to be those individuals who will benefit from it.

The Reform Party should agree and I think most Canadians would agree that in a time of limited financial resources we should use those resources for those Canadians who need it most. That is why we have a tax system with a child tax benefit built into it which that. It helps those Canadians who need it most. Quite frankly we should not be surprised that the Reform Party's proposal is not well costed or does not make a lot of economic sense. This is evident when we look at its overall economic policy and the suggestions in its new fresh start.

• (1700)

In summary, the fresh start proposal suggests cutting taxes, putting \$4 billion of new money into health care and balancing the budget. They will do all this at the same time, starting with the \$24 billion deficit we have today. That is the basis of what Reformers are trying to sell to the Canadian people. However Canadian people know and basic math tells them that it will not work.

Mr. Mills (Broadview—Greenwood): It is magic.

Mr. Mitchell: A good word for it.

The party opposite suggests that some things be done for Canadian families. Reform will reduce our support of health care so we will only fund core health care services. This means individuals will need supplementary private medical insurance to supplement that core.

Reformers would make changes to the EI program and have talked about eliminating parental leave. That is hardly a policy that supports family. They will eliminate the Canada pension plan. They want to replace it with RRSPs. Again individuals will have to buy into their own plans. It seems the people who will be helped by this will be the banks and insurance companies that sell RRSPs and private insurance. Perhaps they are the beneficiaries.

I agree with the party across the way that low income families will get tax cuts. That is absolutely right. However high income families will get even bigger tax cuts, and that is not the way we work in this country. When we have limited financial resources we make sure Canadians who need the help most receive the most help.

Several times in today's debate we have heard members opposite hark back to the good old days of the fifties and sixties. That speaks volumes. It shows the Reform Party looks to the past. It is not capable of handling the present and certainly has no vision for the future.

More than that, it shows the Reform Party does not understand the basic fabric of Canada. It does not understand that we are more than individuals, that we are more than just small islands unto ourselves, or that Canadians form a society. For 50 years we have recognized that we have a collective responsibility to each other, that one Canadian helps another Canadian who helps another Canadian, and that we have the vehicles in government to allow that to happen.

That is why Canadians support an old age security system paid for by general tax revenue. That is why they support a public pension plan so the wealthiest Canadians are not the only ones who can afford a pension. That is why Canadians support public health care, to ensure every Canadian has an opportunity for health care and not just the wealthy.

That is what the fabric of Canada is about. That is what Canadians support and that is why Canadians elected a Liberal government and will elect a Liberal government again.

• (1705)

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, I love those caring, sharing Liberals:

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“From each according to his ability to each according to his needs”. I think I heard that before somewhere.

Mr. Mitchell: Come on across.

Mr. Morrison: That was a quote from Karl Marx. It is a pity the hon. member was not here during the day when all this was being debated. He would have heard the answers to most of the questions he raised in his little diatribe.

Mr. Abbott: He has never read his red book.

Mr. Morrison: He should have read the background material, the fresh start booklet and the independent analysis stating that our numbers work, that the cuts we have suggested can be made without, as he says, tearing the heart out of our social programs.

Mr. Mitchell: I never said that.

Mr. Morrison: I am paraphrasing with a little hyperbole. Let us take one specific example the Liberals love, the false accusation that the Reform Party is out to destroy medicare.

Which government cut \$6 billion out of the transfers to the provinces in the last three and a half years?

An hon. member: That would not be the Liberals.

Mr. Morrison: I do not think it was Reform. We are not government yet.

An hon. member: And never will be.

Mr. Morrison: It must have been these caring, sharing Liberals who gutted medicare, hung the provinces out to dry, cut the total federal contribution down to 23 per cent and in effect told the provinces to go out and get it wherever they could find it because they were through with meeting their obligations.

Would the hon. member comment on that and perhaps tell us how they can at the same time be caring, sharing and gutting a national program which incidentally started under a Liberal government?

Mr. Mitchell: Madam Speaker, I particularly appreciate the last comment from the member when he pointed out that public health care was put in place by a Liberal government. He is darned right it was put in place by a Liberal government and maintained by the Liberal government all of these years because Canadians wanted it.

The member opposite pointed out something that is very important, something Canadians understand and, most important, something the Liberal government understands: that as a government we have two responsibilities and not just the one of fiscal responsibility the Reform talks about all the time.

Our record on the fiscal side has been one of achievement. The deficit has been reduced. When the budgetary plan of the Minister of Finance flows out it will have been reduced 80 per cent. We will

reach a point with the latest budget plan where we will no longer need to borrow. It will be the first time in 30 years we have been able to do that. There have been a 21 per cent reduction in departmental spending and a 14 per cent reduction in program spending.

Some hon. members: Oh, oh.

The Acting Speaker (Mrs. Ringuette-Maltais): I am sorry but I would at least like to hear what the member is saying.

Mr. Morrison: But we don't.

Mr. Mitchell: Madam Speaker, the government has done a good job on its fiscal responsibility. It has made the reductions that were necessary. It has reduced the deficit without having to raise personal income tax rates.

In stepping up to that fiscal responsibility, something the government had not done for 10 years prior to this party coming to power, we understood we had a social responsibility to Canadians, a responsibility to make sure that when individuals go to hospital they are not first asked how much money they have or, if we were to follow the Reform plan, which insurance company they are insured with. That is not what Canadians are asked when they go to a hospital today. They are asked how sick they are and how they can be helped.

• (1710)

That is the kind of nation we have been able to form because we understand that government has a dual responsibility. We understand the government has a fiscal responsibility to ensure that each and every taxpayer's dollar is spent in the most efficient manner. We have been doing that as a government. The results are there for everybody to see. The 94 per cent of Canadians who do not support the party opposite understand that. At the same time we understand our social responsibility to individual Canadians and the basic fabric of this nation that is Canada.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I wonder if the member could help us understand something. He is very proud of the fact that the Liberal government set up medicare. At that time the irrevocable promise never to be broken was that it would always be funded on a 50:50 basis: 50 per cent by the federal government and 50 per cent by the provincial governments.

Now he turns around and says: “We are the protectors of medicare”. They removed \$6 billion or \$7 billion over the last couple of years and are down to 20 per cent of the funding, not 50 per cent. This is one of the best kept secrets in Canada. The Liberals are getting away with it wholesale.

I know the member is a very honourable gentleman. He certainly would want the Canadian people to know and to understand that it was he and his colleagues who removed \$7 billion from health

Supply

care. Only 20 per cent of the funding for health care is covered by the federal government. He knows that.

Would he be prepared to admit in the smallest way that maybe some of the Liberal talk about being the protectors of health care is perhaps a little thin? In actual fact it is the federal Liberal government that is destroying health care funding, forcing provincial governments to make very hard and very difficult decisions, and letting provincial governments take the fall when it is the Liberals who are short-changing them.

Mr. Mitchell: Madam Speaker, the Liberal government has and will continue to ensure through the sound fiscal management we have applied in the last three years that social programs will be sustained for the future.

It is interesting to look at the questions framed on this issue. As I said in my speech, where is the vision or where is the view? It is to the past. It is back to the good old days, whenever those were. The vision is backward. It is back there, and back there happens to be right across the way.

They do not have a plan for today. They do not have the fiscal management tools and plans we have put in place. Even worse, they do not have a vision for the future because they do not understand the fabric of Canadian society. They do not understand that Canadians recognize they are more than individuals, that we are a society of individuals, that we have a collective responsibility to each other, and that it is through government we exercise that collective responsibility, understanding both the need to be fiscally prudent and the need to exercise social responsibility.

That is what Canada is all about. That is what Canadians are all about. That is the type of government the Liberal government is bringing to the country.

Mr. Abbott: Madam Speaker, how does the member feel about the fact that his party is building up a \$10 billion surplus in employment insurance funds at the cost of jobs to Canadians? His party is not lowering what has now become a job tax. Does he support his party's trying to lower the deficit of Canada on the backs of companies and workers by enlarging the surplus to \$10 billion?

Mr. Mitchell: Madam Speaker, yes, I am proud of the fact that our government has cut the UI premiums three years in a row. They have been cut three years in a row.

I was pleased to see that we put in place a program to help companies and encourage them to hire employees. Most important, I am absolutely glad that we understand as a government the importance of having a UI surplus so that if the economy goes into a recession, unlike last time when we had to raise premiums at exactly the wrong time, we will have a surplus there so increases will not be necessary and jobs will be protected.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): It being 5.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Ringuette-Maltais): 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 Acting Speaker (Mrs. Ringuette-Maltais): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Ringuette-Maltais): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Ringuette-Maltais): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Ringuette-Maltais): Call in the members.

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

(*Division No. 172*)

YEAS

Members

Abbott	Althouse
Breitkreuz (Yellowhead)	Bridgman
Frazer	Gilmour
Gouk	Harper (Calgary West/Ouest)
Hart	Hayes
Hoepfner	Johnston
Mayfield	McLaughlin
Meredith	Morrison
Penson	Ramsay
Schmidt	Scott (Skeena)
Stinson	Taylor
Williams—23	

NAYS

Members

Alcock	Allmand
Arseneault	Augustine
Baker	Beaumier
Bélair	Bélanger
Bélisle	Bellemare
Bergeron	Bernier (Gaspé)
Bertrand	Bethel
Bevilacqua	Bodnar
Bonin	Brown (Oakville—Milton)
Brushett	Bryden
Byrne	Caccia
Calder	Campbell
Cannis	Canuel
Catterall	Cauchon

Supply

Cohen	Collins
Comuzzi	Copps
Cowling	Crawford
Culbert	Cullen
Dalphond-Guiral	Daviault
Debien	Deshaies
DeVillers	Dingwall
Dion	Discepola
Dromisky	Duceppe
Dumas	Easter
English	Finestone
Finlay	Flis
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gerrard
Godfrey	Godin
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Guimond	Harb
Harper (Churchill)	Harvard
Hickey	Hopkins
Hubbard	Irwin
Jackson	Jacob
Keyes	Kilger (Stormont—Dundas)
Kirkby	Knutson
Kraft Sloan	Lalonde
Landry	Langlois
Lastewka	Laurin
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	Leroux (Richmond—Wolfe)
Lincoln	Loney
Loubier	MacAulay
Malhi	Maloney
Manley	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Ménard
Mercier	Mills (Broadview—Greenwood)
Mitchell	Murray
Nault	Nunez
Nunziata	O'Brien (Labrador)
O'Reilly	Pagtakhan
Paradis	Peric
Peters	Pettigrew
Phinney	Picard (Drummond)
Pickard (Essex—Kent)	Pillitteri
Reed	Richardson
Rideout	Robichaud
Robillard	St-Laurent
St. Denis	Torsney
Tremblay (Lac-Saint-Jean)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Verran
Volpe	Whelan
Young	Zed—138

PAIRED MEMBERS

Anderson	Asselin
Bellehumeur	Boudria
Caron	Chan
Chrétien (Frontenac)	Clancy
Crête	Dubé
Dupuy	Eggleton
Fillion	Gauthier
Guay	Hubbard
Iftody	Lavigne (Beauharnois—Salaberry)
Lebel	Lefebvre
Leroux (Shefford)	MacDonald
Martin (LaSalle—Émard)	Minna
Murphy	Paré
Patry	Pomerleau
Regan	Rocheleau
Rock	Sauvageau
Speller	Stewart (Brant)
Szabo	Venne

● (1740)

The Acting Speaker (Mrs. Ringuette-Maltais): I declare the amendment lost.

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

[*English*]

Mr. Kilger: Madam Speaker, if the House would agree I propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberal members voting nay.

[*Translation*]

Mrs. Dalphond-Guiral: Madam Speaker, members of the official opposition will be voting nay.

[*English*]

Mr. Frazer: Madam Speaker, Reform members present will be voting in favour of this motion with the exception of those who wish to vote otherwise.

Mr. Taylor: Madam Speaker, New Democrats in the House tonight are voting in favour of this motion.

Mr. Nunziata: Madam Speaker, I vote with the government on this matter.

[*Editor's Note: See list under Division No. 172.*]

● (1745)

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): I declare the motion lost.

(Motion negatived.)

* * *

SUPPLEMENTARY ESTIMATES (A)

CONCURRENCE IN VOTE 37A—CANADIAN HERITAGE

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved:

That Vote 37a, in the amount of \$19,600,000 under CANADIAN HERITAGE—Canada Information Office, in the Supplementary Estimates (A) for the fiscal year ending March 31, 1997, be concurred in.

The Acting Speaker (Mrs. Ringuette-Maltais): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.**Some hon. members:** No.

Mr. Kilger: Madam Speaker, I think you will find there is unanimous consent of the House to have members who voted on the preceding motion recorded as having voted on the motion now before the House, with Liberal members having voted in favour.

Supply

Mrs. Dalphond-Guiral: Madam Speaker, members of the official opposition will be voting nay.

[*English*]

Mr. Frazer: Madam Speaker, Reform members present will oppose this motion except for those who wish to vote otherwise.

Mr. Taylor: Madam Speaker, New Democrats in the House vote nay to this motion.

Mr. Nunziata: Madam Speaker, do I understand this vote to be a confidence vote? Then I will vote according to the government's position.

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

(*Division No. 173*)

YEAS

Members

Alcock	Allmand
Arseneault	Augustine
Baker	Beaumier
Bélair	Bélangier
Bellemare	Bertrand
Bethel	Bevilacqua
Bodnar	Bonin
Brown (Oakville—Milton)	Brushett
Bryden	Byrne
Caccia	Calder
Campbell	Cannis
Catterall	Cauchon
Cohen	Collins
Comuzzi	Copps
Cowling	Crawford
Culbert	Cullen
DeVillers	Dingwall
Dion	Discepola
Dromisky	Easter
English	Finestone
Finlay	Flis
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gerrard
Godfrey	Graham
Gray (Windsor West/Ouest)	Grose
Guarnieri	Harb
Harper (Churchill)	Harvard
Hickey	Hopkins
Hubbard	Irwin
Jackson	Keyes
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lastewka	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Lincoln
Loney	MacAulay
Malhi	Maloney
Manley	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Mills (Broadview—Greenwood)
Mitchell	Murray
Nault	Nunziata
O'Brien (Labrador)	O'Reilly
Pagtakhan	Paradis
Peric	Peters
Pettigrew	Phinney
Pickard (Essex—Kent)	Pillitteri
Reed	Richardson
Rideout	Robichaud
Robillard	St. Denis
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Whelan	Young
Zed—111	

NAYS

Members

Abbott	Althouse
Bélisle	Bergeron
Bernier (Gaspé)	Breitkreuz (Yellowhead)
Bridgman	Canuel
Dalphond-Guiral	Daviault
Debien	Deshaies
Duceppe	Dumas
Frazer	Gilmour
Godin	Gouk
Guimond	Harper (Calgary West/Ouest)
Hart	Hayes
Hoepfner	Jacob
Johnston	Lalonde
Landry	Langlois
Laurin	Leblanc (Longueuil)
Leroux (Richmond—Wolfe)	Loubier
Mayfield	McLaughlin
Ménard	Mercier
Meredith	Morrison
Nunez	Penson
Picard (Drummond)	Ramsay
Schmidt	Scott (Skeena)
St-Laurent	Stinson
Taylor	Tremblay (Lac-Saint-Jean)
Tremblay (Rosemont)	Williams—50

PAIRED MEMBERS

Anderson	Asselin
Bellehumeur	Boudria
Caron	Chan
Chrétien (Frontenac)	Clancy
Crête	Dubé
Dupuy	Eggleton
Fillion	Gauthier
Guay	Hubbard
Iftody	Lavigne (Beauharnois—Salaberry)
Lebel	Lefebvre
Leroux (Shefford)	MacDonald
Martin (LaSalle—Énard)	Minna
Murphy	Paré
Patry	Pomerleau
Regan	Rocheleau
Rock	Sauvageau
Speller	Stewart (Brant)
Szabo	Venne

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): I declare the motion carried.

(Motion agreed to.)

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved:

That Supplementary Estimates (A) for the fiscal year ending March 31, 1997, be concurred in.

[*English*]

Mr. Kilger: Madam Speaker, if the House would agree I propose that you seek unanimous consent that members who voted on the

Supply

previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yes.

[*Translation*]

Mrs. Dalphond-Guiral: Madam Speaker, the members of the official opposition will be voting no.

[*English*]

Mr. Frazer: Madam Speaker, Reform members present will oppose this motion with the exception of those who wish to vote otherwise.

Mr. Taylor: Madam Speaker, New Democrats in the House tonight will be voting no.

Mr. Nunziata: Madam Speaker, on a point of order, when I voted against the budget in April that was interpreted by some as a lack of confidence in the government—

The Acting Speaker (Mrs. Ringuette-Maltais): Hon. member, that is not a point of order. We would like to record your vote.

Mr. Nunziata: Madam Speaker, I just want the record to show very clearly that on this matter of confidence in the government I am voting in favour of the government.

[*Editor's Note: See list under Division No. 173.*]

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): I declare the motion carried.

(Motion agreed to.)

• (1750)

Mr. Massé moved that Bill C-68, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1997, be now read for the first time and printed.

(Motion deemed adopted and bill read the first time.)

Mr. Massé moved that Bill C-68, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1997, be read the second time and referred to committee of the whole.

The Acting Speaker (Mrs. Ringuette-Maltais): Is it the pleasure of the House to adopt the motion?

Mr. Kilger: Madam Speaker, I believe that you will find unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

Mrs. Dalphond-Guiral: Madam Speaker, surprise, surprise, the members of the official opposition will be voting nay.

[*English*]

Mr. Frazer: Madam Speaker, Reform members present will be voting no with the exception of those who wish to vote otherwise.

Mr. Taylor: Madam Speaker, New Democrats will also be voting no on this motion.

Mr. Nunziata: Madam Speaker, I vote yes on this matter.

[*Editor's Note: See list under division No. 173.*]

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): I declare the motion adopted on division. Accordingly, the bill stands referred to committee of the whole.

(Motion agreed to, bill read the second time and the House went into committee of the whole thereon, Mrs. Ringuette-Maltais in the chair.)

The Assistant Deputy Chairman: Order. House in committee of the whole on Bill C-68.

On clause 2

Mr. Gilles Ducape (Laurier—Sainte-Marie, BQ): Madam Chairman, I would like the President of the Treasury Board to tell me if the presentation of this bill is exactly the same as in previous years?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Madam Chairman, the presentation of this bill is identical to those approved in previous years.

(Clause 2 agreed to.)

(Clauses 3 and 4 agreed to.)

[*English*]

Mr. Williams: Madam Chair, I wish you would take a little more time to go through the clauses so you can record the comments by the members rather than just rushing through and assuming that the clauses carry. We have been saying it is on division and it should be recorded as being on division.

The Assistant Deputy Chairman: Does the hon. member for St. Albert have a question on clause 5?

Mr. Williams: On division, Madam Chair. The point I was raising was not that I have debate on clause 5 but that the vote of the House be recorded as being on division rather than rushing through clause by clause without waiting for the response of the House.

The Assistant Deputy Chairman: Agreed to on division.

(Clause 5 agreed to.)

• (1755)

[*Translation*]

The Assistant Deputy Chairman: Shall clause 5 carry?

Supply

Some hon. members: On division.

(Clause 5 agreed to.)

The Assistant Deputy Chairman: Shall clause 6 carry?

Some hon. members: On division.

(Clause 6 agreed to.)

The Assistant Deputy Chairman: Shall schedule 1 carry?

Some hon. members: On division.

(Schedule 1 agreed to.)

The Assistant Deputy Chairman: Shall clause 1 carry?

Some hon. members: On division.

(Clause 1 agreed to.)

The Assistant Deputy Chairman: Shall the preamble carry?

Some hon. members: On division.

(Preamble agreed to.)

The Assistant Deputy Chairman: Shall the title carry?

Some hon. members: On division.

(Title agreed to.)

(Bill reported.)

Mr. Massé moved that Bill C-68 be concurred in.

[*English*]

Mr. Kilger: Madam Speaker, if the House would agree, I propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yes.

[*Translation*]

Mrs. Dalphond-Guiral: Madam Speaker, the members of the official opposition will be voting nay.

[*English*]

Mr. Frazer: Madam Speaker, I would like to advise you that the member for Yorkton—Melville has entered the House and will be voting on this bill. Reform members present will be opposing the motion except for those who wish to vote otherwise.

Mr. Taylor: Madam Speaker, New Democrats in the House will be voting no.

Mr. Nunziata: Madam Speaker, I will be voting yes on this matter.

[*Translation*]

Mr. Bachand: Madam Speaker, I was absent for the first six votes and I wish to be recorded as having voted with my party. As I am here for this one, I will vote with my party as well.

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

(*Division No. 174*)

YEAS

Members

Alcock	Allmand
Arseneault	Augustine
Baker	Beaumier
Belair	Bélanger
Bellemare	Bertrand
Bethel	Bevilacqua
Bodnar	Bonin
Brown (Oakville—Milton)	Brushett
Bryden	Byrne
Caccia	Calder
Campbell	Cannis
Catterall	Cauchon
Cohen	Collins
Comuzzi	Copps
Cowling	Crawford
Culbert	Cullen
DeVillers	Dingwall
Dion	Discepola
Dromisky	Easter
English	Finestone
Finlay	Flis
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gerrard
Godfrey	Graham
Gray (Windsor West/Ouest)	Grose
Guamieri	Harb
Harper (Churchill)	Harvard
Hickey	Hopkins
Hubbard	Irwin
Jackson	Keys
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lastewka	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Lincoln
Loney	MacAulay
Malhi	Maloney
Manley	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Mills (Broadview—Greenwood)
Mitchell	Murray
Nault	Nunziata
O'Brien (Labrador)	O'Reilly
Pagtakhan	Paradis
Peric	Peters
Pettigrew	Phinney
Pickard (Essex—Kent)	Pillitteri
Reed	Richardson
Rideout	Robichaud
Robillard	St. Denis
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Whelan	Young
Zed—111	

NAYS

Members

Abbott	Althouse
Bachand	Bélisle
Bergeron	Bernier (Gaspé)
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Canuel

Private Members' Business

Dalphond-Guiral
Debien
Duceppe
Frazer
Godin
Guimond
Hart
Hoepfner
Johnston
Landry
Laurin
Leroux (Richmond—Wolfe)
Mayfield
Ménard
Meredith
Nunez
Picard (Drummond)
Schmidt
St-Laurent
Taylor
Tremblay (Rosemont)

Daviault
Deshaies
Dumas
Gilmour
Gouk
Harper (Calgary West/Ouest)
Hayes
Jacob
Lalonde
Langlois
Leblanc (Longueuil)
Loubier
McLaughlin
Mercier
Morrison
Penson
Ramsay
Scott (Skeena)
Stinson
Tremblay (Lac-Saint-Jean)
Williams—52

PAIRED MEMBERS

Anderson
Bellehumeur
Caron
Chrétien (Frontenac)
Crête
Dupuy
Fillion
Guay
Iftody
Lebel
Leroux (Shefford)
Martin (LaSalle—Émard)
Murphy
Patry
Regan
Rock
Speller
Szabo

Asselin
Boudria
Chan
Clancy
Dubé
Eggleton
Gauthier
Hubbard
Lavigne (Beauharnois—Salaberry)
Lefebvre
MacDonald
Minna
Paré
Pomerleau
Rocheleau
Sauvageau
Stewart (Brant)
Venne

The Acting Speaker (Mrs. Ringuette-Maltais): I declare the motion carried.

(Motion agreed to.)

The Acting Speaker (Mrs. Ringuette-Maltais): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Massé moved that Bill C-68 be read the third time and passed.

The Acting Speaker (Mrs. Ringuette-Maltais): Is it the pleasure of the House to adopt the motion?

Mr. Kilger: Madam Speaker, you will find that the House would give its consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members being recorded as voting yea.

Mrs. Dalphond-Guiral: The members of the official opposition will vote nay.

[English]

Mr. Frazer: Madam Speaker, Reform members present will be voting no with the exception of those who wish to vote otherwise.

Mr. Taylor: Madam Speaker, New Democrats vote no.

Mr. Nunziata: Madam Speaker, I will be voting yes on this matter.

[Editor's Note: See list under division No. 174.]

[Translation]

The Acting Speaker (Mrs. Ringuette-Maltais): I declare the motion carried.

(Motion agreed to, bill read the third time and passed.)

The Acting Speaker (Mrs. Ringuette-Maltais): It being six o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

CITIZENSHIP ACT

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.) moved that Bill C-223, an act to amend the Citizenship Act (oath of allegiance), be read the second time and referred to committee.

He said: Madam Speaker, Bill C-223 proposes to amend the Citizenship Act and, in particular, to amend the oath of allegiance which individuals must take when they become new citizens. For the most part these are immigrants who have been resident in Canada for at least three years and have met the requirements for Canadian citizenship. In order to finally become a citizen they must take the oath of allegiance.

At present the oath of allegiance reads:

I swear (or affirm) that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second, Queen of Canada, Her Heirs and Successors, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

It is my experience that this oath comes as a surprise to many new citizens. Many cannot understand why, if they are becoming Canadian citizens, the principal thrust of this oath is to pledge allegiance to Queen Elizabeth II who, in their opinion, is a citizen of the United Kingdom and not truly representative of Canada.

The purpose of this oath and any oath of allegiance is to pledge allegiance to assure loyalty and to assure good citizenship. Consequently, one would expect that the principal thrust would be allegiance to Canada, to assure loyalty to Canada and good Canadian citizenship and not loyalty to Queen Elizabeth II.

Private Members' Business

• (1805)

The present oath is ambiguous. It speaks of allegiance to Queen Elizabeth II, and later asks persons "to fulfil one's duties as a Canadian citizen". This is confusing and ambiguous. At a time when national unity is under attack there should be no ambiguity and no confusion with respect to our oath of allegiance. It should be absolutely clear that our loyalty is to Canada and not, unfortunately, to the tainted monarchy in the United Kingdom.

As a result my proposed oath, which is in the bill, would read:

I swear (or affirm) that I will be faithful and bear true allegiance to Canada and the Constitution of Canada, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

That oath is not ambiguous. There would be no confusion in the minds of new citizens. In taking such an oath they would know that they were making a serious commitment to Canada.

The present oath refers to Queen Elizabeth II as the Queen of Canada. It is true that the present Citizenship Act and some other laws use the expression "the Queen of Canada" but it is a legal fiction. It is not a reality. Queen Elizabeth II is as English as you can get. She is not a Canadian. She is not representative of Canada.

In recent history there have been several occasions when Canada disagreed with the United Kingdom and voted against the United Kingdom at the United Nations. The most flagrant case was in the Suez crisis, when according to the legal fiction the Queen of Canada voted against the Queen of England even though she is the same person.

If we want citizens to be truly loyal to Canada should we use such an absurd fiction? This proposal to change the oath of allegiance is consistent with other steps which we in Canada have taken since the end of the second world war to assert our national identity and our maturity.

I have in mind first of all the Citizenship Act of 1947. Prior to 1947 we did not have a Citizenship Act. We were merely British subjects. The first Canadian Governor General was appointed in the late 1940s. Prior to that we had English Governors General. Since that time all our Governors General have been Canadian.

In the late 1940s the Privy Council was abolished as the final court of appeal for Canada and the Supreme Court of Canada was established as our final court of appeal. In 1964 the present Canadian flag was adopted as our unique and only Canadian flag. In the 1980s O Canada was adopted as our national anthem and we no longer have God Save the Queen as our anthem. Finally in 1981 the Constitution was repatriated to make our Constitution a fully Canadian document.

Recent studies and polls have supported such a change. Last summer consultants for the Minister of Citizenship and Immigration held 12 sessions with Canadian citizens in various cities of Canada: Vancouver, Lethbridge, Toronto, Montreal, Trois-Rivières and Halifax. Strong opposition was voiced in these sessions by citizens to swearing allegiance to the Queen. Most preferred an oath which pledged loyalty to Canada.

A similar study was done when David Crombie was secretary of state in a Conservative government in 1987, but unfortunately no change was made at that time.

This is not a bill to abolish the monarchy. It is simply to change the emphasis in our oath of allegiance. The abolition of the monarchy would require a constitutional amendment and I am not proposing a constitutional amendment. My proposal is to pledge allegiance to the Constitution of Canada. It still includes the monarchy so it is a question of emphasis.

• (1810)

This bill would not abolish the monarchy but is consistent with other measures taken. It would downplay the role of the monarchy in Canada as it was when we adopted O Canada as our national anthem rather than God Save the Queen, when we adopted the Canadian flag, the Canadian Governor General and so on. I am proposing that we continue in the same tradition.

This change would not in any way change our role in the Commonwealth. Several Commonwealth countries like India and others are republics yet they still remain strong members of the Commonwealth and accept the Queen as the head of the Commonwealth, but that is a different matter.

I am proposing an oath which will emphasize Canada rather than Queen Elizabeth II. I am not wed to the exact words of the new oath in my bill. If someone in this House or elsewhere can come up with better words or expressions that have the same goal, to place the emphasis on Canada, then I would certainly be pleased to accept such a change.

My goal in doing this is Canadian unity and loyalty to a united Canada. The people of the United Kingdom are our friends and allies but they are a separate, independent country and no longer the masters of Canada. Let us have a made in Canada oath for Canadians, for Canada.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I welcome this opportunity to speak to Bill C-223 on the oath of allegiance, tabled on March 6 by the hon. member for Notre-Dame-de-Grâce.

The hon. member proposes to replace the present oath of allegiance to Her Majesty Queen Elizabeth II, her heirs and

successors, with an oath of allegiance to Canada and the Constitution of Canada. The new text would read as follows:

I swear (or affirm) that I will be faithful and bear true allegiance to Canada and the Constitution of Canada, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

This is the fourth time the hon. member for Notre-Dame-de-Grâce has tabled this kind of bill. The other bills were introduced in 1972, 1988, 1989 and 1991.

Some of the arguments made by the hon. member in support of this bill are as follows: the Queen is the head of state of several Commonwealth countries; it is hard to decide to whom our loyalty should go, when Canada has a disagreement with other Commonwealth countries such as the United Kingdom, Australia or New Zealand.

We note that citizens of British origin, which include the hon. member, represent only 23 per cent of the Canadian population. The remaining percentage consists of francophones, native people and people from many other countries.

As we know, all new citizens must swear allegiance to Her Majesty Queen Elizabeth II, her heirs and successors. Immigrants come from all over the globe: from China, India, Italy, Portugal, Poland, Chile, El Salvador, Algeria, Morocco, and so forth. In fact, more than one third of the Canadian population comes from countries other than Great Britain or France.

Immigrants come here and after three years' residence, they can apply for Canadian citizenship. Please note they did not apply for British or any other citizenship. Some of them are confused and do not understand to whom they are swearing allegiance. In fact, according to the present wording of the oath, they swear allegiance to Her Majesty Queen Elizabeth II. To some people, swearing this oath of allegiance does not mean much, while others do so reluctantly. I myself swore allegiance to the Queen in 1978, when I became a Canadian citizen, and in 1993 before taking up my duties as a member of Parliament. I felt it was somewhat anachronistic to have to swear allegiance to a foreign queen.

According to the hon. member, Bill C-223 is entirely in line with the Canadianization of institutions, symbols and traditions that has been going on since the end of the Second World War. It is interesting to note that formerly, governors general were always British subjects. The Privy Council in London was the court of last resort. It has since been replaced by the Supreme Court of Canada.

• (1815)

Canadian citizenship has been in existence only since 1940. Before that time, Canadians were British subjects. The flag was adopted in 1964, followed by a Canadian national anthem.

Private Members' Business

According to public opinion polls, a significant percentage of Canadians believe it is time Canada broke its ties with the monarchy. This percentage is even higher in Quebec.

In 1994, acting on a specific request from the ministers, the Standing Committee on Citizenship and Immigration, of which I am vice-chairman, started an analysis of the Citizenship Act, one of the main points of which is the oath of allegiance.

A number of witnesses analyzed the role of the monarchy, since the oath refers to Her Majesty Queen Elizabeth II. Some people wanted the oath to remain as is, since it reflects the constitutional nature of Canada, whose head of state is the Queen. Many witnesses, however, came out in favour of eliminating all references to the monarchy. They wanted the oath to give pride of place to Canada as a country. This would better reflect the diversity that is so typical of our society.

The committee decided to recommend a new version of the oath which would continue to refer to the monarchy while adding Canada. In a minority report, the Bloc Québécois came out against this version.

Although I agree with eliminating any references to the Queen and to the monarchy in general, I cannot support the text proposed by the hon. member for Notre-Dame-de-Grâce. This version favours swearing allegiance to the Constitution of Canada, which Quebec never ratified. We should recall that Quebec had certain demands and that despite its refusal to ratify the process, Canada decided in 1981 to patriate the Constitution. The federal government ignored the historic rights of the only French-speaking society in Canada.

In 1994, Australia, another Commonwealth country, removed all references to the queen in its oath of allegiance, which it calls "Pledge of Commitment".

The former Minister of Citizenship and Immigration had promised to table in the fall of 1994 a bill to amend the Citizenship Act, a promise the government has so far failed to keep. In 1995, the Department of Immigration had a meeting in Vancouver with ten authors and five public servants to revise and draft a new oath, which reads as follows:

[*English*]

"I am a citizen of Canada and I make this commitment to uphold all our laws and freedoms, to respect our people in their diversity, to work for our common well-being and to safeguard and honour this ancient northern land".

[*Translation*]

The wording is not the inspiration of the century, despite the \$30,000 cost to taxpayers.

Shortly after her appointment in January, the new minister declared that the country needed a new oath of allegiance.

Private Members' Business

I have noted that the debate on the oath of citizenship and the monarchy is often very heated in English Canada, while it is not important in Quebec. This is another difference between Quebec and Canada. The Quebec National Assembly has just passed a motion calling essentially for the abolishment of the position of lieutenant-governor, as it is primarily symbolic and a hold over from a colonial past.

For these reasons and especially because Quebec was left out of the Constitution, I must vote against Bill C-223.

[English]

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Madam Speaker, it is my pleasure to speak to Bill C-223 proposed by the hon. member for Notre-Dame-de-Grâce. This bill aims to amend the Citizenship Act with respect to the oath of allegiance.

Currently, new citizens of Canada are obliged to recite an oath that is for all intents and purposes claimed by many to be lacking in contemporary elements. They say that the current oath does not truly represent present day views of the rights and responsibilities of Canadian citizenship. As new eras come on we can expect that certain beliefs, behaviours and traditions will be changed in some way. This is simply the nature of history as we know it.

• (1820)

Before us today is an opportunity to make a change in the way in which new citizens first experience our country. The new oath would ask new citizens to pledge allegiance to Canada and the Constitution of Canada, faithfully observe the laws of Canada and fulfil their duties as Canadian citizens.

For those who choose to become Canadians, taking the oath before a citizenship judge is the final step in becoming a Canadian citizen. With citizenship comes numerous responsibilities for helping to build a stronger, more vital Canada. These responsibilities could be better highlighted by emphasizing a pledge of allegiance specifically to Canada and the Canadian Constitution and the laws of the land.

The time is right for such an amendment. Changing the oath to make it more contemporary does not imply that other existing ties and traditions as described in our Constitution would be eliminated. Nothing could be further from the truth. The fact of the matter is that our Constitution explicitly outlines the nature of Canada's relationship with certain symbols and traditions. These symbols, traditions and institutions cannot in any way, shape or form be altered through an amendment to the present oath of citizenship.

It is much more important in these times of strained national unity to promote Canada to our new citizens. What better mechanism could we utilize than the citizenship ceremony and the oath of citizenship?

We should really take this opportunity to let new Canadians know that Canadians are not afraid to stand strong and proud for their country. We should let them know that we are not afraid to pledge allegiance directly to Canada.

Let us examine more carefully the significance of an oath of allegiance to one's country. To first generation Canadians as well as to families that have been here for many generations an oath may be simply a verbal expression of one's love of one's country. Others say it is simply a necessary condition of citizenship.

It is more than a verbal expression. I see it as a declaration of faith, a declaration of trust in all that my country has done, all that my country is doing and all that my country will do to improve and enhance my life, the lives of my family members and the lives of all Canadians.

To the new Canadian it is a declaration of acceptance, accepting the laws, the rules and regulations of a highly organized and developed society. It is a declaration of belief and trust in Canada's people, its governments, its institutions, its laws and all that the new Canadian perceives about Canada at that very special moment when the oath of allegiance is stated.

This is done on a voluntary basis. Out of the dozens of choices available, the new Canadian has chosen Canada. The new Canadian has faith.

From a very personal viewpoint, as I declare my allegiance to Canada and all that it represents, I feel that I am making a serious obligation to commit myself to doing whatever I am capable of doing to reciprocate for what my country has done for me directly or indirectly. It is a personal relationship with my country, a sacred relationship that stirs the emotions. I too have faith.

Speaking of emotions, the citizens of this country recently experienced services of remembrance for all those who sacrificed so much during times of international strife. We emotionally paid special tribute to those who have made the ultimate sacrifice.

• (1825)

Do we believe for a moment that Canadians who came from Saskatchewan lost their lives only to protect the citizens of Saskatchewan? Of course not. Do we believe that the Canadians from Ontario lost their lives only in the defence of the freedoms the citizens of Ontario enjoy? Of course not. Do we believe that the young Canadians from Quebec died so that only future generations in Quebec could enjoy the highest standard and quality of life in the world? Certainly not.

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All those who served and paid the ultimate sacrifice did so with one objective in mind: to defend and preserve the democratic way of life in Canada. They too had faith. They had faith that future generations would carry the torch of freedom for all Canadians and this would be revealed through a declaration of allegiance to Canada.

In my riding of Thunder Bay I receive on a daily basis all forms of expressions of love for this great and wonderful country of ours. Not only do the people express it, they also demonstrate it through their behaviour and their relationships with each other.

My riding is composed of many ethnic communities and they most vehemently support the Canadian way of life. They are more than accommodating, more than tolerant of each other. They learn from each other by sharing and demonstrating their cultural differences. They certainly are dismayed by any anti-Canada act performed by individuals, by special single issue groups and by national or provincial political leaders with overinflated egos who lust for power and control at the expense of all other Canadians.

Many of the citizens of Thunder Bay and Atikokan are first generation Canadians who came to Canada because they, like the rest of the world, saw Canada as a symbol of hope. Canada has reached a stage in its evolution that no other country can match. It is a sophisticated civilized society in which societal differences can survive in harmony.

The path we follow as we attempt to further enhance our Canadian way of life has many obstacles, but these can be overcome in a civilized and rational manner. We must have a beacon to guide us. I firmly believe, as do the vast majority of Canadians, that the beacon is an oath of allegiance to Canada and all that it implies.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Madam Speaker, it is my pleasure to speak to Bill C-223 put forward by the hon. member for Notre-Dame-de-Grâce. His bill calls for amending the oath of Canadian citizenship.

The current oath reads as follows: "I swear that I will be faithful and bear true allegiance to her Majesty, Queen Elizabeth II, Queen of Canada, her heirs and successors, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen". Bill C-223 would replace that oath with the following: "I swear that I will be faithful and bear true allegiance to Canada and the Constitution of Canada and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen".

The bill replaces the oath of allegiance to the monarchy with an oath of allegiance to Canada and the Canadian Constitution. Although this bill only changes a handful of words, it is actually a

very significant change in the very essence of what it means to be a Canadian.

I will review what it means to be a Canadian citizen. As every Canadian schoolchild knows, Canada became a country on July 1, 1867. Many Canadians may be surprised to learn that while Canada has existed for over 129 years, Canadians have existed for less than 50 years. That is right. There was no such thing in law as a Canadian citizen until January 1, 1947. We were considered to be British subjects residing in Canada. When travelling abroad we had to use British passports. The first Canadian citizenship act did not exist until 1946 when it was presented in the House. It received royal assent in July 1946 and came into effect January 1, 1947. Given this history it is not surprising that many Canadians are at a loss to explain what it means to be a Canadian citizen.

• (1830)

I recall speaking to an immigrant from Pakistan who was proud to recently become a Canadian citizen. However, he commented that when he took the oath of allegiance it was an oath very similar to the one in the country he had left and had very little to do with his commitment to his new country.

I believe that most Canadians would accept the idea of amending the oath of Canadian citizenship to include an oath of allegiance to Canada. The controversy is should that oath be allegiance to Canada in addition to the oath of allegiance to Her Majesty or should the oath of allegiance to Canada replace the oath of allegiance to Her Majesty?

The hon. member for Notre-Dame-de-Grâce has chosen the second option. He has replaced reference to Her Majesty with an oath of allegiance to Canada and the Canadian Constitution. However, he does state that it is understood that Her Majesty is an integral part of the Constitution of Canada. I wonder if most Canadians would accept that. Do most Canadian accept that Her Majesty is an integral part of the Constitution of Canada? I think not.

The member for Notre-Dame-de-Grâce was a member of the House in the early 1980s when the repatriation of the Canadian Constitution was drafted and as a member for Quebec is is painfully aware that the Government of Quebec never consented to the repatriation of the Constitution, as the members of the Bloc Québécois point out on a regular basis in the House.

Would an oath to the Constitution of Canada mean any more to the average Canadian than the current oath to Her Majesty? After all, there are 47 different constitutional acts and documents that relate to Canada. Of these 47 acts and documents, 30 are mentioned in the schedule of the Constitution Act, 1982. I doubt that very few of us in the House know which 30 constitutional acts and docu-

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ments appear in the schedule of the Constitution, never mind the average Canadian.

To the average Canadian the Constitution of Canada and the subsequent Meech Lake accord of 1987 and the Charlottetown accord of 1992 were all deals made by a few men in back rooms. As the 1992 referendum on the Charlottetown accord demonstrated, when the people have a say on constitutional change, it is not necessarily the same one that the politicians have.

In my riding the vote against the Charlottetown accord was 71 per cent. That was not to say that people were happy with the current Constitution, but rather that they were unhappy with the entire process of constitutional amendments.

The Constitution of Canada does not belong only to members of this Parliament and the provincial legislatures. It should belong to all the people of Canada. If that were to happen, if we could develop a Constitution adopted by the majority of Canadian citizens, then the oath of Canadian citizenship as proposed by the hon. member from Notre-Dame-de-Grâce would have true meaning.

For us in the House to change the oath of Canadian citizenship without consulting with Canadian citizens would be wrong. And I do not just mean having a few hand-picked advocacy groups appearing before the Standing Committee on Citizenship and Immigration. I mean letting all Canadians have a say. In true Reform Party tradition I did that earlier this year.

In a householder survey that was sent out in May, I asked the following two questions: (1) should the oath of Canadian citizenship be amended to introduce an allegiance to Canada in addition to allegiance to the Queen? or; (2) should the oath of Canadian citizenship be amended to introduce an allegiance to Canada replacing the allegiance to the Queen?

I asked my constituents that if they agreed that the oath of Canadian citizenship should be amended, which one of these two options would be preferable? Almost 95.5 per cent of the 3,209 constituents who responded to my survey said the oath should be changed. Of that total, 40.6 per cent said there should be an allegiance to Canada in addition to the allegiance to Her Majesty. But 54.8 per cent of respondents agreed that an allegiance to Canada should replace the allegiance to Her Majesty.

I do not know if the majority of my constituents would agree with the wording of Bill C-223. However, it is clear that the majority of my constituents agree with the sentiment of the bill.

• (1835)

Canadians have a lot to be proud of about our country and our past, but the fact that Canada existed as a country for almost 80

years before Canadians existed as a people is not something to be proud of.

Canada has reached the stage of maturity as a nation that we must now have a new oath of allegiance to our own country. However, whatever that allegiance is, it should not be left only to the 295 members of the House and those patronage appointees of the other place to decide. We need to let all Canadians participate in determining what Canadian citizenship really means. We have to trust the common sense of the common people.

I congratulate the hon. member for Notre-Dame-de-Grâce for putting this important bill before us. It is a shame that it was not made a votable item. It reflects poorly upon this House that it was not. Sooner or later, and I hope it is sooner, there should be and will be an oath of Canadian citizenship in which people actually pledge their allegiance to this great country of ours.

Mr. Allmand: Madam Speaker, I understand that if there are no other speakers, as mover of the motion I may close the debate.

The Acting Speaker (Mrs. Ringuette-Maltais): Yes, you may close the debate. The floor is yours.

Mr. Allmand: Madam Speaker, I simply want to respond to some of the speeches that were made in the House. They were very good speeches and very positive.

As I said in my opening remarks, I believe the oath must be changed to put an emphasis on Canada. I want to assure my colleagues from British Columbia and from Thunder Bay that I am not wed to the exact formula that is in my bill.

Unfortunately this is not a votable bill, but I believe the debate was important to give the minister, who is thinking about these things, a chance to hear the views of the different parties.

It seems there is strong support for changing the oath to put an emphasis on Canada. I have proposed that we pledge allegiance to Canada and to the Constitution of Canada.

I realize that the Constitution of Canada is not always an easy concept to grasp. In constitutional law we talk about the Constitution of Canada as including all constitutional documents. As my hon. friend from British Columbia pointed out, there are 30, 40 or 50 statutes which make up the Constitution, although the two principal documents are the Constitution Act, 1867, formerly known as the British North American Act of 1867, and the Constitution Act, 1981, the act that repatriated the Constitution.

This is not a votable item. However, it appears that there is consensus among the various parties of the House that a change is needed. Even my friend from the Bloc Québécois admits that. He was on the Standing Committee on Citizenship and Immigration. He reported to the House that in the hearings before that committee there was a consensus for changing the oath, although he does not like the present formulation. He and I have different views on this.

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He would not want to pledge allegiance to Canada as a member of the Bloc Quebecois.

That is one of the reasons I am putting forward an oath of allegiance. I do not want any ambiguity for our new citizens to be in the oath. I do not want them to be unclear about what they are doing. I want them to be absolutely clear on what they are doing. I want people who come here and become citizens to know what they are pledging allegiance to. I do not want them to think on the one hand they are pledging allegiance to a Queen who is principally British and represents the United Kingdom, although as I said there is a legal fiction that she is the Queen of Canada, and then on the other hand to be pledging allegiance to Canada.

• (1840)

I think the time has come when we can clarify the oath, make it absolutely clear that when you pledge allegiance to Canada as a new citizen you are pledging allegiance to this country and to nothing else.

I understand the views of the Bloc Quebecois members. They have been elected to support a movement to separate Quebec from Canada and to break up the country and they do not want to pledge allegiance to Canada. As a matter of fact, when we sing "O Canada" in the House once a week they are significantly absent because they do not want to sing that anthem and they do not want to give allegiance to our flag either.

It is for those very reasons that I want people to pledge allegiance to Canada. I think our unity is under attack. Our unity is being threatened. I want to make clear to new citizens that when they come here and become citizens of Canada and pledge allegiance I want that pledge to be meaningful. I want it to be significant. I want to make sure that their loyalty is with Canada and not with any other country, that their loyalty is to the traditions, to the way of doing things in this country.

I thought the approach of the member for Thunder Bay was emotional. Mine was rather legalistic I thought he made a very good speech supporting the bill.

In closing the debate, I hope the minister and the government take notice of this debate and bring in soon a government bill which will give us a new oath of allegiance which will emphasize allegiance and loyalty to Canada.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): There being no further members rising for debate and the motion not being designated as a votable item, the time provided for consideration of private members' business has now expired and the order is dropped from the Order Paper.

Do we have unanimous consent to proceed with deliberation on the motion to adjourn?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CANADIAN AIRLINES

Mr. Vic Althouse (Mackenzie, NDP): Madam Speaker, two days ago I rose to ask some questions about the Canadian Airlines International situation and asked if the federal government had done any substantial analysis of that situation and what changes, regulatory or financial, the government was prepared to make in face of the potential losses that were described by some analysts on the west coast.

They had looked at the situation and had shown that if there are 16,400 jobs lost, which is the employment at Canadian Airlines, another 54,000 indirect jobs would be lost at airports, ticket outlets, agencies, fuel suppliers, caterers and so on. The total loss in contributions to unemployment and pension funds would be \$314 million.

The total loss to the federal government in income taxes would be an additional \$1 billion. The loss in GST rebates would be \$21 million. The loss in fuel, airport taxes and other minor taxes would be an additional \$225 million. The taxes lost to declining disposal income would be an additional \$168 million. For those who are able to get jobs their income would decline. Unemployment insurance costs for all workers for one year would be \$1.5 billion, making a total of \$2.9 billion in losses to the federal treasury.

If 30 per cent of the employees find work immediately within a year, that loss is reduced to \$2.5 billion. If two-thirds of them find employment, the loss goes down to about \$2 billion, but there is still a new loss to the treasury for the first year after Canadian Airlines hits the wall, which is now expected to be the case about November 30 if nothing else changes.

The federal government will lose between \$2 billion and \$3 billion. I would have thought the government would have had a contingency plan available. According to the response I got that did not seem to be the case. That was strange because in June 1993, just prior to the last election, the Liberal leader of the day who is now Prime Minister said that the key features of his airline policy would be safety, competition and Canadian control. He went on to promise that he would do something to make the industry more stable.

This you will remember, Madam Speaker, was about a year after a previous restructuring of Canadian Airlines International and at which point the company successfully urged some of the employees to buy stock in the airline at \$16 a share. Those shares are now worth about \$1.80. We do not hear them offering shares any

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more to employees, they are simply offering wage cuts of 10 per cent. Yet even the Prime Minister has said a loan would not make this company any more profitable, it just extends the problem a few more months or years. A 10 per cent cut in wages is equivalent to a loan.

I think the government, given that it has more than \$2 billion at stake, should do a better job of handling this situation.

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, it is with some regret that I hear the information given by the member because he takes a position that is negative from the very beginning and continues that way. I am sorry because the member opposite is showing a lack of confidence in the ability of Canadian Airlines to carry out a successful operational reorganization.

The company has already identified the ingredients it needs to go forward successfully. The company plan does not include any government assistance. It also does not include any request for changes in the regulations. This company wants to make it on its own.

Those, like the member, who are calling for re-regulation of the air services sector fail to see how counterproductive such action

would be. Turning back the clock would not be in the interests of the travelling public. Outlawing seat sales and shutting down discount carriers will not ultimately save a single job at Canadian Airlines.

Government policy is serving the interests of the travelling public. Look at what it has already accomplished. First, an increase in new routes and services into about 100 transborder markets, making air travel more accessible for more Canadians. Second, low discount fares, thanks to the arrival of new air carriers and increased competition. Third, Canadians are travelling in increasing number. Domestic travel this year will be up some 10 per cent.

The government continues to follow the situation closely and we have all the confidence that the management, the employees and the shareholders will take the action necessary and required for this company to turn in the right direction.

[Translation]

The Acting Speaker (Mrs. Ringette-Maltais): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.48 p.m.)

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