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(HANSARD)

Tuesday, September 30, 1997

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Tuesday, September 30, 1997

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Procedure and House Affairs regarding membership and the associate membership of the standing committees of the House.

If the House gives its consent I intend to move concurrence in the first report later this day.

* * *

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Ref.) moved for leave to introduce Bill C-219, an act to amend the Criminal Code (using or operating a stolen motor vehicle in the commission of an offence).

He said: Mr. Speaker, I am pleased to introduce this private member's bill. This enactment amends the Criminal Code and provides that a person is guilty of an indictable offence and must be sentenced to one year imprisonment if the person operates or uses a motor vehicle that the person has stolen or knows has been stolen while committing or attempting to commit an offence or during flight after committing or attempting to commit an offence.

The sentence imposed on a person for such an offence shall be served consecutively to any other punishment that is imposed on the person.

The Canadian Association of Chiefs of Police expressed the need for this bill in light of the epidemic of car thefts used to commit a crime. In some cases this has proven to be fatal.

In Vancouver alone there have been three deaths where individuals have stolen cars and killed people. This has also been the case with many young offenders joy riding after stealing a car and encountering police pursuits. This bill is needed as a deterrent to those considering these types of actions. I am pleased to introduce this bill today.

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

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CRIMINAL CODE

Mr. Tom Wappel (Scarborough Southwest, Lib.) moved for leave to introduce Bill C-220, an act to amend the Criminal Code and the Copyright Act (profit from authorship respecting a crime).

He said: Mr. Speaker, this bill would amend the Criminal Code and the Copyright Act to prohibit a criminal from profiting by selling or authorizing the story of a crime. If a person is convicted of an indictable offence under the Criminal Code any moneys he or she may have made or may make in the future from the creation of a work based on the crime would be deemed proceeds of crime, subject to seizure by the crown.

• (1005)

This is the same bill that I introduced in the last Parliament and which was passed unanimously by the House and sent to the other place where it was also referred to committee and then unfortunately died an unnatural death because of the call of the election.

I am hoping that with co-operation from all sides we can do the same and get it through the House this time.

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

* * *

CANADA BUSINESS CORPORATIONS ACT

Mr. Roy Cullen (Etobicoke North, Lib.) moved for leave to introduce Bill C-221, an act to amend the Canada Business Corporations Act.

He said: Mr. Speaker, I am pleased today to introduce my private member's bill, an act to amend the Canada Business Corporations Act.

Routine Proceedings

This bill if passed will allow members of the boards of directors of Canadian corporations the defence of due diligence in the conduct and performance of their duties and responsibilities.

Too often very competent individuals decide not to become members of the boards of corporations because they fear they could be held liable for their conduct, even if they carry out their duties and responsibilities in a conscientious and reasonable way.

For example, a number of months ago we heard about the case of Canadian Airlines International and its board of directors which resigned at a time when one could argue easily that it was needed most.

This bill provides directors with the defence of due diligence and brings the Canada Business Corporations Act into line with most provincial statutes.

I am pleased to introduce this bill and I look forward to the support of my colleagues in the House on this important piece of legislation.

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

* * *

CULTURAL GRANTS ACKNOWLEDGEMENT ACT

Mr. Deepak Obhrai (Calgary East, Ref.) moved for leave to introduce Bill C-222, an act to require that in the advertising and at the opening of a cultural project supported by public money a public acknowledgement be made of the grant and percentage of the total cost that the grant represents.

He said: Mr. Speaker, it is my pleasure to introduce by private member's bill in the House today. This bill would require the recipients of grants of public funds for cultural projects to acknowledge that a grant has been made. It would also require recipients to specify the percentage the total cost of the grant represents at the time the program is announced or advertised and open to the public. Non-compliance may result in the recipient's having to repay the grant.

It is my hope that the members of the House will seriously consider the bill's intent and purpose.

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

* * *

INCOME TAX ACT

Mr. Jake E. Hoepfner (Portage—Lisgar, Ref.) moved for leave to introduce Bill C-223, an act to amend the Income Tax Act (deduction of interest on mortgage loans).

He said: Mr. Speaker, it is a pleasure to introduce my private member's bill to the House today, an act to amend the Income Tax Act, deduction of interest on mortgage loans for first time homeowners.

The bill provides for the income tax deduction of the interest paid by a taxpayer on the first \$100,000 on a mortgage loan secured by the first qualifying home acquired by the taxpayer.

• (1010)

This bill would provide these first time homeowners with a much needed tax break and would also benefit the Canadian housing industry. This bill would make home ownership a feasible option for more families. Recognizing the importance of the family unit, this would have a positive impact on Canada's social climate. Some conditions apply to this bill and are outlined in it.

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

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if the House gives its consent I move that the first report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to)

* * *

PETITIONS

INFRASTRUCTURE

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I rise today to present to Parliament a petition signed by 54 people in my riding of Red Deer, Alberta.

The petitioners and I support a call on Parliament to urge the federal government to join the provincial governments to make the national highway system upgrading possible.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. McClelland): Is that agreed?

Some hon. members: Agreed.

POINTS OF ORDER

BILL C-220

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, in light of the fact that the private member's bill introduced earlier today by the hon. member for Scarborough Southwest had previously passed all stages in this House and had been referred to the Senate where it passed all stages, I would like to ask the unanimous consent of the House to deem it to have passed all stages again.

[Translation]

Mr. Louis Plamondon (Richelieu, BQ): Mr. Speaker, in order to give consideration to the hon. member's request, I need to know which bill is being referred to. I missed it because the interpreter spoke too quickly. Before giving consent, I want to know which bill passed all three stages in this House and was approved by the Senate.

• (1015)

[English]

The Acting Speaker (Mr. McClelland): The hon. member for Scarborough Southwest, seconded by the hon. member for Haldimand—Norfolk—Brant, moved for leave to introduce a bill entitled an act to amend the Criminal Code and the Copyright Act (profit from authorship respecting a crime). The hon. member for North Vancouver has asked that the bill be passed at all stages by unanimous consent today.

Is it agreed?

Some hon. members: Agreed.**Some hon. members:** No.

[Translation]

Mr. Louis Plamondon: Mr. Speaker, I would prefer that this request be made tomorrow. I absolutely want to see the bill, as we were not told that such a request would be made. Therefore, I would like this issue to be postponed until tomorrow, if possible. I refuse to give my consent.

[English]

The Acting Speaker (Mr. McClelland): Unanimous consent has not been achieved.

 GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—BUDGET SURPLUS

Mr. Monte Solberg (Medicine Hat, Ref.) moved:*Supply*

That this House condemn the government for making their 50/50 election promise on any future surpluses without adequate public debate as to the optimal size of government, taxes, and debt, thus threatening to repeat Canada's 27 year old history of irresponsible spending, creating high debt, financed by high taxes, causing high unemployment.

He said: Mr. Speaker, just so people get the point, let me re-read the motion. The motion is:

That this House condemn the government for making their 50/50 election promise on any future surpluses without adequate public debate as to the optimal size of government, taxes, and debt, thus threatening to repeat Canada's 27 year old history of irresponsible spending, creating high debt, financed by high taxes, causing high unemployment.

As somebody very wise once said—who is very well known to you, Mr. Speaker—this is the public's money. That is the point we are trying to make. I want to underline it by pointing out that the government has not consulted with Canadians on this whole issue, probably the most important economic decision that it will make during its mandate.

What do we know so far? This flows from the government's election promise and from its throne speech of last week.

We know that the government reaffirmed its commitment to spend 50 percent of any surpluses, when they occur, on new spending. We know that. It was in part of the election package and it was also in the throne speech.

Again, I raise the question of whose money is this?

Second, we know that there was absolutely no acknowledgement in the throne speech that Canada has a debt of \$600 billion. That is a staggering amount of money.

There was absolutely no acknowledgement in the throne speech that we have the highest taxes of all of our trading partners, the highest personal income taxes in the G-7 by a tremendous amount.

There was no acknowledgement in the throne speech that in the past the government has been routinely chided, not only by watchdogs like the Reform Party and the Canadian Taxpayers Federation, but even by the auditor general on many occasions for irresponsible spending. There was no acknowledgement of that in the throne speech. I will say more about that in a moment.

No criteria has been laid down by the government for determining how any of this surplus should be spent, whether on new programs or on the side of taxes and debt reduction. Of course there was one measly lone reference in the throne speech to reducing taxes and paying down debt. Absolutely no criteria have been established on how those decisions are going to be made. The government has not talked about what the optimal size of debt, taxes and the level of government would be. There has been no definition anywhere about what constitutes, for instance, a tax break. What is tax relief as opposed to a social benefit that is delivered through the taxation system? That is a very important point. It would not be nearly as important if people knew that the government could be counted on to be up front and give them what most people believe would be a tax break. However, it appears the

Supply

government may be intent on playing some games with what constitutes a tax break.

• (1020)

Also, there is no indication whether the spending announced in the throne speech will be applied toward the government's 50 percent spending promise. It is not mentioned anywhere. Therefore, we really cannot hold the government accountable to its promise unless we know that for a fact. I think there are many reasons to be concerned about what we know so far.

We also know, based on a recent poll published in the weekend *Financial Post*, that Canadians want tax relief. For instance, the poll states that 28 percent of Canadians would like to see a personal income tax cut, 3 percent want to see a business tax cut, and another 20 percent want to see both personal income taxes and corporate taxes reduced. That is a plurality of people who want to see tax relief, at least 51 percent. The people who want to see personal income tax cuts compared to the people who want to see taxes rise are outnumbered by a margin of 28:1. Those are the things that we know based on what has gone on before.

Anyone who is just a little bit logical has to conclude that what the government is proposing, in the face of the poll that I have just mentioned and after 27 years of fiscal irresponsibility, is the return to chequebook politics. We are returning to the 1970s and the sorts of supposed solutions that the government at that time brought forward. Rather obviously, those solutions failed miserably at that time.

The question raised in many people's minds is why are we repeating the same mistakes that we made in the past? As somebody once pointed out, if one does not pay careful attention to history one is bound to repeat all of the mistakes. I seems that is what the government is doing.

I have talked a little bit about some of the things that the government did not acknowledge. I talked about the debt, taxes and irresponsible spending. I want to say a little bit more about that in a bit more detail.

As members know, the Reform Party has done a tremendous amount of work on raising these issues not only with the government but also with the public. We think it is important that the public be invited to consult on these sorts of issues. As a responsible party we do our part to ensure, to the degree that we can, that we provide some background information so that when people give us feedback on these issues it is informed and that people really understand all the things that have happened in the past.

I want to make that point by talking about some of the things that are in our document, *Beyond a Balanced Budget*. We are going to be consulting with Canadians over the next three months to gather their input. By the way, if people want a copy of this—and I say to

my hon. friends that they can certainly come and get one from me—it is on the Internet at www.reform.ca/babb so that if people want to pull that down they can.

I want to address specifically the issue of debt. In the throne speech the government made one reference to the whole problem of debt. It seems blind to the fact that the debt in this country is \$600 billion. It consumes about 74 percent of the gross domestic product in the country which is almost without parallel among any of our trading partners. It is an absolutely astronomical figure.

I often point out to high school students when I talk to them that if they stacked up one hundred dollar bills about this high that would be a million dollars and if they stacked up our debt in one hundred dollar bills it would be about 1,200 kilometres high. It is a tremendous amount of money.

• (1025)

But that in itself really is not the problem. The problem with a debt that big is it has to be serviced. Interest payments on the debt have grown exponentially. They now consume about \$47 billion a year. A third of every tax dollar that Canadians send to the treasury each year goes toward paying the interest on the debt.

We point out in our paper, *Beyond a Balanced Budget*, that since 1993 debt service charges have increased by \$7.5 billion a year. That is only since the government came to power. At the same time health transfers have fallen by about \$7 billion a year.

It has had a profound impact on the ability of the government to fund the programs that are the most important to Canadians. That is why the issue of the debt deserves more than one lonely mention in the government's throne speech. We condemn the government for not paying more attention to this important issue.

Perhaps this will help bring the issue home for people who have trouble dealing with an astronomical number like \$600 billion or even \$47 billion in interest. The annual interest bill is enough to run the governments of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba, Saskatchewan and Alberta, with enough left over to repay the entire public debts of Newfoundland, New Brunswick and Prince Edward Island. It is a tremendous amount of money.

The annual interest bill is enough to pay the annual federal transfers to the provinces for health, education, welfare, equalization and old age security. It is by far the single biggest payment the government makes each and every year. It is money that could be used for good things but because of the profligacy of previous governments, the government is paying out this tremendous amount of money, in many cases to foreign lenders, and this

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imperils the future of the country. The country is that much more vulnerable when the debt is \$600 billion.

We argue in our paper that the government must pay attention to the debt. If government members talked to their constituents they would discover that people are very concerned about this massive debt. They are probably disappointed that the government has not paid more attention to it in the throne speech, which allegedly is the vision that the government lays out for the next few years.

It is not just the issue of the debt that we are concerned about. We are concerned about the government's poor commitment to the issue of reducing taxes. There is one single mention in the throne speech. A moment ago I spoke about our personal income tax burden. I do not know if members realize that compared to our G-7 trading partners, the personal income tax burden is 52 percent higher as a per cent of the total economy than in the U.S., Japan, U.K, France and Italy.

Obviously when you have a tax on production, which is what income tax is, that is that much higher than our trading partners, it will have a profound impact on our ability to compete. In the *Financial Post* poll on the weekend business leaders such as Peggy Whip from the Royal Oak Mines stated that the reason the company moved its operation to the United States was it could not attract people to Canada because the personal income tax burden is so high they refused to come.

This is not an academic exercise. It has a profound impact on jobs. People in the business community have said so. We also have the situation, and many members across the way are familiar with this, were we lose some of our brightest and best doctors to the United States. We produce computer programmers at the University of Western Ontario and they are lured away to other countries, primarily the U.S., because of its lower income tax burden. This is after we have paid for their education.

This is not an academic debate. The tax measures that the government has put in place over the period of many years has driven many Canadians out of the country. It has driven many Canadians out of business. The government has presided over record bankruptcies. 1995 had record bankruptcies. That was not good enough. Bankruptcies went up by another 20 percent in 1996 under this government.

• (1030)

I would argue that in some part it is due to the fact that we have tremendously high taxes in this country. It makes it very difficult for businesses to compete. It is not only personal income tax. We have all kinds of direct taxes, payroll taxes for instance.

At a time when we have a surplus in the EI account of about \$13 billion, we have this government refusing to give Canadians tax relief. These payroll taxes have a very serious effect on the ability of businesses to compete because they are not sensitive to whether or not a business is making a profit.

If businesses are in a loss situation, they have to continue to make those payments on EI premiums, and at the same time the government is talking about raising CPP premiums by 73 percent. We already have legislation introduced into the House that will make that a reality starting on January 1. They will start to go up more and more and more. Payroll taxes will claim more and more and more victims.

It is a horribly serious situation, but what did it merit in the throne speech? But one mention, one mention, as though all of these problems do not exist in the country. It is as though the government has stuck its head in the sand.

Hon. members across the way know this and in a private moment I think would admit that Canadians out there really do want tax relief. I do not hear a hue and cry across the country for more spending. When I go to my riding, people do not say "Come on, let's spend more".

I come from Alberta. In that province when people had a chance to have input into what they wanted to do with any surpluses, they said they wanted to pay down the debt. We have made tremendous progress in Alberta toward paying down the debt, but I think the key point is that the Government of Alberta recognizes that that money belongs to the Alberta taxpayer. Instead of arrogantly deciding that the government knew best how to spend that money, it consulted with the people to whom the money belonged. I think that is a message that this government should learn.

I want to touch on the issue of irresponsible spending. Over the years, I do not know in how many auditor general's reports, how many reports from interested academics, how many reports from people who were watch dogs of the government on issues, how many times the whole issue of irresponsible spending has been brought up to the government. Why is it that things never seem to improve?

The auditor general pointed out that the lack of inventory control at national defence cost the government \$1.7 billion. Why do they repeatedly point out the terrible waste and even corruption that goes on in Indian affairs and nothing ever seems to change?

We point out some of the ridiculous grants that are given not only to special interest groups, arts funding and things that are beyond the pale, but also to business groups. How many times do we have to have the chamber of commerce come before the finance committee and say "We do not want grants for business

Supply

any more". Here is the voice of business saying "We do not want grants for business", but what does the government do? It ignores them and says "We are going to continue to take money from profitable businesses in the form of taxes and give it to unprofitable businesses so they can then turn around and compete against those self-same profitable businesses". That is ridiculous. It makes no sense.

We see this government, for reasons that I will never comprehend, continuing to do this. All the while it is undermining businesses that are trying to create jobs in this country. If there is one thing on which I think all parties agree, it is that we want to have more jobs in this country. So let us recognize what the government is doing here. It is putting short term political considerations ahead of what is right for the country and that should not be tolerated.

I would argue that the government has done a very poor job in terms of getting its spending priorities in place. Let me touch on that a little bit more.

When we talk to people around the country, and I am talking of all members in the House, I think that there is probably a consensus that the federal government should direct its spending toward issues that are important to Canadians, issues like health care.

We know that the government's record is on health care. The government has cut spending by \$6.8 billion, reduced the transfers by 35 percent. But at the same time—and this speaks to its priorities—the government has cut departmental spending marginally. That is despite what the finance minister himself said on a number of occasions.

• (1035)

In fact we have a quote in our document "Beyond a Balanced Budget" from a speech the finance minister gave to a Federal Reserve board meeting in Kansas City, United States in 1995. He said "We will cut our own departmental spending a lot more than we will cut the transfers to the provinces". Sadly that has not been borne out in what the government has done. We argue it is time for the government to match its own words with its deeds. We argue very vigorously that that simply has not happened, and government members are not paying attention to the priorities of Canadians.

The Reform Party wants to change that. We want to gather input from Canadians and that is what we intend on doing. We have sent out our "Beyond a Balanced Budget" document to hundreds of people around the country. We have posted it on the Internet. We are going to be talking to thousands and thousands of people over the next several months to gather their input. We are going to do the government's job for the government members because for

reasons that I do not understand they think they have all the answers.

We believe this money belongs to the Canadian taxpayers and we are going to acknowledge that by going and talking to them. We argue that the real answer to creating jobs is not in subsidies and is not even necessarily training. We argue that it is demand. We believe that we need to start to lower taxes, we need to start to pay down debt so that we can get the economy going, so that we can start to create jobs that Canadians in all parts of the country need.

In conclusion, I will simply say that we cannot solve the problems of the 1990s with the solutions of the 1970s. I just want to urge the government to pay attention to that simple message and to start to hear what Canadians are saying and acknowledge that perhaps the government does not have all the answers and that it is time to hear some of the answers that come forth from the Canadian public.

The Acting Speaker (Mr. McClelland): Before we get into questions and comments hon. members, I would ask that the questions and the responses be kept relatively brief. This will allow us to have more debate and more interchange.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, it is amazing how we get this warm fuzzy feeling when we hear the Reform members talk about their plan for Canada.

I hear the name Peggy Witte of Royal Oak Mines in Yellowknife and here he is using her as an example of a proud business person in Canada. Must I remind him that she and she alone was the one who caused the great mine strike and eventually the death of those nine miners who were in there.

It was her labour actions and it was her attitude toward the workforce, those workers in Yellowknife, that caused all this. What she wants—and this is for the member of the Reform Party to understand—is for workers to work as low as possible with fewer health standards and lower working standards than anywhere else in Canada.

It is amazing to hear him talk of the Reform Party and taxation. Every time I go by a Bingo hall in my riding I think of Preston Manning and the Stornoway club. If he wants to set an example, he should lead by example. The leader of the Reform Party was the one who indicated that if he moved into Stornoway he would put a Bingo sign on it. He would put a for sale sign on the car and would refuse the \$49,000 stipend that he receives.

What does he do? Not more than two days afterward, he said he consulted with the members and Canadians. He never consulted with us. He should be leading by example if they want to stand up here and talk about taxes.

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As well he said the government should not assist small business in any way. How does he expect a company in the northern outreaches of Newfoundland or in the outskirts of Nova Scotia to compete with those companies in central Canada when their markets are so far away?

My question to the hon. gentleman from the Reform Party is what is he going to do to help us in Atlantic Canada because of the fact that Atlantic Canadians did not even allow them in the door during this election.

Mr. Monte Solberg: Mr. Speaker, I think most of that tirade scarcely merits an answer. I am going to assume that the member did not really mean to say that the president of Royal Oak Mines actually caused the death of those miners. We will give him the benefit of the doubt.

• (1040)

I will say to my hon. friend that rather obviously he has not paid very close attention to what happened in the last election campaign. Not only did the Reform Party dramatically increase its support, but I would also point out that the whole issue of taxation and cutting taxes resonated from Canadians coast to coast.

In fact the Reform Party plan would put a billion dollars back into the pockets of Atlantic Canadians through tax relief. We argue that is a new solution that has been untried. I would also argue that if subsidies and grants work so extraordinarily well, then why is it that we have staggeringly high unemployment levels in Atlantic Canada? We have been doing this since the 1970s when we started to change UI benefits to make them regionally sensitive. What has happened since then? We have seen unemployment ratchet up and up and up and up.

When is the hon. member and his party going to learn from the mistakes of the past? How many people have to be unemployed and living in poverty before the hon. member and his party get it? Do they not understand that the solutions of the 1970s are not going to fix the problems of the 1990s? When is he going to get it?

The Acting Speaker (Mr. McClelland): The Chair would gently remind hon. members to address other hon. members through the Chair. Before the next member commences, I would remind hon. members that they must be at their seats to be recognized by the Chair.

Mr. Peter Stoffer: Mr. Speaker, I would just like to ask the member this one question again.

Is he saying that the film industry of Nova Scotia should not get any assistance? Is he saying that 40,000 seasonal workers in Atlantic Canada should not get any assistance? Is he encouraging them all to move to Alberta? That is not the agenda of Atlantic Canadians, sir. They would like to live and work in their own

communities and they would like to work with governments at all levels to assist them and their families to stay where they are.

Mr. Monte Solberg: Mr. Speaker, of course the Reform Party believes that we need to do whatever we can to help citizens across the country. That is why we believe very strongly in a program to start to improve the infrastructure in Atlantic Canada so that we can renew some of the traditional trade ties that Atlantic Canada had when it came into Confederation which at that point made it the strongest part of the country. In fact back when there were a strong set of trade ties with New England when most of Atlantic Canada came into Confederation, it was by far the wealthiest part of the country. It did extraordinarily well.

We need to go back to that and renew infrastructure to make it happen. In some cases it means providing some training for people. In other cases it may mean that we will have to lower taxes. We need to do the sorts of things to make Atlantic Canada competitive in a modern day environment and in an environment of globalization.

I do not think we can continue to rely on the solutions of the past. I hope that the member will come around to that way of thinking.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, my question is for the Reform Party member.

I believe what is happening is that some people do not understand what is going on in Atlantic Canada. The federal government even has trouble recognizing that the Atlantic fisheries are in crisis. How many times did we hear people say that Atlantic Canadians are lazy and do not want to work? Even the Prime Minister said he was going to get them out of their house and prevent them from going to the pub.

This image of the Atlantic provinces is totally unacceptable. It is not the fault of Atlantic Canadians if the fisheries are in a state of crisis. It is not their fault if a moratorium was declared on cod. It is not their fault if quotas for crab fell from 20,000 to 12,000 metric tons. It is not their fault if lobster catches are down. It is not their fault if herring quotas are down. It is nature's fault. It is because of what is happening in our region.

• (1045)

It is true that, at one time, our region of New Brunswick was a nice, prosperous place, where people could find work. Then, as a result of Confederation and other changes, everything went to central and western Canada.

Let me tell you one thing: if we want a united Canada, if we want to remain a united country, westerners will have to support easterners. If westerners support easterners, understand them and help them set up companies and get into secondary processing in the fishery and forestry sectors, if they allocate money for mining,

Supply

then Atlantic Canadians will have work and will not have to move out west.

So, is the Reform Party member saying that the government should prevent Atlantic Canadians from getting employment insurance and let them starve?

[*English*]

Mr. Monte Solberg: Mr. Speaker, I take issue with one of the premises raised by the member, that it is nature's fault the fish are gone. It is the federal government's fault to a large degree because it is the one that encouraged people to keep fishing when everyone knew fish stocks were dwindling.

Central Canada was largely strengthened when tariff barriers went up and the regions paid a huge price. That was the fault of the government of the day.

The things that are working well now in Atlantic Canada come from the private sector. The private sector is creating a tremendous amount of jobs at Voisey's Bay. That should be the model. There is not a nickel deposit every few miles but we have to understand that is where the solutions are for Atlantic Canada.

In some cases people do become dependent on unemployment insurance. To ignore that or to say it is not true is to put one's head in the sand. Two successive premiers of Newfoundland have said that people become dependent on unemployment insurance. We must start to be aware of that in the types of programs we design. That is what the government needs to start doing and that is certainly what the Reform Party would do.

[*Translation*]

Hon. Jim Peterson (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, it is a great pleasure for me to address the House today.

Concerning this motion by the official opposition, it strikes me as a little bit hypocritical. We are being accused of not having consulted Canadians adequately before announcing our program to share the expenditures for programs, tax cuts and debt reduction.

At the same time, the hon. member for Medicine Hat tells us that they plan to cut taxes.

[*English*]

They say we have not consulted, but without consulting they have presented tax cuts which they feel are so important. They have called for monstrous tax cuts in personal income tax, in business income tax, and in terms of getting rid of the increase in Canada pension plan premiums. They cannot have it both ways. Either they are to go out and consult in some undefined process which they have not outlined before us, or they are to allow us to set programs.

No party in the history of Canada has consulted more extensively with Canadians. Perhaps the greatest process of consultation in a

democratic nation is putting a platform before the electorate. This is exactly what we did before the last election when Canadians spoke strongly and decisively.

• (1050)

Perhaps the Reform Party wants some type of electoral reform so that election results do not really count, so that the expressed will of Canadians during a federal election is not what really matters.

Not only did we go through a federal election where this was a key part of our platform, but it is this House that opened up the budget making process. It will begin this fall with an economic statement by the Minister of Finance laying out where we are and some of the available options. It will then be a task of the finance committee, of which the member for Medicine Hat was a very distinguished member and will be again I trust. The committee will go right across the country and will consult with Canadians from every sector and every walk of life on their budget priorities.

This process of consultation could not be one of which I am more proud because it is open. It has taken the budget making process out of the back rooms and into the public fora and into Parliament and has put it into the hands of members of Parliament. Surely he does not condemn that.

The member has set forth his priorities without consultation as he seems to say we have done. He wants to get rid of business subsidies. No program has been cut more than our subsidies to business. It was because—

An hon. member: Bombardier.

Hon. Jim Peterson: Bombardier. The fund to help Canada's aerospace industry to continue its ascent into the top ranks among nations in the world is not a giveaway program. It is refundable and repayable to the federal government. This was a result of consultations which our federal finance committee undertook and suggested and the Minister of Industry adapted. I am very proud of this program. It means the success of our aerospace industry goes back to the credit of Canadian taxpayers through repayments to the federal government.

Is the member saying that he is against what we have done to protect and secure a dignified and secure retirement for seniors through our agreement with the provinces on the Canada pension plan?

He wants to renounce a deal made with the provinces including the province of Alberta, fine. He can go on record and say that he would renounce that deal. That is not the way we operate because we are prepared to operate in consultation and co-operation with our provincial counterparts.

Is the member prepared to renounce the type of co-operative arrangement we have worked out with the provinces in terms of the Canada child tax benefit where the federal government and the provinces will concentrate on children who are members of

working families in the poorest income bracket? Is this what the member is talking about?

We believe this is a priority. These children living in the lowest income brackets need assistance. We are directing it to them in co-operation with the provinces to break down the welfare wall.

Does the member condemn our efforts and our tax cuts to help students by making more of their fees deductible and by giving greater tax breaks to parents who invest in registered educational savings plans? Does he condemn the fact that we want to provide scholarships to help make post-secondary education accessible to more and more Canadians?

One of our expenditure announcements in the throne speech which he condemns and which I am happy to stand beside is funding the Canada Council, giving it more funds to provide for arts and culture. I am very proud of our commitment to enhance Canada Council funding. I stand by it completely as do all members on this side of the House.

• (1055)

Does he condemn our program to help provide entry level jobs for young Canadians through our public sector internship program? We are giving work experience to young Canadians who might not otherwise have access to the workforce. It is a very valuable entry into the workforce.

These are some of the priorities we have set out. They have been the subject of consultation through the election. They will be the subject of ongoing consultation through debates in the House and through the finance committee.

We have talked about what we have done for young Canadians, what we are doing for our seniors, and what we are doing for health care in terms of increasing our funding by over \$6 billion in five years to the provinces to help sustain the principles of the Canada Health Act.

Does he condemn what we have done in terms of innovation? We have given tax breaks for research and development in Canada. We created the innovation foundation to help restore the research infrastructure of our hospitals and our universities.

Does he condemn SchoolNet? We have helped classrooms to connect with all libraries and with everyone throughout the country. Canada will be the most connected nation in the world. It will have access to expertise and knowledge throughout the country.

I am happy to talk about our priorities for students, for young Canadians whose parents are among the working poor and who need a break. I am happy to talk about our steadfast protection of the Canada Health Act in the face of threats by the Reform Party in

Supply

the last parliament which said we needed a two tier medical system.

We will not give in to their priorities. We will continue to be a most open government that consults with Canadians when setting our priorities. We will work to address the true needs of future Canadians. That does not rule out tax cuts. That does not rule out paying down the debt. These are priorities we have stated clearly and strongly.

The throne speech said that we would continue to be the government of fiscal responsibility. We are the government that brought the deficit down from \$42 billion ahead of the schedule fixed by the Reform Party which called for a balanced budget by the year 2000. We will achieve that long before its target.

We will not take a lesson in fiscal responsibility from anyone, including the official opposition.

Mr. Monte Solberg: Mr. Speaker, I did not quite catch what the member said. Did he say consult Canadians or insult Canadians? I cannot remember.

The hon. member raised a lot of different issues. It will be difficult to touch on them all. I will try to be brief.

I think everyone would agree the member is very naive if he is suggesting that Canadians voted with one voice on the government's fiscal platform in the last election campaign. Surely he acknowledges that people voted on many issues including primarily, I would argue, national unity. That was a huge issue in the election campaign.

The government's majority was diminished. What does that say of the support it has for its programs? It has the barest of majorities right now.

Instead of simply having an election on their economic approach, many provinces such as Alberta have consulted their citizens directly. It is time to go to the people on a fundamental decision such as that and ask them directly. We should not be doing it by a committee that travels around once in a while to ask people what should be in this year's budget.

The optimal size of government, the optimal level of taxes and the optimal level of debt are extraordinarily important issues. I am going to ignore most of the rhetoric from my hon. friend and make that point.

I would conclude by asking—

The Acting Speaker (Mr. McClelland): The hon. member for Willowdale.

Hon. Jim Peterson: Mr. Speaker, I welcome the member's question.

• (1100)

What is the optimal size of debt and what is the optimal level of taxes? You have obviously prejudged it. You have called for major cuts in payroll taxes.

Supply

The Acting Speaker (Mr. McClelland): The hon. member is a practised and experienced parliamentarian and certainly does not mean to leave the Chair out of the debate.

Hon. Jim Peterson: Mr. Speaker, you are quite right. I thank you for first of all for reminding me and second, for your excellent presiding over this Chamber.

The hon. member for Medicine Hat is quite at liberty to suggest that debate is needed on what is the optimal size of government debt. We are looking forward to hearing his contribution to this very important debate. We know that, with a federal debt of \$600 billion which is 74% of Canada's entire yearly economic output, we are way beyond where we should be. One-third of every tax dollar has to go to pay the interest on the debt. That is money that cannot be spent on tax relief, on debt reduction or new spending programs to help Canadians. This is why—

The Acting Speaker (Mr. McClelland): The hon. member for Saint-Hyacinthe—Bagot.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I would like to ask my honourable Liberal colleague, who is also the minister responsible for financial institutions and who had a tear in his eye just now for the poor and the sick, which of these is the right answer: by the end of its mandate, the Liberal government will have cut either \$42 billion from social programs, or \$42 billion from social programs, or \$42 billion from social programs? Which of these three is the right answer?

Hon. Jim Peterson: Mr. Speaker, we had to cut spending. In 1993-94, our program expenditures amounted to \$120 billion. In subsequent years, these fell by 13 percent to \$105 billion.

While cutting spending, we kept the cuts in transfers to the provinces to a minimum. They were in the order of 8 percent and we retained equalization, which was really necessary for our vision of the future of Canada, a Canada in which we can share problems and opportunities with Canadians regardless of what part of the country they live in.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to speak to the motion introduced this morning by the Reform Party, for reasons that have to do with what we have just heard from the other side of the House, namely that the government acted to improve public finances, with all sorts of figures being bandied about.

I can tell you that this government has fed us nothing but twisted information since the start of its first mandate. They have misled us about the actual state of public finances and the route it took to reach a zero deficit, a surplus even, this year, if we are to believe

the results of the past three months announcing unprecedented budget surpluses.

We will support the motion of the Reform Party, not because we share their philosophy or their approach to improving public finances, but because this motion calls for a debate on the problem as a whole. A public debate is now very important because, for the past four years, they have been feeding us a line. We have been told that the deficit will exceed \$17 billion, \$24 billion, and so on, when they know very well on the other side of the House with their panoply of specialists and their good judgment, if they have any, that the budget and deficit figures are very different from what is being touted.

● (1105)

Last February, you may recall, the Bloc Québécois made public a document analyzing the government's budgetary situation, as well as the deficit. Starting in February, we were forecasting that the deficit for the year ending March 31, 1997 would not exceed \$10 billion and that, by 1997-98, the deficit would be zero. What did the Minister of Finance tell us back then? He said that we were talking nonsense, that we did not know how to count, that what we thought did not matter.

The result was that, as of last March—the figures will soon be out—the federal government's deficit will not exceed \$10 billion, and next year it will drop to zero.

But what did the Minister of Finance do? He fed us a line. Why? Because he did not want the public to know that the federal government's finances were in better shape than he was letting on, and this was how he justified cutting assistance to the most disadvantaged, to the elderly, the ill, students and those on welfare. This is why a public debate is so important.

The second reason a public debate is necessary is because we are not in agreement with the way in which the federal government went about getting its fiscal house in order. For four years now, the Bloc Québécois has been showing that there are other ways to arrive at the same result, a zero deficit, balanced budgets, without making the most disadvantaged members of society suffer.

There needs to be debate. If the government is to continue its efforts to put its fiscal house in order, and we agree it should, there has to be debate, since the past four years have shown us only too clearly how completely lacking in compassion this government is.

It has gone about reducing the deficit in four ways. First of all, each year the Minister of Finance has brought in a budget cutting funding for provincially run social programs by \$4.5 billion, including a \$1.3 billion annual reduction in funding to the Government of Quebec for social assistance, postsecondary education and health.

Supply

Quebeckers must realize that 93 cents out of every dollar cut in health care in Quebec results from cuts made by the federal government, not by the Quebec government; that is right, 93 cents out of every dollar.

Second, this government has used taxation in an utterly unfair fashion. After solemnly saying income tax had to be reduced, they turned around and increased taxes four years in a row. By not indexing tax tables among other things, they took \$23 billion out of taxpayers' pockets, while talking about reducing taxes. With this \$23 billion, the federal government is making taxpayers pay for its deficit reduction efforts in a sneaky, underhand, roundabout way. That is why there should be a public debate.

There is another important source of income. The Minister of Finance has dipped into the unemployment insurance fund surplus. Here again there should be a debate because the federal government has not been putting a cent into this fund for years, yet merrily helps itself to premiums paid by employers and employees, hence the need for a real public debate.

There are other ways to continue putting our fiscal house in order. At the moment, it is going so well in terms of objectives being met and deficit reduction targets surpassed that, if it really wants to fight poverty and underemployment, the federal government should meet our demands. It should give back what it has stolen from the provinces. It should immediately stop implementing its planned budget cuts, as set out in the 1996 budget.

It should give back to the provinces the \$4.5 billion it has taken from them every year. That is the first thing it ought to do. Second, it must stop using the unemployment insurance fund surplus. It is important. UI premiums are job killers. Any payroll tax is a job killer. If the Minister of Finance is really committed to job creation, he must heed another suggestion made by the Bloc Québécois and lower the rates of contribution to the unemployment insurance fund by 35 cents on every \$100 of insurable earnings.

Another 35 cents should be used to pay back the benefits stolen from the unemployed, last January, through the employment insurance reform.

• (1110)

If he really cares about fighting child poverty, he should increase the child tax credit from \$850 million to \$2 billion, as suggested by the Bloc Québécois, that is if he cares about it, but he does not seem to. There does not seem to be any government member across the way who cares. What they care about is the Canadian flag, federalist propaganda. To these people, that is more important than making sure children eat every day.

Third, the federal government should pay up the \$2 billion owed to Quebec for harmonizing the GST.

Surpluses will still be generated by the end of next year, since the forecast is better than anticipated as far as reducing the deficit and running budget surpluses is concerned.

There are other ways to put our fiscal house in order. We are among those who want the effort to be pursued. Last year, we suggested three possible approaches. As you may recall, we released two papers: one on corporate tax reform and the other on personal income tax reform.

If it took its responsibilities seriously, the federal government might reform personal income tax to make it more equitable. There are individuals who pay very high taxes, while other do not pay any because of all the loopholes in our tax system, which has not undergone a complete overhaul in 30 years.

It is the same thing with corporate tax. The government should stop favouring millionaires and billionaires, and turn instead to small and medium businesses, which are the ones creating jobs. That is the road proposed by the Bloc Québécois to continue putting our fiscal house in order as well as to help create jobs through targeted reductions in corporate tax.

If the Minister of Finance agreed to hold a real debate on the way ahead, looking at future means of putting our fiscal house in order and the ruthless ones he has taken these past four years and plans to keep using during this mandate, I think that would take care of a real concern people have: they want to be told the truth, where we are headed and who will pay.

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, if I may, I would like to congratulate my colleague on his speech. It was far more detailed and more balanced than the one we heard a few minutes ago from the representative of the Reform Party, which expressed almost universal radicalism. In fact, they engage in radicalism on the constitutional level, by attempting to provoke all regions of the country.

I feel obliged to remind them that all of us here are representatives of different regions of the country, co-owners of all that we have. With all that we have at stake, we are going to proceed cautiously.

It is exactly the same thing on the economic level, totally unacceptable radicalism. There is absolutely no compassion for the most disadvantaged. Our colleague has just referred to the great difficulties now faced by the near-majority of Canadian families, whose children go to school without breakfast. My colleague is absolutely right.

One of the things the present government voted against was adoption of the GST legislation. The ultimate purpose of the GST—and I take advantage of the occasion to ask the question of my colleague—was to arrive at an effective fiscal reform as far as income and other taxes are concerned. Such was the purpose of the GST.

Supply

He is right as well in his reference to the ruse of this government in using the battle against the deficit to its advantage, when we know very well it was the result of free trade and the revenues from the GST. As well, they are forgetting that, over the same ten year period, 1974 to 1984, they increased the national debt tenfold, while we doubled it during our time in office, because our structural measures such as free trade and the GST had not yet been adopted.

I am therefore pleased to congratulate my colleague and I would like to hear what he has to say on these questions.

Mr. Yvan Loubier: Mr. Speaker, I thank the hon. member for Chicoutimi for praising the Bloc Québécois. It is not often that we get praise from Conservative members and political opponents, so I am accepting it on behalf of my party.

My colleague was right when he spoke about improving the effectiveness of our tax system.

• (1115)

In fact, if the Conservative Party deserves praise—but let us not forget that criticism may follow quickly—it is for implementing at least a major part of the tax reform, as the member pointed out, by introducing the GST.

At the time, and this is another point raised by the hon. member, those provinces interested in implementing the GST were told to harmonize their provincial sales tax at their own expense, but that they would benefit from a much greater efficiency in the five or ten years that would follow, thanks to a more modern and fairer tax system.

At the time, the Quebec government, which was the only one to harmonize its tax with the federal GST, was not told that, a few years later, the federal government would give \$1 billion to the maritime provinces to harmonize their provincial sales tax with the GST. It is totally unfair to treat Quebec like this and the federal government owes us \$2 billion. The hon. member was absolutely right when he raised this issue.

Mr. Denis Coderre (Bourassa, Lib.): Mr. Speaker, first I want to congratulate my dear friend and colleague from Saint-Hyacinthe—Bagot on his election. Three days before the federal election, we had a lively debate, and I feel I am once again at the Taverne Magnan. Those who are from Quebec will know that, in Montreal, the Taverne Magnan is almost like the agora, except that alcoholic beverages are served.

Whenever someone speaks on behalf of the Bloc Québécois, it feels like I am listening over and over to the same cassette. The only thing different is the name of the person speaking. Otherwise, it is always the same baloney.

I am impressed to see that many outraged members across the floor. We hear them whine, if I can put it that way, and it is terrible to see them continually say the same thing.

When we took over, our country was going bankrupt. We inherited a deficit from the Conservatives. But we made the right decisions and now the deficit has almost been eliminated. The member spoke about health programs. We are giving \$1.5 billion back to the provinces for these programs. By harmonizing its sales tax with the GST, Quebec made money.

How can the member for Saint-Hyacinthe—Bagot make such statements when he knows full well that the facts do not match the content of his cassette and clichés?

Mr. Yvan Loubier: Mr. Speaker, on the subject of cassettes, I wouldn't go on about that too much, because they have one that is pretty long and rather out of date.

We in Quebec are not the only ones who think that the federal government stole \$2 billion from us. The Canadian premiers unanimously supported Quebec's request at St. Andrews, because they considered it unfair to Quebec that it got no similar compensation when \$1 billion was given to the maritimes to harmonize the GST with the provincial sales taxes.

If my colleague from Bourassa were more concerned about the interests of Quebec, he would encourage the Minister of Finance to give Quebec its due and would stop saying just any old thing.

Mr. Yvon Godin: Mr. Speaker, on a point of order.

If I recall correctly, I was reprimanded last week for having used the word "steal". Earlier, my colleague in the Bloc Québécois used the word twice. He has just used it a third or fourth time. I therefore ask, Mr. Speaker, whether there are two sets of rules in the House.

[*English*]

The Acting Speaker (Mr. McClelland): With the greatest respect, hon. members, it is not just the word, it is the context of the word and whether the word is directed to an individual.

Resuming debate, the hon. member for Qu'Appelle.

• (1120)

Mr. Lorne Nystrom (Qu'Appelle, NDP): Mr. Speaker, it is a great honour to once again rise in this House and say a few words. I was not here for the last four years.

I want to first thank the voters of Qu'Appelle for electing me as their member of Parliament. Despite the fact that I was an MP for 25 years for Yorkton—Melville, this is the first chance I have had to represent my hometown of Wynyard in the House of Commons. I am really pleased to do that.

I also want to take a half a moment to pay tribute to my two predecessors in what is now the Qu'Appelle riding. Simon de Jong was a member of Parliament from 1979 to 1997 in the old riding of

Regina—Qu'Appelle, and Vic Althouse was the member of Parliament from 1980 to 1997 in the old riding of Mackenzie. They both served their constituents and their country well and I think deserve the applause and the commendation of all members of Parliament.

In rising to say a few words in this debate today, I would first like to agree with the Reform Party that we obviously do need a public debate on the direction this country should go in terms of its public finances and spending. However, I disagree profoundly with the emphasis it places on where we should go. It condemns the 27 years of spending by the federal government in the past. It condemns the size of government.

The Reform Party, and this is why I will not support the motion, is really a throwback to the past. Its members are the Fred Flintstones of Canadian politics. It is a party that is basically anti-government. It is a party that does not really believe that the government's role in this country is to help create the equality of conditions for our citizens. It wants to go back to the past. It is a very right wing conservative party. For that reason we cannot support this motion before us today.

The Reform Party is spreading all kinds of myths, for example that government programs are the cause of large deficits in this country. It is spreading some mistruths in this country, that social programs are a big problem in terms of deficit and debt and unemployment. These things just are not true. It is about time the Reform Party was taken on.

Back in 1992 Statistics Canada issued a report which stated that the debt in this country, some 50 percent, was created by high interest rates; 44 percent of the debt from tax breaks and only 6 percent by government programs. Of that 6 percent only half of that is from social programs.

Yet we have the Reform Party saying that the government has spent too much, there are too many social programs, we need to be cut back and that is the cause of high taxes and high unemployment. That is not true. Statistics Canada said that the biggest cause of debt in this country was high interest rates. Who brought in high interest rates? Right wing conservatives like the Reform Party. Its friends like Brian Mulroney brought in high interest rates in Canada.

We saw the exact same thing in Saskatchewan with Grant Devine and the Conservatives there. Again, this is the right wing politics of the Reform Party. That is the biggest cause in this country of the debt and deficit.

The other cause is tax breaks primarily to wealthy people and large corporations. Again, those are the kinds of breaks that are defended by the Reform Party in Canada. For those reasons we cannot support today's motion of non-confidence in the government.

Supply

What we need in this country are decent social programs and a tax system that is fair for each and every ordinary Canadian. We do not need to go back to the past like the Reform Party that would have us privatize a lot of our social programs, have us set up two tier medical care in this country where we would have one system for the rich and one for the poor, where we only have tax breaks for the wealthy, where we get rid of the public pension plans like the Canada pension plan and turn everything into private pensions or RRSPs that favour wealthy people because they believe they can look after their own future better than anybody else. That is back to the past, the Archie Bunkers of Canada. That is the direction we should not be going in.

That being said, let us take a look once again at the Reform Party. Where does it want to do some cutbacks? It wants to cut back, for example, corporate income tax. It wants cutbacks in payroll taxes. When we look at the different options we have, one thing we have to weigh when we do have government expenditure is how many jobs are created because we have a major unemployment problem all across Canada.

● (1125)

I have here some figures about the different options if we had a government expenditure of \$1 billion. First of all, the multiplier the formula applied here affects the expenditures in a different way.

If we spend \$1 billion in direct hiring, it creates 56,000 jobs. Spending \$1 billion on goods and services creates about 28,000 jobs. Spending \$1 billion on infrastructure creates some 26,000 jobs. That is one factor taken into consideration when we talk about how we spend government money in Canada.

The most effective way to create jobs, if we want to cut taxes, is to start cutting back on the GST. In the campaign of the New Democratic Party we advocated the elimination of the GST on books and magazines. We advocated the elimination of the GST on children's clothing, which is exempt in most of the provinces now from provincial sales tax, certainly in my province of Saskatchewan.

We also advocated the increase in the GST tax credit for adults and children by 30 percent. It would cost \$1.2 billion for those three items and create 20,400 jobs in this country.

On the other hand, if we were to have a \$1 billion cutback in the GST, we would create some 17,000 jobs. But if there were a \$1 billion cutback in corporate taxes, there would only be 14,000 jobs created. If there were a \$1 billion cutback on personal income tax across the board, there would be 12,000 jobs created. If there was a \$1 billion cutback in the payroll tax, there would be about 9,000 jobs created.

Supply

We have choices. The question is where do we spend taxpayer money. What are the programs that have the most impact and the most effect in terms of job creation in this country?

I think what we have to do in terms of expending money on behalf of the Canadian taxpayers is to invest more in health and in education, those areas that need more spending, bringing people up to a greater standard of equality of condition. Those are also areas that would create jobs at the same time as investing money in education and health.

If we are going to cut taxes, the place to start is with the GST. I think that would help stimulate the economy more than cutting taxes in other areas, and the statistics tend to bear that out.

We have a debate in this country over where we are going to go in terms of the direction of Canada. On one hand there is the Reform Party, basically anti-government and anti-public institution, a party that wants to privatize and deregulate and scale back and get rid of government in almost every respect and aspect.

That is what it stands for. It is a stroll back to the past. It misleads the people of this country. It propagates myths around Canada. A big problem we have is government spending. Another problem we have is spending on social programs.

Statistics Canada showed us in 1992 that 6 percent of the debt is caused by government spending in Canada and only half of that is spending on social programs. Fifty per cent of the debt is caused by the high interest rates that we saw during the Brian Mulroney years, another version of a very conservative party in Canada. Another 44 percent of the debt is caused by tax expenditures, tax loopholes and tax giveaways to the large corporations that are the friends of the Reform Party.

For those reasons we cannot support this motion before the House today.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I found the speech by the hon. member to have some very creative accounting. It was quite interesting.

If government spending created jobs, if it created all these wonderful jobs, the government has overspent \$600 billion at the federal level in the past 25 to 30 years. If we add the overspending of the provinces to that, in total it overspent maybe \$1 trillion. If throwing government money at problems could fix them, how come this \$1 trillion that has been spent has not bought three jobs for everyone of us throughout the country? That is the first question.

The hon. member talks about the medical care system and how he would like to see jobs created in medical care. I would like to ask him whether he realizes that about \$2 billion crosses the border into the United States every year with wealthy Canadians who buy

medical services in the United States. Would it not be a good idea since he supports jobs in the medical care system to try to bring that money back into Canada in some way, to provide an alternative choice for those people who are already spending \$2 billion across the border? Let them spend it here and certainly put rules in place so that doctors cannot run into that special new program. Let people spend it here so that new jobs will be created in the medical care system.

• (1130)

If the member would look at examples in other countries which have done this, such as Britain, Sweden and New Zealand, he would see that the medical services jobs almost doubled as a result of introducing such plans.

Mr. Lorne Nystrom: Mr. Speaker, first I would like to say that I appreciate the frankness of the member of the Reform Party in advocating two tier medical care in the country. I certainly do not support what he is saying. He is advocating one system of medical care for the rich and one for the rest of us.

Maybe he does not know what ordinary people are like. Come to my riding in the inner city of Regina. How many of those people can afford a medical care system when they have to pay extra for it? They are very poor people and are living hand to mouth. The Reform Party is advocating two tier medicare which we have fought against in this country for many, many years and which the NDP will continue to fight against.

In terms of jobs, if the member of the Reform Party would unplug his ears and listen, he would find out that the greatest expenditure in the country has been on the interest on the national debt, approximately 35 cents out of every dollar. Another great expenditure in the country are the tax giveaways to multinational corporations, to the wealthy in Canada. If the member wants to look at an example of fiscal responsibility, look at the Government of Saskatchewan with a balanced budget and the lowest unemployment anywhere in the country at 5.6 percent.

Mr. John Harvard (Charleswood—Assiniboine, Lib.): Mr. Speaker, I welcome your appointment to the Chair. I am sure you will do fine work on behalf of all of us in the House.

I welcome the remarks of the hon. member for Qu'Appelle. We all know that he is anything but a new member. He spent about 25 distinguished years in the House and I am delighted that the voters in Qu'Appelle have decided to send him back to the House. I think he has made an enormous contribution to the debate that is taking place. I look forward to more interventions from him.

Now that we have five official parties in the House, this Parliament will work better and all regions of Canada will be better represented in the 36th Parliament.

Let me say that I too welcome the debate on what the government is going to do with greater revenues as a result of a growing economy. I welcome the suggestions made by the member for Qu'Appelle. However let me say that I think Canadians are a balanced people, are pragmatic and believe in balanced approaches. This is the reason why the government and the Liberal Party said in the election campaign in May that we propose to spend half of any surplus or extra revenues on tax reduction and debt reduction and the other half on the development of social and economic programs. I believe that is a balanced approach and something that Canadians support.

I would like to hear the member for Qu'Appelle comment on that.

Mr. Lorne Nystrom: Mr. Speaker, I believe there should be a division between new programs, enhancing existing programs and tax cuts and paying down the national debt. The debate will be what new programs we will look at and what enhanced spending there should be. I believe it should be in the fields of health and education. When we get the tax cuts the debate will be over where they should take place. I believe we should start with the GST, reduce it. That is the fairest way to go about doing it. It is also the way to create jobs in this country. That is the real debate: what kinds of tax cuts, what kinds of expenditures and what kinds of enhancement to existing programs.

• (1135)

[*Translation*]

Mr. Jean Dubé (Madawaska—Restigouche, PC): Mr. Speaker, may I first thank the people of Madawaska—Restigouche who expressed their confidence in me on June 2.

In its speech from the throne, the government repeated its promise to apply any budget surplus equally to new program spending and to reducing the debt and taxes.

This promise left me very sceptical, naturally. In the Atlantic region, we are used to fine promises from the Liberals. That is probably why so we elected so few.

I was all the more sceptical of the Reform Party's wanting to talk about financial management. Until very recently, they were still loath to set specific figures and objectives for their financial management plan.

The reality is that, if this government can point to a balanced budget today, it is because it has made deep cuts to social programs and abandoned its responsibilities to the provinces.

Now the government is peering into its crystal ball and talking about better days ahead. This is small comfort to those who have paid the price for its lack of planning and vision over the past four years.

Supply

In my own riding, close to 50 percent of the population is unemployed or receiving income support. The changes to employment insurance brought in by the Liberal government have had a devastating impact.

The situation is so bad that it is a rare day in my riding office that I do not hear tales of despair from my constituents.

You may think I am trying to be melodramatic in this august place, but this is the sad reality our constituents live with.

I will be the first to admit that there are no easy solutions, but I will also be the first to say that solutions there are. They can work if the government takes the trouble to listen to people, to think, to give some thought to the long term, and to show some compassion, while behaving in a financially responsible manner.

We must not lose sight of the fact that the smaller deficit is largely the result of an increase in revenue, low interest rates and reduced payments to other levels of government. During their first term of office, the Liberals preferred to shift the burden of the deficit to others, rather than cut back on their own spending.

The government has forgotten that it is the average Canadian who is footing the bill for its decision; not the provincial, federal or municipal levels of government. In Canada, there is only one taxpayer.

And despite the recent propaganda about good financial management, Canadian workers and those on small incomes will always be stuck with the bill. As proof, I point to *The Fiscal Monitor*, a Department of Finance publication. In July, the minister was boasting about a \$1.4 billion surplus in May 1997. This was due in part to an increase in employment insurance premium revenues (up \$0.3 billion) attributable to the acceleration of monthly payments.

[*English*]

We have often pleaded with the government to reduce employment insurance premiums. To use what was once designed as an insurance to provide temporary income as a deficit cutting measure is unacceptable. This government has no mandate to impose an outright payroll tax. It is just plain wrong.

I have argued that reducing employment insurance premiums by 70 cents per \$100 of income would create hundreds of thousands of jobs. It would stimulate the economy and give Canadians the much needed tax relief they deserve. But then again, why would the king of Bay Street listen to me, a young Conservative MP from rural New Brunswick?

The Minister of Finance may not want to listen to me or my colleagues, but maybe he will listen to the Canadian Chamber of Commerce, the Canadian Federation of Independent Business and other organizations which agree that reducing employment insurance premiums by 60 cents for example would create 170,000 new

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jobs. Those are the kinds of measures Canadians need, not just empty words and promises.

• (1140)

[*Translation*]

With this motion, the Reform Party wants to convince us that it has the monopoly on reason where proper financial management is concerned. In fact, the exact opposite is true.

The Reform motion clearly demonstrates their lack of concrete ideas on the question. They are very much like the Liberals in this, full of vague promises and no set objectives. Why does the Reform party want to waste its time debating something that is so simple? Taxes are quite simply too high. The problem must be addressed, now or never. Why wait for the near, or more distant, future? The Reform solution is to reduce taxes only when a budget surplus has been attained. That means that Canadians will notice no difference from the Liberals, where their pocket books are concerned.

The Progressive Conservative Party is the only party willing to act today. We are the only ones who want to give Canadians a reduction in their tax burden starting right now. The budget surplus we are about to have is built on the sacrifices of all Canadians, and they all deserve to reap the consequences.

[*English*]

Even though we speak of tax cuts for Canadians, our approach to managing the fiscal dividend is responsible. The leader of our party, the hon. member for Sherbrooke, has warned that the tax and cut government of the Liberals' first term has been replaced by the tax and spend government in the second. Unfortunately I think he may be right.

We are pleased there is a balanced budget on the horizon but the Liberals must be held accountable. This short term performance is not a permit to open the floodgates of government spending. If this government truly believes in its performance, it will have no problem committing publicly to it. Specific benchmarks must be established now.

[*Translation*]

This means that, first of all, we must have legislation calling for a balanced budget; second, objectives must be set for reducing the debt, based on a specific debt to GDP ratio; and third, there must be specific stipulation of the amount to be put into reducing the debt. Employment insurance premiums are far too high and constitute a direct tax on jobs. The government must, with no further ado, reduce employment insurance to \$2.20 per \$100 of insurable earnings.

Those are some concrete proposals aimed at putting more money back into Canadians' pockets and at putting this country's affairs in order.

I am setting the Liberal government the challenge to listen to reason and to implement our proposals, for the sake of our country's future.

[*English*]

Mr. Jim Gouk (West Kootenay—Okanagan, Ref.): Mr. Speaker, just a couple of comments on members who have already spoken.

The hon. member for Willowdale who spoke on behalf of the Liberal Party stated that one of the things he was proud of was Canada Council grants provided by the Liberal government. I would have liked to have asked him had the opportunity existed, and perhaps the hon. member who just spoke can comment on it, if he is really proud of the latest expenditure by the Canada Council. It is a \$42,000 study, \$42,000 of Canadian taxpayers' money being used to study the social origins of medieval Latin lyrical song.

I also would have liked to have asked the hon. member for Qu'Appelle when he speaks so eloquently of how proud he is of the Saskatchewan government with regard to all the things it does in particular with medicare, whether or not he is proud that it had to shut 50 hospitals and whether or not the \$2 billion that is spent across the line might be better spent trying to keep some of those open.

Finally, I would like to ask this of the hon. member who just spoke. We know from past experience that the Conservative government tried to balance the budget and in fact started to bring the deficit down and suddenly it turned around and became one of the biggest deficits we ever had. Does the hon. member have any special points that he might like to offer to the Liberals so that they do not end up doing the same thing? They have followed them so many other times in the past.

Mr. Jean Dubé: Mr. Speaker, first of all our party has priorities. Our priority is to create jobs. We will continue to do so and we will tell the House how we will do it. I cannot comment because it is not a priority for our party and I do not think it is a priority for the House.

• (1145)

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Mr. Speaker, I listened with considerable interest to the new member for Madawaska—Restigouche who, I might say, speaks an exemplary French.

However, in his speech, he mentioned our government's accumulated deficits, and I would like to give him a little background quickly. Prior to 1970, the federal government had little deficit but, year in year out, the deficit accumulated.

With the arrival of the philosopher Pierre Elliott Trudeau at the helm of the government, the deficit began to grow. However, on his arrival, Brian, the hon. member's spiritual leader, whom he ob-

viously dare not name, threw himself into lavish spending so that, in its final year in government, the Conservative Party had a deficit of \$44 billion and an accumulated debt of \$600 billion.

Obviously shameful. However, the word also applies to the party currently forming the government if not more than to the preceding government, when it draws an annual surplus of between \$6 billion and \$9 billion out of the pockets of the impoverished workers by unduly increasing the employment insurance premium, while cutting benefits, shortening the period of eligibility for employment insurance and tightening the requirements.

On this point, I support my colleague from Madawaska—Restigouche, but when he talks about the spending of the current federal government, I suggest he look in his own back yard to see what the Conservative Party did during its nine years in government. It spent extravagantly too.

Mr. Jean Dubé: Mr. Speaker, I want to thank my colleague very much concerning my ability to speak French.

My colleague talks a lot about the deficit. Yes, I did look in my own back yard, and in fact we are now reaping what we had sown by the previous Conservative government.

The Conservative Party inherited a debt of more than \$200 billion with an interest rate of more than 21 percent. We implemented free trade. Our friends opposite voted against the GST. We implemented it. They were supposed to scrap it. They did not scrap it, it is still there.

It is our measures that put the country back on track. I can tell you, I guarantee it. It is certainly not what the Liberals did, because they did not do anything concrete, absolutely nothing at all. We will be able to say thanks to the previous Conservative government, I guarantee it.

[*English*]

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I will be splitting my time with the member for Battlefords—Lloydminster.

It gives me great pleasure to speak to the motion of the member for Medicine Hat which bears repeating:

That this House condemn the government for making their 50/50 election promise on any future surpluses without adequate public debate as to the optimal size of government, taxes, and debt, thus threatening to repeat Canada's 27 year old history of irresponsible spending, creating high debt, financed by high taxes, causing high unemployment.

This is an important motion because it goes to the heart of what caused our debt in the first place. It is not surprising to hear the NDP say that it is opposed to our motion today, considering that it was part of the coalition that started this whole spiral back in the late sixties to begin with.

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The country needs a good debate about what should be the size of the federal government. It is all about priorities. How big of a government do we really want? Are we willing to pay the taxes it takes to run a government of that size? Can we not, with a smaller government and lower taxes, create a far greater prosperity for our citizens? This is the debate the country needs. It is the debate that is currently taking place in Alberta which has two surplus budgets.

• (1150)

Since this is my first time speaking in 36th Parliament, I would like to thank the people who elected me in my riding of Peace River for returning me to the House of Commons. I hope I can continue to show that I am working on their behalf and respect that they have put their faith in me. I would also like to congratulate you on your appointment to the Chair.

I am especially pleased to have been reappointed international trade critic because it is critical to Canada. It is also critical to my riding of Peace River and its economy.

Our export industries are oil, natural gas, agriculture and forestry. Nationally one out of every three jobs is related to exports. In my riding almost everything we produce in a basic industry line is exported and is vitally important.

Therefore I am always concerned about giving our Canadian businesses the best opportunities to take part in the global economy. Trade and investment deals open a lot of doors, but what happens if our companies cannot take advantage of these deals and conditions at home do not allow them to survive and grow? I am keenly aware that trade starts at home with sound domestic policies.

I congratulate the member for York West on becoming the Minister of International Trade. His ministry has an important role to play in securing Canada's place as we move into the 21st century. His job will not always be easy as there will be voices trying to hold Canada back. These voices will urge him to protect our industries from the cut and thrust of foreign competition. At the same time his department will urge him to resist these pleas for protectionism. I wish him vision and resolve to stay the course of trade liberalization which has meant so much to Canada in the last 10 years. I want to serve notice that I will be watching.

We heard the Speech from the Throne on last Tuesday. It touched briefly on the importance of trade to the Canadian economy. One in every three Canadian jobs now depends on trade. These jobs were not created as a result of team Canada trade missions. I admit that many business people make important contacts on these trade missions. I would even admit that there are some countries where high level government presence is critical. However, these multi-

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million dollar trade deals do not happen just because the prime minister touched down in a jet with his entourage in tow.

On the contrary, while it opened some initial doors, it is interesting to find that our trade, especially our exports to countries like China, Hong Kong, India, Pakistan, Chile, Argentina and Uruguay just to mention a few, went down in subsequent years after the initial trade missions.

There is a lot of bragging on the other side about the importance of the prime minister opening these doors. I suggest he has to do some work at home to look after some problems that restrict the ability of Canadian businesses to take advantage of the trade deals.

In light of these stunning failures I wonder whether the government will continue pinning all its trade hopes on a five day dog and pony show.

For all the government's talk of trade successes it just so happens that most Canadian companies do not export. In fact 80 percent of our trade is done by 100 companies. Literally thousands of companies have never sent a representative outside our borders or even sold a single widget or service to a customer in a province west or east of them. Is this because they lack the imagination or lack the courage to leave their own backyard? No, certainly not.

In many cases borders between our provinces have been more daunting than the Himalaya mountains. After being in power for three and a half years the last time and being in power a long time before that, it is outrageous the Liberal government has done nothing to dismantle hundreds of trade barriers that exist between our provinces.

In the subcommittee on the special import measures act last year members heard that in many cases it was easier to export from the American states to our provinces than it is from provinces like Ontario. This is absolutely absurd. We even heard from a Canadian company that actually left Ontario in disgust to move to Michigan. The company could not do business in Canada from Ontario, but once they located in Michigan they could trade into Canadian provinces. We have an absolutely ludicrous situation that has to be corrected. They are not showing the vision on the other side to resolve the problem.

• (1155)

The problem of internal trade barriers is one that will take imagination and courage to overcome. I submit the government has neither the imagination nor courage. Otherwise it would have tackled it long ago.

The federal government has the power to demolish these internal trade barriers. Doing so will do more to create jobs and exports in the country than hundreds of team Canada trade missions. In fact it

has been suggested that internal trade barriers may be costing Canadians up to \$8 billion per year.

The Speech from the Throne also mentions making Canada the location of choice for global investment. It is a worthy objective. Canada is a wonderful location, but I wonder sometimes if the government has actually examined some of the existing problems.

Has it examined payroll taxes? They are a killer and they are going up, not down. Canadian pension plan premiums are going up by 77 percent over 1996 levels. On top of that, the employment insurance fund will run a surplus of almost \$13 billion by the end of the year. What is this for? It is obviously to help the finance minister bring down his deficit, but it will be done on the backs of workers and employers.

Does the government honestly believe foreign investors will come to Canada to have their pockets picked? Why on earth would high level executives want to direct foreign investment from their country into Canada after examining our personal income tax levels? These are over 50 percent higher than income taxes paid by our six G-7 partners.

Now blue skies and nice folks are important, but I suggest they are not the only reason that companies invest in Canada. They look at business dollars as savvy executives. Good business conditions is what they are looking for.

We desperately need to dismantle our internal trade barriers and lower payroll and other taxes. We also need to remove some of the red tape on regulation that keeps our business people from concentrating on the product or the service they are selling.

In conclusion, trade and investment start at home. If the conditions are right foreign investments and exports will follow.

My riding of Peace River in Alberta is located in the lowest taxed province in the country. It is not surprising that our exports flow directly south where many of our trade barriers have already been dismantled.

The Liberal government should take a major initiative. Instead of taking a team Canada trade mission to Latin America this year, perhaps it should concentrate right at home and correct some of the problems it has the power to look after.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I want to pick up on the last point the hon. member put forward with respect to internal trade barriers.

The hon. member should acknowledge that the government introduced a measure to eliminate internal trade barriers. I had the opportunity of sitting with one of his colleagues who contributed to that discussion quite effectively.

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If the member wants to have an impact on internal trade barriers I encourage him to continue his dialogue. At the same time he should make sure he speaks to the provinces that are standing in the way of eliminating trade barriers that contribute to \$6 billion or \$7 billion of GDP. This is very important for the country and the jobs that need to be created.

The federal government is not standing in the way of internal trade barriers. I encourage the member to be very clear when he communicates with the constituents of his riding and other Canadians across the country. I am sure he supports the initiative, as do I and other members of the government.

However I want to make the point that the provinces are standing in the way. I certainly welcome any support he could provide in that instance.

Mr. Charlie Penson: Mr. Speaker, I thank the member for Stoney Creek for his comment and question.

I certainly agree with him that initiatives are being made. There is an effort to try to dismantle interprovincial trade barriers. That initiative has been going nowhere. There are provinces, especially those led by NDP governments, that are resisting very vigorously.

Failing being able to resolve this issue by consultation, section 93 of the Canadian Constitution clearly states that there shall be no restrictions or barriers to trade across interprovincial borders. Clearly the federal government has the authority to make the change.

While a Reform government would devolve many powers to the provinces where they can be administered better by either the provinces or the municipalities, this is one area in which the federal government has to show strong leadership, and it is not currently doing so.

• (1200)

To show how ludicrous some of these interprovincial trade barriers are, a constituent of mine in the Peace River riding had a contract to do some gravel work using some of his trucks up in an area seven miles from the British Columbia border in Alberta.

When the day was done and they had finished their work, they wanted to drive those same trucks into Dawson Creek, which was the nearest community, to stay in the hotels there overnight and eat in the restaurants. But they were restricted from doing so because the axle spacing on their trucks does not meet B.C. requirements. It would have cost them thousands of dollars to meet that specification. Those are the kind of silly rules we have in Canada.

We have more barriers to trade within our provincial borders than all of the European Community members combined. It is ridiculous. Seventeen 17 countries in Europe have been able to

come up with standards so that trucks can roll across the borders, do not have to present papers and do not have special restrictions based on country of origin. Canada has negotiated better trade agreements outside our country than it has been able to negotiate inside Canada.

I suggest that when the member says that we need consultation and to put pressure on, the government clearly has the authority to make the changes and bring Canada into the 21st century.

Mr. Gerry Ritz (Battlefords—Lloydminster, Ref.): Mr. Speaker, congratulations on your appointment. The job looks good on you.

I would like to thank the voters of Battlefords—Lloydminster for their support. I speak today on their behalf in support of the motion to condemn the government for its empty promises.

My riding is a large rural riding with a very active and diverse agricultural sector and a thriving resource industry. I would like to say that my constituents were very disappointed when there was no mention of their issues and concerns in last week's throne speech.

As a matter of fact, we are obviously not alone if we judge by the comments that came out of British Columbia last week. To my knowledge no one in Saskatchewan is entertaining the notion of separation, but we can certainly sympathize with the frustration that is contained in that expression. Even if much of that frustration is based on perception rather than reality, it still grows as Canadians beyond this central region see their concerns ignored and in some cases brushed off as insignificant.

On the prairies today grain piles up in the elevators, trains sit idle on their sidings and government monopolies continue to tell farmers what to do with the products of their labour.

Back in Ottawa the government announces new spending initiatives to satisfy a few narrow interests as it claims a balanced budget will soon arrive and perhaps then it will take a look at letting Canadians keep more of their own money.

Has the government ever really asked what is the number one concern of all Canadians? If it did, the answer from the left and from the right of the political spectrum would be jobs, long term sustainable jobs.

When an individual has a secure job, all the other facets of their life fall into place. They can make plans, develop skills, raise families and put their wages into the marketplace to the benefit of their fellow citizens. When people feel secure they can more easily turn their attention to the wider concerns of a regional or national scale.

Reformers believe that Canadians are generous and compassionate and given the chance will make decisions with their money that will benefit their fellow citizens everywhere.

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We believe that if governments create the conditions that offer opportunity and security in the economy, then prosperity will alleviate many of the social concerns we are struggling to deal with here in this place.

For example, if the government would create the conditions that encourage business people to hire workers, then the benefits to everyone would be obvious. If someone is lifted from a social program, becomes a taxpayer and is given the opportunity to make decisions, it will help their fellow Canadian.

That is where we run into trouble. Some people still believe in the grand schemes that call for massive amounts of tax dollars and assume that a handful of bureaucrats making decisions in central offices are somehow superior to the choices made by ordinary Canadians.

Reformers and people with different perspectives from many countries have shown over and over that this philosophy is both wasteful and ineffective.

• (1205)

Taxpayers do not need more grand schemes. We need to let Canadians, including Canadians who choose to invest in their future, create businesses and hire their neighbours, to make their own choices.

I am not going to stand here and say that average Canadians have all the answers. When we consider the risks involved, the headaches and the aggravation of owning a small or medium size business, we have to wonder if wise choices are being made out there. There was a joke going around a few years ago which asked: How do you make \$1 million in Canadian business? First you start with \$2 million.

When we consider the number of obstacles which stand in the way of a Canadian entrepreneur, the regulations and red tape, taxes, fees, licences at three levels of government, including all the agencies and commissions, the regulations and fees of the banks, the suppliers and the competition, it obviously takes a special breed of people to want to have their own business.

To be fair, we are not unique in the world for this. There are just as many regulations meant to protect as there are to interfere. However, when we consider that there are nearly one million businesses with paid employees in Canada, of which 97 percent have less than 50 workers, and 1.1 million Canadians who describe themselves as self-employed, surely there are a few basic things that can be done to encourage those people.

Consider that 75 percent of all businesses in Canada have less than five employees. By convincing even half of these employers to hire one more worker on average, we would see 360,000 jobs created in a relatively short period of time.

The question becomes: What would it take to convince someone to hire that new worker? Quite simply, companies will hire only if it is in the interest of their profitability to do so. It is naive to think otherwise.

We often hear in the House that the measure of a country is how it treats its most vulnerable citizens. Where the debate goes off track is when some of our colleagues assume that the only measure of how we treat these citizens is how much money the government spends to deal with them. We forget entirely that citizens can help each other and that the choices of our fellow citizens must be part of this measurement.

Governments can better increase the profitability of businesses by reducing their costs, rather than by subsidizing certain activities. Labour is one of these costs and government can have a negative influence on this by, for example, keeping employment insurance rates higher than are necessary or by jacking up premiums on pension plans to compensate for 30 years of mismanagement.

Taxes of all kinds can also have a negative impact. Nobody has yet found a way to run a country without them, but it is the rates established in Canada that need serious adjustment. Taxing capital gains at the same rate as ordinary income ignores the element of risk that an investor or entrepreneur brings to business, without which our economy would be stagnant. Taxes drive up the cost of nearly everything, and by so doing suppress purchasing and pass the costs on to the people least able to afford them.

We can see that potential entrepreneurs in this country are hit with a triple whammy. Government raises the cost of supplies and products without consultation, thereby affecting sales. If they succeed they are then hit with premiums, levies and taxes on the employees they try to hire to help them produce more.

Finally, if the struggling businesses manage to overcome all of this and show a profit, the government again comes looking for a share. There is of course the small business tax deduction, but it has not been adjusted since it was introduced in 1982.

Governments have compensated for inflation by increasing their tax take, but have done nothing to protect the people who generate those taxes. I do not wish to be dramatic. Clearly Canadians are creating businesses and, though not very often, are even pocketing some money and prospering.

The question that we have before us is this. How can we make more people more prosperous? The Reform Party discussion paper *Beyond a Balanced Budget* provides a great deal of statistical information and arguments on why we must address the issues of tax burdens and entrepreneurship in Canada. We invite informed discussion from all Canadians on the future direction of this country.

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We stand at a threshold, as we did in 1970 when the government last had a surplus budget. What we decide to do in this House will not only affect ourselves and our children, it will affect Canadians for generations to come. I trust we can be much more prudent and thoughtful than our predecessors.

• (1210)

Mr. Murray Calder (Dufferin—Peel—Wellington—Grey, Lib.): Mr. Speaker, I listened with a great deal of interest to the member's maiden speech. I would advise him to do a little better research. He should look at what has been done with the Canadian Business Development Bank, for instance. Its mandate has been expanded and it is certainly helping tourism in Canada.

He should also take a look at the Farm Credit Corporation because its mandate has been expanded. Not only does it deal with farmers, but it is now dealing with value added product which is helping the agriculture industry.

He talked in his speech about things that he had not heard the government say. One of the things I noticed was that he did not talk about health care. I would like to get his opinion on health care and what it should be into the third millennium. One-third of Canada's population, 9.8 million people, are now turning 50. There will be 500,000 a year turning 50 each year for the next 20 years.

The health care system is going to be used at a very high rate as this segment of the population ages. I would like to hear what his opinion would be on how we pro-actively answer that problem.

Mr. Gerry Ritz: Mr. Speaker, I thank the member for his questions. He mentioned the Canadian Business Development Bank and Farm Credit Corporation. Certainly we welcome any positive conditions that they will introduce to further business in Canada. However, the one thing that usually flies in the face of anything that happens through developments like this is that they never really consult the people that they purport to serve.

I know in my instance, the Farm Credit Corporation having just gone through a major shake-up and a major reorganization in my area, has not really seen any dramatic growth or have I heard people saying "You are doing a much better job". We just do not see that out there.

Regarding health care in my province of Saskatchewan, we have seen hospitals closed at a record rate. The line-ups are definitely longer. People are waiting longer and longer for less health care. It is unfortunate.

Of course I do not have all the options and answers. We are here in this House to discuss them. I think of some of the things that we are going to have to do. We need a much more preventive medicine

situation out there. We are going to have to allow some alternative treatments and so on like that.

We need to assure that people have the right to basic health care and make sure that we can sustain that into the next millennium.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I listened very intently to the comments of the hon. member. As the Reform is prone to do, he has addressed in his comments specifically the financial end of his impression of the throne speech pointing out the inadequacies, making thoughtful suggestions on where improvements could be made.

My observations of Reform and the comments of its members seem to indicate that they are very regionally based and focused. In the Conservative Party six provinces are represented, including a great proportion from Atlantic Canada.

My question for the hon. member is specifically, what does the Reform have in mind. What is its approach to addressing some of the difficulties that Atlantic Canadians are facing, keeping in mind that those problems are national problems as well?

I have yet to hear anything too insightful or thoughtful on the part of the Reform on how to address the problems of Atlantic Canadians.

Mr. Gerry Ritz: Mr. Speaker, I welcome the comments from my esteemed colleague. He talked specifically of help to Atlantic Canada. In our election platform and again here in the House we talk about equality of opportunity for everyone.

The member for Medicine Hat earlier today stated that cutting taxes helps people at all ends of the country. It creates jobs, lets small business become the small engine of the economy that we know it to be.

Subsidies and grants have proven not effective over the last number of years. There are too few dollars for too many people. We would also like to see a review of the infrastructure system in Atlantic Canada to help it facilitate the worldwide market that we are finding more and more out there. Those types of things will have to be addressed.

• (1215)

There is a fisheries crisis in Atlantic Canada. He talked about us being regional. We have an agriculture crisis in the prairies. We are not alone in coming to this House with regional viewpoints. That is much of the reason for the make-up of the House as it is. People are sending us here to address issues that are common to them.

Mr. Tony Valeri (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, this past June nearly 13 million Canadians voted in the federal election which established this 36th

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Parliament and our government, and that is a fact. It is one of those facts that today's opposition motion strangely ignores.

In that election our government looked to the day when, thanks to the foundation we put in place with four years of consistent effort and tough decisions, the federal government will no longer need deficit financing. That will be the day when we do not have to borrow to cover the cost of federal spending and debt charges.

The prospect of that tremendous turnaround raised an obvious issue. What should the federal government do when tax revenues begin to exceed our costs? As the prime minister said, and he proposed a very clear and concrete answer, one-half of the surplus should go to a combination of reducing taxes and national debt. He proposed that the other half be invested in addressing the social and economic needs of Canadians.

That proposal was made in the first week of the campaign. It allowed for weeks of debate and discussion by candidates and by commentators. Mr. Speaker, I am sure that you and other members of this House were out there debating at local debates in your constituencies. Most important, this issue was debated by Canadians themselves. The single largest group of Canadians said that is the approach they want.

Yet today the hon. member for Medicine Hat seeks to condemn this government for making that 50:50 pledge without adequate debate. Did he not engage in that debate during the campaign? Where was he during that debate in his campaign? I am sure the issue came up. I am sure he debated with other candidates who were seeking election. I am at a loss to explain why he now seeks to condemn the government for this proposal.

Perhaps he did not read our platform. Maybe that was it, I am not sure. Perhaps he just did not want to debate it. Maybe that is it. Perhaps he only has ears for his own rhetoric, but I have a higher regard for Canadian voters.

Our government has been addressing these issues, the size of government, taxes, debt, from the first day that we came to office. That is why we have cut the size of government and federal program spending by more than any other government in 50 years. That is in absolute terms, real bottom line dollars. That is why we have not increased tax rates in three consecutive budgets, because we know the tax burden Canadians carry is too high. That is also why we have lowered employment insurance contributions in each of our four budgets, and that is why we have introduced selective tax measures for those most in need, to help disadvantaged children and to assist charities.

And then there is the debt, a topic that has not escaped the notice of this House and our government no matter what the opposition would like Canadians to believe. We have made clear in budget

after budget that deficit elimination is not the end of our fiscal journey. We also have to bring down Canada's debt as a share of our economy. We had to deal with the deficit. We have dealt with the deficit as we have said we would. We will be balancing the budget in 1998-99. The debt is still much too large as a percentage of GDP and we will continue to bring down Canada's debt as a share of our economy.

These actions and positions are a matter of record, just the fiscal turnaround we have worked so hard to put in place. They have been analysed, debated and critiqued for four years. After all that, Canadian voters decided last June that this record of achievement and commitment deserved a new mandate, the mandate they gave to this government.

This motion should fool no one. It is not about adequate debate. It is not about how the 50:50 pledge should be applied. It is not even about irresponsible spending. Instead it is really an attack on a concept of balanced government. It is an attack on the idea that government does have a role to play in investing in a stronger, more innovative economy, and it is an attack on the belief that government does have an obligation to help those in need and at risk.

• (1220)

We know that market forces alone will not do the job. There was reference earlier by previous speakers about the fact that Alberta is now out there consulting with Albertans on what to do.

The Reform Party should also acknowledge that for the first time Premier Klein is actually saying that there is a role for government and that government needs to invest in the future of Albertans, in his particular case. We as a government have always believed and will continue to believe that we need to invest in the future of Canadians and ensure that the investments pay dividends.

We have made clear that our government will reduce taxes when it is affordable, when a fiscal surplus is certain and secure, because we will never jeopardize the progress that we have made on the deficit. We will not jeopardize the rewards that this progress is delivering and the achievements that we have made over the last number of years.

One of those benefits is the low interest rates, the lowest rates in 30 years. It is as a result of the fact that this government has been successful in reducing the deficit and gaining a handle on the fiscal management of this country.

Clearly that is not good enough for the opposition. The motion obviously implies that any new spending is bad spending. It raises the spectre of the return to surging deficits, a staggering debt and renewed taxation. Let me say that this reform motion is wrong and it is misguided.

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The official opposition may worship at the altar of laissez-faire, but we and the majority of Canadians know that laissez-faire economics can too often become the let them suffer public policy.

We are not prepared to nor do we accept that proposition by the opposition. That is why we have set out in the last budget, during the election and in last week's Speech from the Throne concrete priorities where a share of the fiscal dividend should go.

Members of the opposition say that is why we have such a big problem in this country. Members of the opposition can continue along that track and can continue to keep their heads buried in the sand and talk about the way it was. We are talking about the way it is going to be. The progress that we have made, the benefits that progress is bringing to this country and how we are going to bring this country into the next millennium, that is the discussion we will have.

There is ample opportunity for discussion in this House and there will be ample opportunity for continued discussion outside of this House, as every member of the government will be out in their constituencies consulting with their constituents, consulting with Canadians about the priorities and whether we have these priorities right and what we should be doing with our fiscal dividend when that dividend appears.

We established concrete priorities in the throne speech last week to children through further increasing the child tax benefit. Our goal here is working with the provinces to allow low income families to get off the welfare trap that creates a disincentive for work and that punishes children most of all.

On investing in quality health care and good health, our health care system has become a vital part of our national fabric, providing the security that represents both a social and an economic benefit.

We pledged to invest in measures to help Canadians respond to the expanding need for home care and community care and to improve the quality and effectiveness of health services and delivery.

We have placed the priority on creating opportunities for young Canadians. We have placed the priority and are demonstrating that priority through investing in knowledge and creativity.

• (1225)

It reflects the fundamental fact that in today's fast evolving, global economy there are initiatives that must be taken on a national scale. It is incumbent on a national government to take on that role. We cannot rely only on pockets of success in the face of tidal waves of international competition. We have to mobilize on a Canada-wide basis, drawing on all the stakeholders, the private

sector, governments and community groups. We need to engage and we are engaging Canadians at all levels in ensuring we mobilize together.

An example of that is the Canada foundation for innovation. It is an \$800 million investment that has been applauded right across this country. We have been able to make that investment because of the fiscal progress that we have made in this country. It is about having a vision. It is about investing in Canadians in ensuring that the future of Canadians is bright. That is the role of the government.

More recently the prime minister has pledged the scholarship initiative, an even greater investment in what is the ultimate natural resource in this country, our young people. This is just one initiative, the scholarship fund, but there are many others that we have engaged in through the ministers of human resources and finance who have put forward a youth strategy to assist the youth of this country. It is not just members of the government. It is members across the floor as well. Youth are an issue that is important to every Canadian and every member of this House.

By working with members across, with Canadians, with the private sector and with all levels of government, we are beginning to deal with the issue. It has not been solved. It is still an issue. Unemployment for young people in this country is still too high. Canadians have said that to members across and to members of government. We know that but we are making progress and are taking initiatives to deal with the youth unemployment issue.

We will continue to do that and as the government continues to improve and balance the budget and as funds become available for strategic investments, one of the priorities we have set forth is youth and we will continue to deal with that issue.

I go back to today's opposition motion. It essentially implies that such investments in youth and in the Canada foundation for innovation will be a threat to our nation's fiscal future and long term economic prosperity. I disagree. The Canada foundation for innovation will add to the long term economic prosperity for this country. Investment in youth strategy and youth initiatives will add to the long term economic prosperity of this country.

I do not think we will find Canadians anywhere who will disagree with investing in youth, investing in innovation and ensuring we are equipped to move into the next millennium, ensuring this country is equipped and able to compete with companies and other countries around the world. I am confident that the majority of Canadians will see them as vital investments in our national growth and security.

We have worked hard for four years to bring Canada's finances to the point where we can begin to plan new initiatives. We will never jeopardize that achievement and the benefits that it has

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brought, low interest rates, impressive economic growth, hundreds of thousands of new jobs.

As the throne speech stated, we will continue to be vigilant and responsible about keeping the financial affairs of the country in order. We will implement tax reductions and lower the debt. However we have never lost sight of the companion obligation to use the resources that we do have in intelligent and effective ways to strengthen our society and advance our economy.

• (1230)

It reflects what Canadians across the country continue to support. I submit that a balanced approach is the best approach. It is the approach that Canadians have consistently said they support and will continue to support. That is why the House must reject this motion and the philosophy that it represents.

In the remaining moments I have, it would be incumbent on me to address some of the points that were made earlier today by the member for Medicine Hat. He stated that the government is playing games. Let us talk about the games the government is playing.

We have announced that we will balance the budget in 1998-99. The debt is on a downward track. We are committed to reducing the debt to GDP ratio. The economy is growing and we are leading the G-7. I submit that we are winning this game. To use the words of the hon. member for Medicine Hat that the government is playing games, we are winning the game. The member should read again what we accomplished in our past mandate and what we intend to do in the future.

The core issue which is raised continually is that there is no consultation with Canadians. Let me also say that Reform has no monopoly on consultation. For Reform to make that statement and think that other members of the House are not speaking with Canadians I submit is unfair. We all speak with our constituents and consult with Canadians. I do not understand it.

We began prebudget consultations back in 1993. And we are not speaking to Canadians? Was he in the same place he was during the election campaign? Did he miss out on what was going on or is this just an opportunity to put something forward without any real thought?

The member talked about irresponsible spending. What about our priorities on health care, education, youth and children? This is not irresponsible spending. These are the priorities of Canadians. They want to see a strong national government making investments in priorities. However, the Reform Party apparently disagrees.

Reform members disagree with the fact that there has been \$1.5 billion put back into the Canada health and social transfers. They disagree with that reinvestment in the health care system and with investments in scholarships for young Canadians. I am at a loss.

They apparently disagree with the concept of youth internship and lifelong learning.

Let me close by saying that as the fiscal situation has allowed, the government has pursued new spending initiatives in priority areas, health initiatives, R and D support, tourism. It is the essence of good management. The bottom line is that Canada is now on a track toward eliminating the deficit with a smaller and better government.

[Translation]

Mr. Jean-Guy Chrétien (Frontenac—Mégantic, BQ): Thank you, Mr. Speaker, for recognizing me immediately after my distinguished Liberal colleague from the beautiful riding of Stoney Creek finished his speech.

In his 20 minute speech, he raised a few points which may be worth looking at again.

• (1235)

First, he said interest rates are currently the lowest this country had ever seen. I would submit to him that, conversely, I experienced the highest rates at a time when I had a substantial mortgage. As it happens, his leader was sitting in the finance minister's seat, or very close to him, at the time. I have paid rates as high as 22 percent at a time when this same Liberal Party was running the country.

The debt is now \$620 billion, or thereabouts. I will remind my distinguished colleague that the Liberal Party, which ran the country from 1970 to 1984, except for the nine months of Joe Clark's government, managed to make the accumulated deficit grow to \$250 billion. The Conservatives made it grow twofold from 1984 to 1993. Since 1993, the Liberals have been at it again and, as a result, it has now reached \$620 billion.

The GST. His leader had promised to kill it. The ruse he found to lull some Atlantic provinces was the harmonization that Quebec had already carried out in 1991-92 and that should bring in to Quebec about as much as was offered to the three provinces that agreed to harmonize their taxes. He therefore owes the people of Quebec some \$2 billion.

He talked about jobs. I find it shameful for a government to take between \$6 billion and \$9 billion a year out of the employment insurance surplus to finance the deficit reduction effort. I find it shameful for the government to come and boast in this House about working for the unemployed, for youth, for our students who are looking for work and training in their field. It is shameful and I am convinced that his constituents are not proud of the speech their member has just delivered.

I urge my hon. colleague, whom I had the pleasure to meet more often when we were sitting together on the environment committee, to try to raise awareness in cabinet and in the party to which he

belongs, to make them more responsive to the demands of the working class.

[*English*]

Mr. Tony Valeri: Mr. Speaker, the one point I would like to make is a point which I made during my speech.

We have an opportunity in the House to debate where we are going in this country based on the mandate we were given in June by Canadians. The hon. member however seems to want to continue to live in the past with the highest interest rates in history.

Today we have the lowest interest rates in 30 years. Canadians are benefiting because of lower interest rates. The economy is benefiting because of low interest rates. The debt is on a downward track and the government has made a commitment to reduce the debt as a ratio to the GDP.

If we want to start talking about the past, the member is certainly able to do that. However I would like to continue to demonstrate that this government has made commitments, has established priorities and will continue to meet those priorities.

With respect to the harmonization of the GST, Quebec has benefited from that. There has been no reduction in revenue to the provincial government as a result of harmonization of the GST. The member knows that yet he continues to stand in the House claiming that the government owes Quebecers a payment. I disagree. The member should clarify his remarks. I look forward to the continuing debate.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I would like to thank the hon. member for Stoney Creek for his speech. I have appreciated working with him in committee. He has an ability to put the best possible face on a sorry situation and I want to congratulate him for that.

• (1240)

It is interesting that he talks about the benefit of lower interest rates as though the Liberal government has brought them down on its own when in fact the government is capitalizing and taking advantage of the interest rates on a worldwide basis.

He talks about an attitude of let them suffer. This is an attitude which I have a great deal of difficulty with as I travel throughout my constituency.

I think of an elderly woman whose husband died last year. She has a total combined income of about \$13,000 a year. Now with the clawbacks of her old age pension she is having a great deal of difficulty and is finding it impossible to pay the taxes on the house that she owns. She is desperate to know what to do in light of these government policies.

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I think of the small business people who have been established for years and are floundering under the weight of the regulations and rules of three levels of government and finding it impossible to pay for having to prove daily that they are keeping these rules. Comments about the new Canada pension plan startle me because they say that many of them are not going to be able to continue to operate and to pay these taxes.

I find it interesting that the member talks about the \$1 billion scholarship fund when the students themselves are scoffing at it.

I would like to ask this member if he believes that the Canadian people are demanding higher and higher taxes for the level of service they are receiving which is putting them in such jeopardy in their established day to day lives.

Mr. Tony Valeri: Mr. Speaker, I would also like to thank the member for his comments and for the time I was able to spend in working with the member on the industry committee. There was a lot of good work that we were able to put forward through that committee. It was through the interventions of the hon. member that some of that work was possible. I am thankful for that experience.

With respect to the comments that the hon. member has made, we said before and continue to say that certainly the retirement income system of this country is an issue which we are very committed to improving. We know that through the new seniors benefit, when that proposal comes to the House, nine out of ten elderly women will be better off. The hon. member made reference to an elderly lady in his constituency. We know lower income Canadians will be better off through the proposed seniors benefit. Therefore there is commitment by this government to deal with the retirement income system. I am sure that the hon. member will be able to participate in that debate and add very articulately to it.

With respect to small business, there are many members on this side of the House who are certainly very committed to the small business sector and believe that the small business sector is the engine of growth in the Canadian economy. I myself have had the opportunity to work on a number of task forces supporting members of the small business community and ensuring that their voice is heard with respect to ministers responsible for that portfolio.

Regarding higher taxes, there is no question, and the Minister of Finance has said it before, that this government will deal with the burden of taxes for low and middle income Canadians. We have said it before and we will continue to say it. We stand behind that commitment. As I said in my speech, Canadians want a balanced approach. That approach means dealing with the debt, dealing with taxes, dealing with opportunities to invest in the future of Canadians. That is the approach we are going to take.

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With respect to letting them suffer, that was a reference to the laissez-faire approach the Reform Party seems to be adhering to.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, it is my intention to share my time with my colleague from Langley—Abbotsford.

• (1245)

It is a pleasure to stand in the House today and to speak to the motion put forward by my colleague from Medicine Hat, that this House condemn the government for making its 50:50 election promise on future surpluses without adequate public debate as to the optimal size of government, taxes and debt, thus threatening to repeat Canada's 27 year old history of deficit spending, creating high debt, financed by high taxes, causing high unemployment.

Before I proceed, Mr. Speaker, I congratulate you on your appointment. I look forward to the deliberations under your care and control. I would also like to thank the members of my constituency of Cariboo—Chilcotin for participating in the democratic process of the June election, in particular those who worked to support my candidacy and my election. I am honoured to represent the views of Cariboo—Chilcotin and it is my intention to represent my constituents to the best of my ability.

The people of Cariboo—Chilcotin voted for Reform during the last election because, like many Canadians, they wanted three things. First, they want equality to be the guiding principle in the national unity debate. Second, they want accountability from the government, its department and agencies. This has been diluted more and more over the past years. Accountability has been taken from the House of Commons and put in the hands of the cabinet, with order in council administration, and in the hands of bureaucrats. This should be restored to the House of Commons. Third, they want fiscal responsibility to be the watch word of the government and every future government which holds power in this country.

It is the third point on fiscal responsibility which I will focus on. Specifically, I will do two things. First, I will outline where massive government over spending has led our country. Second, I will describe a plan that will save us from forever following that destructive and empty path.

Political pundits and financial analysts say that Canada is at a critical moment in its financial history. I am sure that we can all agree with this. Over the past 30 years we have seen successive Liberal and Conservative politicians repeat the same destructive pattern in government, irresponsible spending which has caused chronic deficits and spiralling debt financed by escalating taxes. Thanks largely to tax increases there is a huge and growing surplus in the employment insurance fund, subdued growth in public debt charges and cuts in provincial transfers for health, education and

welfare. Also because of pressure from the Reform Party, the public and the financial markets, we are on the brink of resolving the second of the four problems, deficit spending.

Following our present course, Canada is at most two years away from a balanced budget and this is good news for all Canadians. This brings us to a critical point in our history. Reformers have circulated a discussion paper, "Beyond a Balanced Budget", to seek the will of the Canadian people. This paper is not a policy paper, it is a discussion paper. It is a discussion paper seeking Canadian opinion. We will find this discussion not only in homes and offices but also on the Internet and in town hall meetings and we will find Reformers listening carefully to what Canadians are saying.

There is a real need for this national discourse. The last time the federal government was in a similar situation was in 1969-70 when Canada recorded a \$139 million surplus. After that time, the road the government chose was one of massive overspending and mortgaging our future to borrow the money. It chose to run deficits year after year. Where did this course take us as a country? How can we ever avoid going that way again?

• (1250)

The result of consistent overspending and borrowing over the last 30 years gave Canada a debt that grew from \$20 billion in 1970 to approximately \$600 billion today.

Allow me to outline the magnitude of this debt. Our \$600 billion debt works out to over \$19,600 for every man, woman and child in Canada. For a family of four that comes to almost \$80,000. I calculate it as \$78,400. Canada's \$600 billion debt is one of the highest debt burdens among industrialized countries. It is 74 percent of gross domestic product. As a percentage of GDP our net foreign debt is the worst of any of the world's major economies. Canada owes 25.3 percent of its debt to foreigners.

A recent study by the Fraser Institute puts total Canadian debt, all of our Canadian liabilities, at closer to three and a half trillion dollars after accounting for federal, provincial, local marketable debt, government business enterprise debt and debt guarantees, QPP, CPP, unfunded liabilities, hospital sector debt and total unfunded liabilities of the medicare system. Three and a half trillion dollars we are in hock.

To describe the size of our debt more graphically, a financial analyst in the 1995 *Grant's Interest Rate Observer* said that 8 percent of Canada's land mass is covered in water while the other 92 percent is covered in debt. That is how one financial analyst started to tell investors around the world about Canada. If the net public debt were converted to \$5 bills and laid end to end it would circle the earth 1,448 times. I did not make that calculation, I only report it.

I have just described the legacy of 30 years of chronic over-spending by successive Liberal and Tory governments. This is what federal government after federal government gave our country again and again to serve their own short term political ends at the cost of nearly bankrupting our nation. We could say so what, and many people do say that. So what if our debt is one of the biggest in the world? So what if government keeps borrowing?

Just as we cannot rack up personal debt and expect there to be no consequences, neither can the country. Let me outline for the House the major consequences of massive government debt that haunt and will continue to haunt future generations of Canadians.

First, interest charges. The federal government spends \$46 billion a year to service the debt. That is about 33 cents of interest charges for every dollar in revenue raised by government. It is Ottawa's largest single expenditure, more than twice the size of the next expenditures on seniors and transfers to provinces. These interest charges mount by \$5.3 million an hour and chew up \$1 in every \$3 in budgetary revenues. Think about that. We pay bankers \$46 billion a year. We pay Bay Street, Wall Street, Hong Kong, bond bankers for money borrowed to finance yesterday's programs. We owe \$46 billion to buy virtually nothing of value for Canadian citizens today.

The annual interest bill would be enough to run each and every hospital in Canada for two years. The interest for one year would pay tuition for four million Canadian youths to finish a four year degree at university.

There is a means of handling this situation. What should a balanced budget look like? What would we do? There should be legislation to prevent a government from increasing the deficit. Over a three year period a government should be required to balance its books or call an election. The first three year period would commence three years from the passage of the measure except for certain crises such as recession, severe flood, earthquake or war. They must be dealt with as they arise. These would be a release valve.

• (1255)

However, a balanced budget law would be an important first step in reassuring Canadians from coast to coast that the painful tax increases and reductions in the social safety net that were made necessary by previous governments will never occur again.

Mr. Randy White (Langley—Abbotsford, Ref.): Madam Speaker, it is a pleasure to be back in the House, my second time, for this 36th Parliament.

I would like to start off by thanking those people in Langley and Abbotsford who re-elected me with a fairly sizeable margin, I am happy to say, over my opponents in the Liberal Party. For all those people in my riding, whether they voted Reform or whatever party,

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they may be absolutely certain that we will be looking out for their affairs as equal individuals participating in our communities.

I represent communities such as Langley, Abbotsford and Aldergrove in British Columbia. They are communities with strong commitments to justice and very strong commitments to family and community values. They are also communities with great concerns about government, the size of government, the expenditures governments have and about their taxes and how they affect their disposable incomes.

I want to spend a good deal of time on this. The motion the Reform Party put to this House today, I believe, speaks well for the concerns of the individuals who live in my riding. For a government today to be talking about a potential surplus and to be fast off the mark suggesting that if we get that real fast it should find a way to spend it, I think it is quite appalling that we are back into that kind of spending mentality.

I want to relate some of the expenditures of the past Liberal government and why those kinds of spending habits are of concern to the average Canadian. I always use a litmus test. I always say that if somebody comes to my door and asks for money to spend on some government project, if it comes out of my pocket would I allow it. I guess that is the same as the government asking for money.

Let us look at some of the expenditures coming from the pails of the tax trough, which I used in the last Parliament as well. I think it emphasizes the problems most people have today with the kind of mentality this government has. For instance, \$33,800 was granted to examine major league baseball in Detroit. I can think of a lot of people in my community who would say that is nice, but do we really want our disposable income reduced by that kind of expenditure. Is it really the prerogative of government to make that kind of decision? If you come to my home and to my family and ask me for some money to examine major league baseball in Detroit, I would not give it to you.

I and a lot of people across this country are asking if I would not give it to you why does the government. Does it not represent us in Ottawa? Is that not the question?

I heard some responses to this kind of critique of the government the other day during the throne speech. I was really quite surprised that some of the hon. members across the way would say such things as they do not agree with all the expenditures, some slipped by. They are not supposed to slip by this government or any government. These are legitimate concerns.

I think it is really quite appalling when one can reach into virtually any document today and find this sort of thing. When the government says to the people of Canada that it may one day reach a surplus situation and that it is going to spend half of it, panic sets in. If this is an example of how the government spends its money,

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we have reason to believe that the government is going to blow it out the door once again.

• (1300)

It spent \$19,400 for a study for policing the boundaries of male sexuality from 1880 to 1930. I suppose that may interest some in the country. How does this improve our economy? How does this help the person with less disposable income in our communities today? Are these people even going to get to read this sort of study? Where is the value and where does government get off presuming that it is the wisest expenditure of our money?

If the government was really wise, it would make a suggestion that it will spend perhaps 50% of the savings made by cutting out these ridiculous expenditures. There would likely be no critique from this side of the House on that. Instead it basically says "We will ignore this kind of situation and we will spend more over and above that." I ask the House, does that make any sense whatsoever? I think not.

Well, let us blow \$105,000 on career markers and personal performance strategy development of expert and novice symphony orchestra conductors and provincial ice hockey coaches. Let me ask members, if someone came to my door and asked me for a portion of this \$105,000 or any other hard working income earner in this country, would they get the money? If not, why did the government presume to spend it on behalf of these people who would not give it?

I suppose we might as well blow another \$49,249 on a cross cultural study of semiotic management and transformation of facial features in the makeup and masks of performers or \$20,000 to examine the ecclesiastical courts of 19th century England or \$35,000 for a study on craft industries in post-medieval Iran. I could go on but the list kind of makes me just as sick as it does the folks at home watching this.

The message I am trying to get through to some of those who do not listen well on the other side is that this kind of stuff is not going to go away. For the next four years we are going to drill it and drill it and drill it again until the public finally gets enough and says that it is time the Liberals were put out of office. It is time that they thought the 50:50 split on the surplus should have gone to something called taxes, to lower taxes. I know it is difficult for members over there to understand. It should go to lower debt payments which will lower taxes.

I am not the only accountant in the House. This is economics 101. It is so basic, yet it is so hard to understand why the government in its throne speech can talk about spending more and not talk about trying to spend what it had a lot more wisely.

I have a few notes here. This is rather interesting. If the annual interest bill was converted to \$100 bills and stacked the pile would

be 118 kilometres high, a pile 214 times higher than the CN Tower. That is a great stack for a government. I know some of this was created by the previous government, but we cannot always blame it for everything. The fact is that this government overspent in the previous four years and added to the debt well over \$100 billion. These folks have borrowed one hundred thousand million dollars in the last four years.

• (1305)

It is too bad that the message has not come through yet, but the Canadian public can look forward to us telling them over the next four years what a terrible job the government has done and what a terrible thing it is about to do, spending more money when it could be saving the dollars it has. It is shameful.

Mr. Tony Valeri (Stoney Creek, Lib.): Madam Speaker, I listened with some interest to the comments made by the hon. member. He talked about the performance of the government with respect to the debt. It is important to again state very clearly for the record that it is because of the actions of the government that the debt is on a downward track. The government is committed to reducing the debt to GDP ratio. It will eliminate the deficit in 1998-99.

The member is speaking as if the government has just put the country into a big black hole. We are moving out. We are moving into the next century, but the member wants to continue to talk about the misspending of the government.

I want to draw an analogy on which I invite the hon. member to comment. If a person pays off a mortgage but never fixes the plumbing or the roof, I am not sure that person will have a house to live in at the end of 25 years. It is the same with a country. We need to reinvest in the priorities. We have set what those priorities are and we will continue to adhere to our plan.

I want the member to acknowledge that we are on a more prosperous track.

Mr. Randy White: Madam Speaker, I sense that the hon. member does not know a heck of a lot about what he is saying. The fact is that the deficit is on a downward track.

I would like to educate the hon. member on the difference between a debt and a deficit. A deficit is the amount of money the government blows more of every year over and above the amount of money the government takes in. That is a deficit. Debt, on the other hand, is something like a mortgage on which you have to pay interest. That is a bit of education for some people who do not understand it.

The other point is that it is a matter of the kind of house one builds in this country. When a house is rather old and needs to have the plumbing replaced, perhaps it can be replaced with new plastic plumbing. However, at the same time one does not put in stained

glass windows or a brick driveway instead of a black-top driveway. It is a matter of how one rebuilds one's house.

The message here is that if one wants to build one's house, do we build a castle or get a refurbished house?

• (1310)

[Translation]

Mr. André Bachand (Richmond—Arthabasca, PC): Mr. Speaker, I would like to say that I listened enviously to the remarks by the Reform Party member on the list of government expenses. I will of course get myself a copy of the document he mentioned.

I am in the same boat as the Reform member. We are a bit frustrated at having a bunch of expenses like that and being unable to do anything about it.

I would like to ask the member his position on the several hundreds of thousands of dollars his leader spent on Stornoway.

[English]

Mr. Randy White: Madam Speaker, my answer would be that we will also be prepared to take over 24 Sussex Drive and they better get that right, too.

[Translation]

Hon. Ronald J. Duhamel (Secretary of State (Science, Research and Development) (Western Economic Diversification), Lib.): Madam Speaker, I am pleased to be in this House a third time.

I would take this opportunity to thank those who re-elected me a third time with a majority of over 50 percent.

[English]

I am honoured to have been able to represent them for almost nine years now and I shall continue to work hard for them.

I want to say a few words about my riding. It is a reflection of what Canada is all about.

[Translation]

There is a large anglophone majority of approximately 80 percent and a significant francophone minority of nearly 20 percent.

[English]

It is made up of Canadians from virtually every single country in the world and, as well, our first Canadians, including the Metis.

I am fortunate to be able to represent a riding that is as diverse, as rich and as meaningful to Canada. These various people in my riding have learned to work and celebrate together. It is a lesson that we can share with other Canadians. Who knows? Perhaps that is the legacy that Canada can leave to the world, of having people

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of different tastes, different cultures, different languages working and celebrating together in harmony for the benefit of all.

I want to extend my best wishes and my congratulations as well—

[Translation]

—and to my colleagues of every political persuasion. I wish them good luck.

[English]

I want to get to the very heart and soul of this debate by sharing with my colleagues the motion that is before us for discussion this afternoon.

[Translation]

The opposition motion reads as follows, and I want to be absolutely sure to read it correctly.

September 29, 1997—Mr. Solberg (Medicine Hat) moved that this House condemn the government for making their 50/50 election promise on any future surpluses without adequate public debate as to the optimal size of government, taxes and debt, thus threatening to repeat Canada's 27 year old history of irresponsible spending, creating high debt, financed by high taxes, causing high unemployment.

[English]

When I read such a motion I have to ask the following questions: Did my colleague listen to the Speech from the Throne? Did my colleague take the time to read it? Did my colleague not hear what the journalists from television, radio and print had to say? Not some partisan petty little shot in order to score political points, but people who are out there to critique.

[Translation]

Yes, my dear colleagues, those whose job it is to try to tell the truth as they see it, rather than the members of the opposition, who are here to try to embarrass the government and to try to do you know what. I see a big grin.

Obviously, you know what they do.

[English]

He did not listen to the speech. He did not read the speech. He did not listen to what the journalists had to say on radio and television or in print. If he had, he would not have made that motion. Of all the motions he could have selected, of every single possibility, to show that they were indeed a responsible opposition, an opposition that saw the whole country, an opposition that was not prepared to play petty little politics at the beginning of the parliamentary session, of all the possibilities, he picked this one. He did not see the key themes.

• (1315)

Let me share with the House the key themes. We will balance the budget no later than fiscal year 1998-99, the first time in three decades. We will strive to split our budgetary surpluses on a 50:50 basis over the course of our second mandate. Half will go to a combination of tax reductions and debt repayment. Half will go to

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strategic investments in our children, our youth, our health, our communities, our knowledge and our creativity.

Those are some of the key points the hon. member who made the motion forgot to read. He also forgot there are several others worth emphasizing: investing in our children, investir de façon importante dans nos enfants.

We all know that investments in the well-being of today's children improve the long term health of the nation. I wish that would have been acknowledged by my colleagues.

We have important new initiatives. We will establish centres of excellence to deepen our understanding of children's development. We will expand the aboriginal head start program.

Are those the kinds of programs that my colleague is condemning? If so, let him stand and say so. Let him not hide behind some opposition motion brought forth to try to embarrass the government.

Did he see the one on investing in quality care and good health?

[*Translation*]

It is my impression that my colleague did not see the part about investing in good health and quality care. For some reason, he missed that. He did not take the time to listen to or read it.

[*English*]

We will be preserving and enhancing medicare. Canadians want that. We will be responding with expanded needs for home and community care and a national drug plan. Is that what he wants us to eliminate?

[*Translation*]

If that is what he wants, let him stand up and declare it to everybody, including his constituents.

[*English*]

We will be promoting health and new initiatives to address tuberculosis and diabetes in aboriginal communities. We will be renewing the national AIDS strategy. Are those the programs he wants eliminated too?

[*Translation*]

Are those the programs he wants eliminated, rejected and put aside? Does he think there are no needs in these areas, that we should not be investing in children, in health?

[*English*]

If he had read a bit more he would have seen that we want and are committed to building safer communities.

[*Translation*]

Building safer communities is one of the government's key objectives. There is no magic solution, despite what the political background of my colleague who has just advanced this proposal claims. It is hard work, it is complex. Progress must be made a step at a time, with healthy programs. That is what we intend to do.

[*English*]

We will continue with our safe homes and safe streets agenda which has helped us make solid gains in enhancing public safety. I hope my colleague does not want that program eliminated as well.

What about creating opportunities for young Canadians? Was that one of the ones he would have liked simply thrown out?

[*Translation*]

Creating opportunities for young Canadians is, to my mind, a huge priority. This has been referred to already several times since the start of the 36th Parliament. Surely he does not want to do away with these programs for our young people, push them aside, put them out of existence? That is surely not the case.

[*English*]

We will secure the future of our young people. We have important priorities to make sure the young generation makes a successful transition to the world of work.

We know how difficult it is in usual times, and these are unusual times. It is particularly difficult to ensure that young people who want to continue to learn have access to education. That is a critical priority for the welfare of all. It is difficult to be absolutely certain young people who found it difficult getting started in the workplace have a second chance when necessary. They often need that second chance.

Is that what my colleague pretends is foolish, inappropriate, insensitive, wasteful spending?

[*Translation*]

Is that what he intends? Another program he wants to see eliminated?

[*English*]

Here is another theme that we have heard nothing about.

[*Translation*]

We must invest in knowledge and creativity.

• (1320)

[*English*]

Does he not believe that investing in knowledge and creativity is important for the nation and the welfare of all citizens? Is that what he wants eliminated? Let him stand and say so.

We are increasingly an important part of a global village in a global economy. In this new economy, knowledge, innovation and creativity are the keys to preserving and enhancing prosperity.

We want to continue partnerships between private and public sectors. We want to devise targeted growth strategies that focus on knowledge intensive sectors. We want to have small and medium size businesses develop and commercialize new technology.

Because I have additional responsibilities in this area, I want to say a few words about science, innovation and technology. We as a nation have a decision to make. We will invest in a wise, sensitive, significant way in science, innovation and technology to continue to be leaders of nations, and if we do not we will follow. We have made some important investments.

[*Translation*]

We have made some very substantial investments and I will give you just a few examples.

[*English*]

To the Canadian Foundation for Innovation to enhance the structure of our universities and our hospitals when research is conducted, \$800 million over five years. It has been applauded by most Canadians.

I have not heard one person say that was wasteful spending as the member and his party suggest. Perhaps he is not speaking for his party. Perhaps they will stand and denounce this kind of irresponsibility.

We have stabilized with funding to the centres d'excellence.

[*Translation*]

This is a great program to ensure that universities work with the private sector and that the best projects are funded, so that we are at the forefront, that we are the leaders. Perhaps the hon. member does not enjoy being first. Perhaps third, fourth or tenth is good enough for him. But not for us.

[*English*]

Has he heard about the technology partnership programs where we assist businesses that want to be on the leading edge of the development of technology?

Has he heard about IRAP which has several people out there advising and assisting people who want to develop new programs and projects? Are these the kinds of programs that he thinks are wasteful and ought to be eliminated?

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Has he heard about the prime minister's advisory committee on science and technology, a group of particularly talented Canadians who advise wisely on science, innovation and technology so that we can make the very best decisions possible in terms of policy options and in terms of pursuing strategic initiatives and additional partnerships? Does he want to cut that too? Does he consider that wasteful? Is that an insensitive way to spend money? I am surprised he did not talk about that.

I want to talk a bit about another key theme that I suspect might have been discussed by the Reform Party: expanding opportunities in aboriginal communities.

[*Translation*]

We know we must improve opportunities for aboriginal communities. We all know that, in the vast majority of cases, their financial situation is extremely difficult. While Canadians may take infrastructures for granted, such infrastructures are non-existent on a number of reserves.

So, is this the type of programs the hon. member feels we should eliminate to further reduce the deficit and the debt? Is this what he wants to do? I hope not. I hope his colleagues do not share such unsound goals—

[*English*]

We on this side of the House want to see aboriginal communities become stronger and healthier. We are working to further their progress toward achieving self-government. We believe it will provide additional well-being and economic independence. That is what they want and what most Canadians want for their aboriginal brothers and sisters.

• (1325)

We are ready and willing to work with all interested parties to develop a long term comprehensive plan of action and partnership with aboriginal leaders and people throughout Canada.

We all realize opposition members are here to oppose, and I suppose some would say to criticize. I hope it would be to critique insightfully and sensitively a document such as the Speech from the Throne and say "Here are the initiatives we think are pretty sound. Here are other initiatives the government may want to consider. Here is how to improve them".

No, we do not hear a positive word from any one of them. Why is that? Why? I hear from the opposition ranks that it is because they are the opposition.

If my colleagues want to say some positive things about the Speech from the Throne, about the prime minister or about my colleagues on this side of the House, we will not ask them to sit down because they happen to be in the opposition. I give them an iron clad guarantee. I have not checked with my colleagues but I suspect I could get unanimous approval.

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An hon. member: We are here to oppose.

Hon. Ronald J. Duhamel: One colleagues has just said that they are here to oppose. They are here to say whatever it is that comes to mind whether it makes any sense or not. I suppose that is the basic assumption.

Another notion is that the government is there to protect no matter what. Let us deal with what is being said about some of the things we have done. I do not know if these people have any political affiliation. Let me put on my glasses because I would not want to misquote and thereby cause some real serious disruption on the opposition side.

On the Speech from the Throne Tim Reid, president of the Canadian Chamber of Commerce, said:

We applaud the achievement of getting to a balanced budget, but the risk is that we underplay the threat of the massive debt. The government really should be setting targets to reduce the debt to GDP ratio.

William Leggett, president of Queen's University, said the following on the scholarship fund:

It is an important initiative. I hope that this leadership will be followed by the provinces.

We have not heard a whole lot about that. It is a marvellous submission for the next millennium. They should have stood and applauded, not congratulated the government if that made them feel a little queasy. They could have congratulated one another for standing up unanimously in support of a program that will be good for young Canadians today, tomorrow and for a long time.

What were some of the headlines following the Speech from the Throne? "Federal Liberals to create scholarship fund, a good initiative" was one in the *Globe and Mail*. "A billion dollars for brains" was another in the *Ottawa Sun* on September 25, 1997.

[Translation]

In the *Journal de Montréal* of September 25, one could read this: "Chrétien on the front line" and "Ottawa to create large scholarship fund". There are several such headlines because it is seen as quite a creative initiative.

[English]

"A \$1 billion scholarship fund to help low income students" was in the *Ottawa Citizen*. Again it is mentioned. It has been mentioned time and time again, and there has not been one positive comment from members of the opposition. I say shame on the opposition.

That is not all that has been said. I go on to quote Tom Brzustowski, president of the Natural Sciences and Engineering Research Council:

We should be doing all that we can to attract the best and the brightest of graduate studies in science and engineering, because the future prosperity and well-being of Canadians will depend to a very large extent on their efforts.

An hon. member: Bingo.

Hon. Ronald J. Duhamel: I heard somebody say "bingo". I hope that person will jump up and include that as part of his speech. Finally somebody over there is agreeing with a government initiative.

I go on very briefly. I want to share another quote. It is from Toronto *Star* columnist David Crane and reads:

It will take more than government programs to build an innovation culture in Canada. But government can provide strong leadership and encouragement by providing funding—and incentives—to stimulate and encourage the innovation process.

These people who are not in opposition or in government are able to say positive things about the government and what it has done.

• (1330)

What does the opposition do? The first opportunity it gets to show that it could be comprehensive, sensitive and respond as a totally responsible opposition it tries to pretend that the government has been irresponsible. It tries to pretend that the spending is not appropriate.

I would love to send this over to my opposition colleagues. It is a compilation of selected quotes on Liberal fiscal policy which I have collected: "Martin has accomplished several important things. He showed that the Liberals are able to balance a cheque-book". They go on to discuss the budget. This is so good and I am terribly sorry I do not have the time to read it.

The other is a compilation of selected quotes on Reform's fiscal policies and this is even better. "The package, fresh start, is infuriatingly vague on identifying specific spending cuts and their timing. Like Bob Dole, Manning runs the risk of a credibility gap on the deficit". I have several others and I am terribly sorry that I have to stop my remarks now.

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, congratulations to you on your appointment as Acting Speaker.

I would like to congratulate my hon. opponent from across the way. He is a great speaker. He creates beautiful word pictures.

There is in this country a program called technology partnerships Canada. Its predecessor was called DIPP. This son of DIP took about \$150 million of the money that had been allocated under DIPP, so the original purpose of TPC could not be met on those grounds alone.

I wonder whether the hon. member could tell us how much of the moneys that were handed out under DIPP have been repaid, at what rate and what is the interest that has been repaid to the government.

One of the conditions under that program was that some of the money was to be returned. That is fiscal responsibility. Could he tell us?

Hon. Ronald J. Duhamel: Madam Speaker, if my colleague had given me notice of the question ahead of time, I could have been very specific. I will get the information for him.

I know that a substantial portion has been repaid. I know that there have been in some instances rather interesting interest rates. However, I will get the specific details for him. I hope that my colleague is not saying that if it was not all repaid that it was a total failure. What is my colleague saying? That is what I am trying to get at.

I know, Madam Speaker, that you and my other colleagues are very much interested in what is behind the question. If the hon. member really wanted to know those interest rates and if he really wanted to know the exact portion—and he is a very clever colleague—he would have given that question to me in writing and he would have known that I would have had the answer for him.

My suspicion is that there is something behind it. I think he is trying to say that the Reform Party does not agree that the government ought to have such a program; that the Reform Party does not believe we ought to be assisting high tech companies, small and medium size companies to go forth and produce products which can be sold in Canada and throughout the world. That is what I think is happening.

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, congratulations on your appointment to the Chair.

I was interested in the comments which the member made regarding aboriginal people. I wonder if the member is aware of the situation which is taking place on the Stony reserve in my riding and the headlines that are being made regarding various bands throughout Alberta taking over administrative buildings and making a plea for help.

I have watched the people on this reserve for 30 years. They have gone from a lucrative, active bunch of people to living in conditions today which are absolutely deplorable. Yet we hear the member going on and on about the wonderful things his government has done for aboriginal people.

● (1335)

I wonder if he is aware of the deplorable conditions on this reserve in my riding. I wonder if he is aware of the fact that the average level of education for these people is about grade six. I wonder if he is aware of the 70 percent to 90 percent unemployment. Is he aware of the high alcohol and drug addiction problems? Is he aware of any of these things as he continually stands in his

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place and brags about the wonderful things they have accomplished for the aboriginals as things steadily get worse? These people are asking for help through demonstrations and other measures and they are getting no answers.

Is the member aware of the fact that unless we make it possible for the aboriginal people to sustain themselves, we cannot talk about them being independent? How can we talk about them being independent when we do not give them any opportunities? When is this government going to explain to me how it can possibly spend \$116,000 for a committee on seniors and sexuality and do nothing for these people? What is he talking about?

Hon. Ronald J. Duhamel: Mr. Speaker, I will not make comment about seniors and sexuality because that could be particularly sensitive, but I will talk about what I said.

I said that one of the initiatives we mentioned in the Speech from the Throne is the expansion of opportunities in aboriginal communities. The point I was making and which I found surprising, in spite of a number of comments from journalists in television, radio and print, not one of those things was mentioned by one of my colleagues in the opposition. That is the point I was making.

Of course we recognize there are problems but unlike the Reform Party, we are not into magic or simple solutions that will go forth and resolve complex problems. That is why I said that we want to see aboriginal communities become stronger and healthier. We are working to further their progress toward achieving self-government, well-being and economic independence. We are ready and willing to work with all interested parties to develop a long term comprehensive plan of action in partnership with aboriginal leaders and people.

That member must not for one moment suggest that his party has even close to the amount of support and credibility that we have with the aboriginal people. It is not perfect but we have gone a long way. I would hope that my colleague would join us in trying to help as opposed to trying to solely embarrass the government.

Mrs. Karen Kraft Sloan (Parliamentary Secretary to Minister of the Environment, Lib.): Mr. Speaker, I want to congratulate the member for Saint Boniface for exposing to this House the confusion that reigns on the other side. I also want to thank him very much for coming to visit the school children in my riding in his capacity as secretary of state.

I want to ask the member to share with this House in his capacity as secretary of state what he feels are the major priorities for himself in that capacity and what he wants to do for the people of Canada.

Hon. Ronald J. Duhamel: Mr. Speaker, I welcome the question. I mentioned before and I will stress again that it is generally

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recognized that unless Canadians invest substantially in science, innovation and technology, we cannot continue to be leaders. We will automatically become followers. It is also accepted that while there are a number of Canadians who are sympathetic, appreciative and understanding of what science, innovation and technology can do, there are many many others who do not. I will try to explain.

[*Translation*]

Science, innovation and technology can help improve the quality of life of Canadians everywhere in Canada.

If we look at—

An hon. member: Not everywhere in Canada.

Hon. Ronald J. Duhamel: Yes, including Quebec. We have a different vision. For me, Canada is also Quebec, dear colleague.

In addition, what I would like to do, with help, I hope, from a few colleagues, even from my colleagues in the Bloc Québécois, is to talk frankly about what we can do together to ensure that science, innovation and technology can help us meet the great challenges facing our society.

If, for example, we look at the challenges facing Canada today, we see no magic answers coming from science and technology, but we see some answers, whether with respect to poverty or improving the health care system. I would like us to be able to debate serious issues such as that one, and there are others.

• (1340)

Another thing I would like to do, and this is in reply to my colleague, is to ensure that we get our fair share of budget spending.

[*English*]

I want to make sure that research, science and innovation get their fair share of the budget. This is one of the soundest investments that we can make for job creation and for our young people who are graduating. We have any number of programs that are there to ensure that young Canadians who graduate from any number of disciplines can have internships that will permit them to hold and refine the skills they have polished over the years.

Mr. Eric Lowther (Calgary Centre, Ref.): Mr. Speaker, it is a great honour to address you in this House for the first time. I have listened closely to the throne speech and the various statements from the members of this House. My most recent experience was that of an average Canadian rather than that of a lifelong politician. I am encouraged by the process, the skill and the passion of members of this House in exercising their duties to their constituents and our fellow Canadians.

I was pleased to see in the throne speech that there was some recognition given to the impact which the technological revolution

and the information age is having on our society and the world. These pressures are pervasive in all walks of life. The impact of these new technologies is changing the way we relate to one another.

Time and distance restrictions to communication have been almost eliminated. Information and entertainment choices are exploding. Ideas and opportunities fill the information highway and they are constantly increasing. This creativity is pushing the highway to new limits in a demand driven expansion.

Canadians understand that this is a global phenomenon. It is a pervasive backdrop constantly present as we enter the 21st century. No effective barrier can be erected to separate oneself from its impact, not on a personal level, not provincially and most certainly not nationally.

The information and communication explosion can only be embraced and allowed to shape itself in a manner which meets the needs of Canadians in order to realize the great potential that it offers. The shaping and application of these information technologies will best serve Canadians if we each have input into the process through an open, and to use an oft repeated word from the throne speech, and innovative marketplace.

A government attempting to package and overmanage how Canadians participate in a global information explosion will at best deliver very costly, mediocre results. In the throne speech there seemed to be some recognition of the need to allow Canadians to participate more fully in a global information age. As the Leader of the Official Opposition might say, there seemed to be some bone there.

Unfortunately when I look at the actions of this government there appears to be a cancer in this particular bone. It is the cancer of the heavily bureaucratic and excessive control tactics of the Canadian Radio-television and Telecommunications Commission, the CRTC. Here is another government body whose actions have the exact opposite effect to the fine sounding words of the throne speech. Say one thing, do another, that is what it looks like to me.

The throne speech calls for innovation and stimulation of the entrepreneurial spirit in Canada. Meanwhile that commission, the CRTC, has an implied stated agenda to create large players and protect these large players from competition. Those entrepreneurial innovators who have the intestinal fortitude to apply for a licence or approval will be forced to play in a game where the rules are frequently changed. But you only find that out after you have lost.

The entrepreneurs the government says it wants to help have been required to spend up to \$1 million to complete this regulatory marathon and submit literally thousands of pages demanded by the application process. Then they are told "We do not think your ideas will work, so you will not get a chance to try them". After being

kicked in the stomach a few times like this, the smart players say "No more, thanks".

The CRTC does this in pursuit of what it calls sustainable competition. The innovators dragged through this process have come to recognize that sustainable competition really means market control through government selection and restriction.

• (1345)

I wonder what is meant by the new term creative partnerships. Those chosen as partners will be the blessed ones and the entrepreneurial interests of others will be left at a competitive disadvantage. This does not serve the best interests of Canadian consumers.

The approach of the CRTC scares away quality entrepreneurs and risk takers which this government states it wants to attract. The result of this approach is that government selected information networks and broadcasters appear to be chosen more because of lobby efforts and who you know instead of the energy and innovation they bring to the marketplace.

The throne speech makes reference to the government's intention to promote trade in Canadian culture and support Canadian culture at home. Again, it is difficult to believe this when due to the inaction of regulatory delays over the past years, 300,000 Canadians who wanted direct to home satellite service chose to access the only service available at the time via the grey market. Now it seems that the CRTC culture police want to treat them as criminals even before the courts have made a final ruling.

This government says it wants to support Canadian culture. Its commission approves a *Playboy* channel and disallows a faith channel which was clearly desired by a number of Canadians. All of this while publicly demanding Canadian content and diversity in programming. It seems like more of the say one thing, do another approach of this government.

I do not think Canadians want the CRTC making these decisions for us based on the CRTC's own political and ideological biases. The cultural engineering approach of the CRTC selects winners and losers rather than allowing Canadian consumers to have the benefit of a truly competitive marketplace. Such a marketplace would provide the information products Canadians want with the best service for the least cost.

Just as leisure suits and lava lamps have had their day, and I got rid of mine, their contemporary, the CRTC, must also be re-examined for its relevance and desirability. It is now doing more harm than good.

We see that the actions of the CRTC and its cultural police conflict with the stated goals of this government to facilitate innovation and entrepreneurship. We see that the costs to business, consumers and taxpayers are excessive and unnecessary. We see that under the guise of protecting Canadian culture, it is attempting

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to define and impose it. In addition, it pours regulatory cold water on the information highway's entrepreneurial flame.

We see that with the reality of today, the current CRTC is obsolete. It costs far too much and delivers far too little. The time is long overdue to move away from protectionist policies and toward those that allow Canadian products to compete in the global market. We only protect what is weak. That which is strong can be promoted. In the right regulatory and business environment, Canadians have no need to fear global competition. Control and manipulation by government is what we should fear.

I ask the government to listen to industry and consumers and remove excessive bureaucracy and the regulatory quagmire within the communications industry so that Canadians can set the standard for the world during the communications century.

Mrs. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, it is ironic that the hon. member for Medicine Hat is asking the House to condemn the government for an election promise when that is what it was and indeed the people of Canada saw fit to elect the government on that basis.

The people of Canada have rewarded the Liberal record and have chosen to reaffirm their trust.

• (1350)

It was very clearly stated in the platform. We are moving toward the time when the budget will finally be balanced, the debt to GDP ratio will be declining and the government will have a fiscal surplus.

When we reach that time we will allocate every billion dollars of fiscal dividend so that one half will go to a combination of reducing taxes and reducing the national debt, and one half will address social and economic needs through program expenditures.

It was very clear to me door to door, coffee party after coffee party and all-candidate meeting after all-candidate meeting that the specifics of the plan, a 50:50 division of any future surpluses, were hugely reassuring to Canadians, particularly those of us in Ontario where the savage government cuts and an unaffordable tax cut are negatively affecting people every day.

The people of Canada have clearly demonstrated that they respected and trusted the commitments of the finance minister, continued prudent management and staying the course on restoring Canada's fiscal health. They were eloquently stated by the finance minister in the February budget and then reinforced again and again throughout the election campaign. The people of Canada have been consulted.

The people of Canada spoke loudly on June 2 and now we as a government must get on and do what we said we would do. The Liberal government has said that we would meet or exceed deficit targets, and we will. We would impose no new taxes and no new spending cuts, and we will not. We promised that we would address

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economic and social priorities through selected tax cuts, and we will honour that promise.

Thankfully, and with the support of Canadians, that is not all that is on our agenda, unlike the honourable opposition. We promised to create conditions favourable for private sector job creation and to invest for immediate jobs in growth, in infrastructure, trade, youth employment, labour market training, payroll tax deduction, tourism, rural Canada and small business. We have already begun on a number of these.

Canadians are counting on us to continue our investment in higher education and skills development and to proceed with our investment in technological innovation through the proposed Canada foundation for innovation which John Polanyi endorsed totally in his remarks to the Nobel laureates on Sunday night.

Canadians understood that the tough decision had to be made in the first Liberal mandate in order to get our fiscal house back in order. They understood that as long as interest payments were a significant amount in each budget, it was impossible for government to provide to the people of Canada value for their tax dollars. We could not afford the deficit and the ballooning effect on the debt.

After this Canadian miracle, as economists around the world refer to this unprecedented success, it is totally insulting and inexcusable that the member for Medicine Hat can pretend it never happened.

How can he ignore the miraculous turnaround of an economy that had been called an economic basket case? This is a great Canadian success story, the record and commitments to decrease the debt, decrease taxes and reduce unemployment. I believe this Liberal government will honour those commitments.

It is also clear that the people of Canada voted to reinvest in building a stronger society, an increased ability to look after those less fortunate. That government can and should play a positive role in the lives of Canadians. They voted for improved health care delivery, they voted for support for children's health programs, they voted to increase the child tax benefit.

They voted for new and better support for the disabled and they voted for increasing support for charitable giving. They voted and knew they were voting for 50 percent of every future surplus going back into strategic reinvestments and programs.

We know there will be a need to seek more input. I expect it and Canadians expect it. This government is no stranger to consultation. I need only point out the unprecedented work of the Minister of Finance and his department in the annual prebudget consultations. They were wide ranging and inclusive and provided Cana-

dians the opportunity to have input into the priorities of this government.

We will continue to consult in the manner that Canadians have come to expect and appreciate from this Liberal government. We will seek input on where targeted reinvestments should be and how to divide between tax relief and debt retirement.

Some suggestions may indeed be hard to assign. For example, does a child tax credit go under the tax relief column or the children's program column? This example also serves to point out the kind of narrow anti-government argument Reform members are prepared to engage in rather than the substantive of where should government be involved in bettering the lives and prospects of our children.

The optimal size of government cannot be arbitrarily determined. We must see what partnerships are possible and then see what we can do to be the catalyst to help get the job done.

• (1355)

Canadian values are inherently those articulated by the Minister of Finance in his 1997 budget address. Let us never come to believe there is such a thing as a tolerable level of child poverty or that the growing gap between the rich and the poor is ever acceptable. Let us never forget the debt we owe to our seniors and that there be no stone unturned in the quest for jobs.

I believe Canadians just want us to get on and do the right thing. We are at an exciting time. Corporations are learning that social marketing is good for business. The third sector is coming on line to help better determine the gaps and duplications and become more accountable. The unions are joining in projects and partnerships that are tremendous examples of what can be done.

When the government has a vision shared by Canadians, when we are convinced that we have the right things to do, only then can we set the goals and then go about achieving them with innovation and partnerships to ensure they happen.

SchoolNet is an excellent example. We know it is imperative that all schools and Canadian school children be on line by the year 2000. By setting this goal and enlisting the co-operation of the pioneers, those wonderful retired telephone workers who have already refurbished cast-off computers from government and the private sector, today we have placed over 40,000 computers into the classrooms of Canada.

Today's motion is just another rather transparent attempt to camouflage the meanspirited, survival of the fittest Reform ideology.

We know this type of consultation being sought by the Reform Party needs to meet only with the Canadian taxpayers federation and its leader in waiting, Stephen Harper, to be told that the total surplus should be put into arbitrary tax reductions with nothing

being invested into Canada and into the types of programs Canadians want and deserve.

There is no vision in the Reform Party's narrow agenda. Rhetoric about taxation levels without regard for the inclusion of the best health care system in the world is dishonest.

Canadians understand that Americans pay less tax but they also understand that 30 percent of Americans cannot afford to go to the doctor. My patients, when they go to the United States, understand too when asked to write a cheque for \$10,000 for their health care insurance.

The protection of our health care system is imperative for all Canadians. Confidence in high quality health care is paramount.

On June 2 Canadians chose the balanced Liberal approach. They were offered an immediate tax cut and they declined. They were offered two tier medicine and they declined.

The hon. member in his remarks scolded the government for not taking responsibility for the debt. I suggest that the people of Canada recognized and rewarded the Liberal plan of achieving a balanced budget before considering irresponsible tax cuts that could risk increasing the deficit and the debt.

Voters preferred our more responsible approach and saw through the Reform Party's irresponsible tax cut promise before the budget was balanced. It is totally irresponsible for a government to artificially determine optimal government size and taxation levels and then, in order to achieve it, drop the ball and allow those least able to fend for themselves to try and get by.

We have seen those results in Ontario. The arbitrary welfare cuts have Harris hookers on the streets. Reckless cuts to hospitals are now being documented in the Ivy School of Business as a serious loss of quality, all to pay for their arbitrary 30 percent tax cut. They have no vision.

As John Wright from Angus Reid has said, the tax cutter bus has ended up an express bus with no destination. I believe the people of Canada expect from this government continued prudent fiscal management. I believe they expect us to do what we said we would do, to put the GDP to debt ratio on a permanent downward trend—

The Speaker: Colleague, forgive me for interrupting you. You will have eleven minutes left when we come back.

As it is 2 o'clock, I would like to proceed to Statements by Members.

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STATEMENTS BY MEMBERS

[English]

TAXATION

Mr. Rick Casson (Lethbridge, Ref.): Mr. Speaker, it is with a great deal of honour that I rise to address this House for the first time, to rise from the seat that belongs to the citizens of the constituency of Lethbridge.

I have pledged to be accountable to them and to bring their ideas and concerns to this House and to hear their pleas for economic relief. I have pledged to make this government accountable to them.

• (1400)

Whether it is hardworking families in the agricultural sector or industrious entrepreneurs in large and small businesses in cities, towns and rural districts, or families struggling to make ends meet raising their children, or the disadvantaged who are desperately seeking a better life, one common thread that ties them all together is the continuing erosion of their after tax income.

I reassert my pledge to work hard as a member of the official opposition to press the government to bring much needed and long overdue tax relief to these and all citizens of Canada.

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HIGH PERFORMANCE HOCKEY PROGRAM

Mrs. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, I would like to acknowledge the full sponsorship of Horizons North of the NWT High Performance Hockey Program. Congratulations to the athletes, six of whom are from my constituency, and their coaches, for striving to be the first ever hockey team from the NWT to participate in the 1999 Canada Winter Games in Cornerbrook, Newfoundland.

I would also like to congratulate 19 of my constituents from Nunavut, 14 athletes and 5 coaches, who participated in the 1997 Canada Summer Games in Brandon, setting our highest participation rate ever.

I have seen the positive impact of sports on young people's lives, teaching many skills such as teamwork, determination and commitment. Canadians from across the country were impressed with the calibre of our athletes.

[Editor's Note: Member spoke in Inuktitut]

[English]

I urge all the youth of Nunavut and the rest of Canada to participate in sports either as athletes or as volunteers.

S. O. 31

NATIONAL AIDS AWARENESS WEEK

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, recent reports from Health Canada confirm the increase of HIV infections among young people, women, native people and injection drug users. AIDS continues to exact an enormous toll on those inflicted with the disease and on their loved ones.

The theme for this year's National AIDS Awareness Week is the changing face of HIV-AIDS. From September 29 to October 5 many community groups fighting AIDS will be organizing various events to promote the awareness of HIV-AIDS.

I rise to congratulate the Canadian AIDS Society, the Canadian Public Health Association and the Hemophilia Society for their ongoing dedication to increasing public awareness of HIV-AIDS.

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DORA AWARDS

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, last night the 18th annual Dora Awards ceremony was held at the Winter Garden Theatre in Toronto. The Doras are named after the late Dora Mava Moore, a teacher and director who devoted her long life to creating theatre and theatre companies in Toronto. A recipient of many awards and honours, including the Order of Canada, she was truly one of the key founders of professional theatre in Canada.

I would like to congratulate all of last night's winners and nominees and make particular mention of two of my constituents. Fiona Reid was nominated for outstanding performance by a female for her performance in the Canadian Stage Company's production of "Arcadia". Vinetta Strombergs was nominated for outstanding direction in Native Earth Performing Arts' production of "Sixty Below".

* * *

[Translation]

MINISTER OF INTERGOVERNMENTAL AFFAIRS

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, the French President, Jacques Chirac, said and I quote "France will accompany Quebec, whatever route it chooses to follow."

That was enough to get the Minister of Intergovernmental Affairs into a panic. Trying to appropriate the words of the French President, the minister asked himself: "Is anyone not willing to accompany Quebec?"

Yes, and none other than him and his government. Among other things, he refuses to accept the democratic rule of 50 percent plus one; he wants to draft the referendum question himself; he argues that all Canadians should have their say in the future of the Quebec

people; and finally he tries to use the justices of the Supreme Court by having them declare the democratic choice of Quebecers illegal.

Rather than making a fool of himself, the infallible minister should react calmly and take note of the willingness of France to recognize a sovereign Quebec.

* * *

[English]

GLOBAL WARMING

Mr. Bill Gilmour (Nanaimo—Alberni, Ref.): Mr. Speaker, this December in Kyoto, Japan, Canada will be signing an international legally binding treaty to reduce greenhouse gas emissions. The signing of this agreement is only two months away, yet the government refuses to divulge the standards to which Canada will agree.

• (1405)

President Clinton and Vice-President Gore have been front and centre consulting Americans on global warming issues. European leaders are actively debating global warming strategies. However, in Canada we have heard nothing from the Prime Minister yet alone the environment minister, despite the fact that the economic and environmental implications regarding this treaty are substantial.

The provinces, whose responsibility it is to administer emission reductions, are not on side. Ordinary Canadians are still waiting to be consulted.

Before the government agrees to any reductions in greenhouse gas levels, ordinary Canadians and the provinces must be in agreement. This agreement must come before the treaty is signed, not after.

* * *

[Translation]

MEMBER FOR BOURASSA

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, yesterday, the liberal member for Bourassa gave another very subtle analysis of the national question and its impact on the economy.

With his well known sensitivity, he explained to us that the economic renewal is the work of the federal government while the economic problems can all be blamed on the Bouchard government. Clearly, the hon. member for Bourassa completed his Ph.D. in economic demagoguery at the Federal Liberal University.

As to the declaration of the President of the Conseil du patronat français, who said that "French economic circles are not worried" by Quebec sovereignty, the hon. member considered that it should go unnoticed in the antisovereignist paranoia.

Yet, this is more than words since the French firm GEM PLUS announced a \$20 million investment in a research center in Montreal. It is a sad observation, but the good news for Quebec do not rejoice Liberal members when they do not serve Liberal propaganda.

* * *

SPEECH FROM THE THRONE

Ms. Claudette Bradshaw (Moncton, Lib.): Mr. Speaker, I support the government's priorities outlined in last Tuesday's throne speech.

[*English*]

Two issues I find in the Speech from the Throne are of particular importance to me: children and crime prevention.

I am very proud that the government is committed to helping children at risk. We recognize that parents, governments, the private sector and community based organizations must work together to ensure that our children develop properly.

I also believe that investing \$32 million in community based crime prevention programs is a big step in the right direction. The initiatives will help decrease incarceration rates and render our streets safer.

Crime in costing Canadians \$46 billion a year.

[*Translation*]

We must ensure that the government's priorities and commitments outlined in the throne speech become reality. We must work together so that each and every Canadian can lead a safe and full life.

I will work on behalf of my constituents—

The Speaker: I am sorry to interrupt the hon. member, but the hon. member for Cypress Hills—Grasslands has the floor.

* * *

[*English*]

GUN LEGISLATION

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, Morris Bodnar, Georgette Sheridan, Bernie Collins, Gordon Kirkby, Marlene Cowling, Jon Gerrard, Elijah Harper, Glen McKinnon. That is not a list of Canada's most wanted. It is a list of Manitoba and Saskatchewan Liberal MPs who are no longer with us thanks to the Liberals' draconian gun bill.

People in my part of Canada are still seething over that legislation. Talk of civil disobedience is rampant. So much anger in central Canada about a government policy would have this regionally oriented government scurrying to make amends. But of course to Liberals anything west of Ontario is extraterritorial.

S. O. 31

We prairie people are Canadians too. Our devotion to individual freedom is our unique characteristic. In the name of national unity this government should readdress its wrong headed firearms legislation.

* * *

[*Translation*]

MEMBER FOR RIMOUSKI—MITIS

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, it is difficult for me to find the right words to express, fully but calmly, my outrage at what the Bloc member for Rimouski—Mitis had to say.

This separatist member, who is well known for putting her foot in her mouth, said last week, and I quote "As a French Canadian, I am a second class citizen".

● (1410)

If we accept the member's logic, this means that Quebeckers who are against Quebec separating are second class citizens. This arrogant attitude is an insult for all the Quebeckers who prefer to remain Canadians.

This is yet another sign of the member's exclusionist mentality, and to add insult to injury, these statements are being made supposedly on behalf of francophones.

* * *

[*English*]

DONKIN MINE

Mr. Peter Mancini (Sydney—Victoria, NDP): Mr. Speaker, just months prior to the last federal election the former Liberal member for Cape Breton—East Richmond authorized a \$300,000 fund to be given to a private group to study the privatization of the Donkin mine in Cape Breton.

The people directly affected by this, the mining communities of Cape Breton, voted against this proposal and maintain their belief that the mine should be developed under the auspices of the Cape Breton Development Corporation.

Indeed, just last week the Liberal premier of Nova Scotia and the former Conservative premier of Nova Scotia both acknowledged that Donkin is the future of Devco.

The United Mine Workers of America, District 26, has called for Devco to develop the Donkin mine.

I call on this House and this government to initiate a full, open and federally funded study of the feasibility of developing Donkin as part of a three mine Devco operation prior to any privatization of the site.

S. O. 31

[Translation]

QUEBEC PREMIER

Mr. Guy St-Julien (Abitibi, Lib.): Mr. Speaker, Lucien Bouchard uses Quebeckers' priorities in a shameless manner, in order to further his own interests, his partitionist interests.

Under the guise of an economic mission, he is promoting Canada's partition. Once again he is putting his own interests before those of the Quebec people.

Quebeckers want their politicians to devote themselves to job creation and the economic recovery. Therefore, I call upon Lucien Bouchard to adequately represent all Quebeckers.

Mr. Bouchard, it is not too late to transform this political mission aimed at promoting partition into a genuine economic mission.

* * *

[English]

PORT POLICE

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, the Government of Canada is on a mission to eliminate the Canada port police. During the last Parliament it sought authority to disband the Canada port police through Bill C-44. However, the bill died on the Order Paper when the election was called. Despite this, the government has gone ahead and proceeded with the changes anyway.

These highly specialized forces focus on extremely important security issues for Canada, such as illegal immigration, illicit drug trading, exportation of stolen goods and security for foreign vessels.

Already this policy is resulting in inconsistencies in port policing from harbour to harbour, as ad hoc deals are made replacing the uniform federal system.

The government must provide the funds to ensure consistent, well trained police forces at every port and not allow a hodge-podge of enforcement arrangements all over the country which will make Canada the country of choice for illegal immigration and drugs.

* * *

INTERNATIONAL DAY OF OLDER PERSONS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, it is with appreciation and admiration that I pay tribute to the millions of Canadians celebrating the international day of older persons.

We set aside October 1 to increase public awareness of the tremendous contributions older Canadians continue to make to Canadian society. By caring for our elders we can teach our youth to be compassionate and caring.

The international day of older persons reminds us that every Canadian, regardless of age, has a right to participate fully in community life. They have a right to live fulfilling, independent lives and to travel about freely. In all cases, they have the right to be treated with dignity.

I encourage all of my colleagues to work toward achieving these goals, not just on October 1, but each and every day of the year.

* * *

[Translation]

YOUTH STRATEGY

Mr. Claude Drouin (Beauce, Lib.): Mr. Speaker, our government, together with the Quebec Community Futures Development Corporations, has launched an important program with an initial budget of six million dollars, aimed at people 35 years old and younger in communities served by all 54 CFDCs.

• (1415)

The Youth Strategy has three components: a fund for young entrepreneurs, a program for hiring youth advisors in the CFDCs and the extension of the Summer Employment Program for students.

The fund for young entrepreneurs is used to secure loans for projects in sectors identified as priorities in the investment plan of each CFDC. It will not only dispense some financial help, it will also provide support to the entrepreneurs in all of their endeavours.

Our government has determined that youth employment should be a priority. All stakeholders recognize that we must curtail the migration of young people from their native communities to major centres.

This Youth Strategy—

The Speaker: I am sorry to interrupt the hon. member.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the Hon. Tommy G. Thompson, Governor of the State of Wisconsin.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[English]

NATIONAL UNITY

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, one of the disturbing things about the government's approach to national unity is that it always seems to be lagging rather than leading public opinion.

Prior to the last referendum the government seriously misread the discontent and the demand for change in Quebec. Recently it demonstrated a dangerous misreading of public opinion in British Columbia.

Why is the Prime Minister lagging rather than leading public opinion on the national unity issue?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, national unity is a very important issue for Canada. Some people will always raise some regional frustrations that exists in parts of Canada, but it is important to look at the whole situation.

We had some problems this summer, for example, with the treaty on fisheries. I was frustrated too. The President of the United States was very frustrated because he had to have the consent of 35 people before he could agree to a deal. This is a treaty that was signed when the party of Senator Carney was in power.

Of course we are trying to find a solution but it is not easy.

Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the prime minister missed the point.

Last week Premier Bouchard dared the prime minister to consult Quebecers on the Calgary declaration. We urged the federal government to mail a letter containing that declaration to every Quebecer. Again the prime minister dragged his feet.

What is so hard about mailing a letter? You get the envelope, you get the letter and you put the letter together.

Will the prime minister become proactive on the unity issue, starting with a firm commitment today to mail the Calgary declaration to every household in Quebec?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I remember that in January 1996 we sent a statement to the people of Quebec explaining what had been done in the House of Commons. The Reform Party complained that we were spending money.

If he wants us to send something we will consider it, but before sending it I would like to see exactly what is happening in the provinces as they consult before deciding.

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Mr. Preston Manning (Leader of the Opposition, Ref.): Mr. Speaker, the prime minister is doing it again. He is hedging, he is lagging, he is dragging his feet just like before the last referendum.

Brian Mulroney damaged the national unity effort by his arrogance. This prime minister hurts the cause by his apathy.

If it is that hard to make a decision to mail a letter to Quebec, how can Canadians expect him to make the hard decisions required to unite this country?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have made a lot of decisions with respect to national unity. A lot of the grievances were cured after the statement in the Speech from the Throne of 1996.

We got out of mining. We got out of forestry. We got out of tourism. We offered to get out of social housing. We settled the manpower training program and many others.

The member wants us to mail a letter tomorrow. If his way to solve the problems of the nation is by mailing a letter, we better not have a post office strike.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, the Liberal government has known for months that Lucien Bouchard was going to France to get support for Quebec sovereignty.

The government is always a step behind. It refuses to be proactive. Has the Prime Minister even talked to President Chirac in the last 24 hours? If so, what did the president say?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I looked at the statement made by the official spokesman of the Government of France. The lady said that there was no intervention and no intention of intervening and that the question was purely hypothetical.

Today there was a statement by Prime Minister Jospin that was very clear. I have discussed the problem many times with President Chirac. He knows it is a Canadian problem that will be solved by the Canadian people and not by the French government.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, that just proves the point we are trying to make. The government is not prepared to deal with the Canadian unity battle.

A foreign leader rolls out the red carpet and the government does nothing. Why is the government always dropping the ball when it comes to the future of our country?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I made my views very clear. I can cite for the hon. member what Prime Minister Jospin said today:

Oral Questions

It depends on developments that may or may not occur and that are subject to the free decision of Quebecers, their political authorities, and the appraisal of Canada, its political authorities, whether France will be asking this type of question.

They recognize that it is a Canadian problem and that they will have to respect the views of the Canadian government.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Minister of Intergovernmental Affairs said that the Canadian government could have made the same remarks as France regarding Quebec's sovereignty.

Can the Prime Minister tell us today whether he shares his minister's opinion, and are we to understand from this remark that the federal government would also respect a democratic vote by the Quebec people in favour of sovereignty?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Quebecers have already voted democratically on two occasions and decided to remain in Canada.

When will the Bloc Québécois respect the voice of democracy, even in response to an unclear question? What we want is a debate about a clear question, not a winning question, but a question that is truthful. When Quebecers know that, by voting for sovereignty, they will be leaving Canada, they change their minds.

All we are asking is that the question be clear, and we will take steps to see that it is.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would like to know whether the Prime Minister has just told us he intends to bypass the National Assembly, when there has been a unanimous and clear resolution by the National Assembly that the Quebec people should be able to decide on its own future itself? And this resolution was supported not just by sovereignists, but also by the federalists in Quebec's Liberal Party, including the member for Bourassa, who is in the House today.

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, yesterday, when asked by a journalist: "Would France bypass the Canadian government and recognize Quebec as being independent?", the premier replied: "That is a detail". This detail is the key to the whole question.

• (1425)

And to this question, the French Prime Minister, yesterday and this morning, replied: "France is not indifferent, but does not wish to interfere. If Quebec is allowed freedom of expression, then Canada must also have the freedom to make up its mind. These questions must be asked in Quebec, and more broadly in Canada".

He even added: "A simple majority is not a principle, but democracy is".

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Minister of Intergovernmental Affairs is trying to play down the significance of the statements made by the President and the Prime Minister of France, who very clearly indicated they would respect whatever decision Quebecers made.

My question is for the Minister of Intergovernmental Affairs. Are we to understand that he would expect France to sit back and act as if nothing had happened should the federal government arbitrarily reject the result of a democratic vote held in Quebec?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the root of the problem is that a provincial government does not have the authority to proclaim itself the government of a sovereign state. That has never been done. States have always recognized that the government of the existing state had its say in the matter.

If I had more time, but I know you would interrupt me, I would give you a whole list of statements made by the French government in other circumstances involving other parts of the world. Here is one, for example, about Chechnya, which says: "This is an internal affair that concerns the Russian Federation, of which Chechnya is an integral part under international law". Regarding the Comoros: "France strongly believes in respecting the territorial integrity of any and all African states".

And the list goes on.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, are we to understand from what the Minister of Intergovernmental Affairs has said that, as far as he is concerned, Ottawa is home to the international standard of democracy and, therefore, every country in the world should consider that democracy in Ottawa is better than democracy in Quebec?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, this is getting annoying. One cannot have a special set of rules for Canada that do not apply to other countries.

Canada is an independent state, recognized as such by the United Nations, and it has the same rights as other countries. I can quote, for instance, the Helsinki declaration, which states that "Participating states shall respect the principle of the equality in law of peoples and their right to self-determination, by acting at any given time in accordance with the goals and objectives of the Charter of the United Nations".

This means that the right to secede exists only in a colonial context. Secession is not a right within a democracy.

*Oral Questions***NEWFOUNDLAND***[English]***POST-SECONDARY EDUCATION**

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, my question is for the Prime Minister.

Tuition fees for students have skyrocketed and are now higher in Canada than in the U.S.A. The average debt load for graduating students is predicted to be \$25,000. Students are graduating into poverty. The government's new fund will not help 90 percent of the students who need financial assistance.

When will the government sit down with students and others to find real solutions to lead us to an accessible post-secondary educational system?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the member's question is very important. We as a government are very concerned with the situation of student tuition fees and debt.

We are working with the provinces, students and lenders. There were some measures in the finance minister's budget last year which provided for improvement to RRSPs and savings that parents could do for their children. In the Speech from the Throne we have again committed the government to continuing to reduce the barriers to post-secondary education.

We are doing it with the provinces and with the lenders as well as we can.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the government clearly does not understand the depth of the problem. What is needed is a real solution to ensure that tuition fees no longer exclude students without deep pockets.

Will the government commit to working with the provinces to make accessibility a new national standard for higher education?

• (1430)

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, it is not up to me to determine the tuition fees in the provinces. The government of Canada is already meeting about 60 percent to 65 percent of the cost of students in the universities and colleges through the transfer payments in this country. We are already going a long way to do what we can.

As far as the debt is concerned, we are working with the provinces and the lenders to find solutions that will be adequate as soon as possible to assist the students because we are very concerned about the debt situation right now.

Mr. Charlie Power (St. John's West, PC): Mr. Speaker, the throne speech set out the government's agenda for this session of Parliament. In it the government claims to be committed to "developing the brains and skills of our people to ensure that no Canadian is left behind as the country moves forward. Education and training are key to this new economy and job opportunities".

My question is for the minister of human resources. How are Newfoundlanders expected to participate in this new economy when his department in Newfoundland is completely devoid of any funds for the rest of this fiscal year? Will the minister find the additional funds required to make sure that Newfoundlanders have equal and fair access to training and that they will not be left behind?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, our government is very committed to all Canadians' having a fair opportunity.

I do not accept the claim that Newfoundland will be left behind by this government which has been standing very well for all regions of the country. We are investing a lot more money in transitional job funds in Newfoundland than anything that was done before. We are doing a lot more in Newfoundland through the transfer payments as well. We are the ones who are fighting very hard to maintain an equilibrium in this country in favour of Newfoundland and the other maritime provinces.

Mr. Charlie Power (St. John's West, PC): Mr. Speaker, the minister's answer is simply not good enough.

In Newfoundland we have the highest level of unemployment and therefore the highest requirement for training. If the minister cannot find additional funds in his department, which he refused to answer, will he then access the \$12.8 billion in workers funds in the EI surplus account? Does the minister not find it embarrassing to have to tell so many citizens who have so much need that they cannot access training programs simply because of a shortage of money while he is sitting on \$12.8 billion of their money.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, I know very well that the Tories cannot understand that the EI account can have a surplus. It is something they never had and can not understand.

We managed the situation in this country quite differently and we are fiscally responsible and we corrected the mess their administration had made. From the EI fund we are putting quite a lot of money into transitional job funding which is quite high in the regions where the levels of unemployment are higher. We invest more money in our youth programs as well.

*Oral Questions***PUBLIC CONSULTATION**

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, when Alberta moved into a surplus position the first thing it did was survey the public in Alberta to find out what it wanted to do. The people said pay down the debt. But not this government. It will consult people about what to put on the \$2 coin but not on how to spend the 75 billion \$2 coins that taxpayers have to send in every year.

If Alberta is not afraid of going to the people to find out what they want to do with the surplus, why is this government afraid to do that?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I remind the hon. member that if he is a part of the finance committee then he will be going across the country consulting with the people on that very question.

Even more to the point, the government went to the people, who spoke in the last election.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the Government of Alberta consulted the people, got their message and then went to the people in an election and got a bigger mandate. This government actually had its mandate diminished. I think the minister could find a stronger point to hang his argument on.

One line in the throne speech on debt reduction and tax relief and 20 pages on spending increases and no consultation. Why will the minister not admit that the real reason he will not consult is that he is not sure he will get the answer he wants?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the fact is we did consult during the election campaign. We actually think that an election campaign is when Canadians should be consulted.

The second thing is that there will be extensive consultations by the finance committee and I hope the hon. member is part of it. The prime minister and the government have set out the rules of thumb on how it thinks the surplus should be dealt with.

• (1435)

What is important is that as a result of this government, for the first time in over 25 years there is going to be a surplus.

* * *

[Translation]

MIRABEL AIRPORT

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

The Quebec Provincial Police was supposed to take over security at Mirabel airport tomorrow, October 1. However, we learned this

morning that its services are no longer required at Mirabel and that the RCMP will remain in charge of security at that airport.

What is behind this political decision by the minister—

Some hon. members: Oh, oh!

Mr. Michel Guimond:—given that, on April 16, the Solicitor General announced in a press release that—

The Speaker: The Minister of Transport has the floor.

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, yesterday I explained to the hon. member that, given the changes taking place at Montreal's airports, that is to say Dorval and Mirabel, and the major renovations under way at Dorval, the federal government had decided to leave the RCMP in charge.

I believe it is a decision that makes sense.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, all this is very suspicious. The minister has known since February 1996 that international flights would be transferred from Mirabel to Dorval. He knows that there have been two international airports in Montreal since 1975.

I ask again: What is behind this political decision?

[English]

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, I cannot understand why the hon. member is so angry. What we are saying is there is an operational need to keep the RCMP at Mirabel and Dorval. I have given the reasons.

We on this side of the House are most concerned about security at Canada's airports. We feel this can be best served in this instance by keeping the RCMP at the two airports.

* * *

HEALTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the health minister is willing to ignore the privacy commissioner when he condones his officials' going after the private and protected file of a former employee.

Since privacy rules are not important to this minister could he let the House know what guidelines he gives his bureaucrats?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the privacy commissioner has not been involved in this matter except that a complaint has been made and an investigation will be carried out. We will find out in due course what the privacy commissioner thinks.

In the meantime, last Friday the officials involved made clear what their purpose was and that it was in accordance with a

Oral Questions

perfectly acceptable departmental purpose that the file was looked for. That explanation has been made in full.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, the health minister seems willing to accept this feeble excuse that the file was accessed to go after federal court document information. It is interesting that kind of information is public, open and available to all. Guess where it is available? It is available from the justice department. Amazing.

Will the minister admit here in this House today that this protected file was accessed in an attempt to discredit the reputation of this scientist because she is an irritant to his department?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, I could not do that because it would not be true. It is simply remarkable and it says a great deal about the health policy of the Reform Party that in this day and age, with the complexity of the issues we face and the challenges we face as a country in preserving and strengthening health care, the hon. member has to take his turn in the House of Commons to ask a question like that.

We know what is relevant on this side of the House and we are going to preserve medicare.

* * *

[Translation]

ALGERIA

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Mr. Minister, the ceasefire called for—

Some hon. members: Oh, oh.

The Speaker: My dear colleague, you must always address the Chair.

Mr. Daniel Turp: Mr. Speaker, my question is for the Minister of Foreign Affairs.

Mr. Minister—

Some hon. members: Oh, oh.

Mr. Daniel Turp: Mr. Minister—

An hon. member: No, this is not the way.

Mr. Daniel Turp: Mr. Speaker—

Some hon. members: Hear, hear.

• (1440)

Mr. Daniel Turp: Mr. Speaker, my question is for the Minister of Foreign Affairs.

The ceasefire called for recently by the Islamic Salvation Army did not materialize. In fact, it was not respected at all by the Armed

Islamic Group, also known as the GIA, which continues to slaughter women and children.

Does the minister intend to pursue the suggestion made by a French group, Médecins du monde, asking that the United Nations intervene in order to put an end to this Algerian crisis that is costing the lives of many men, women and children?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, first I would like to congratulate the hon. member for asking his first question in this House. It is indeed his first question.

I can assure him that I expressed his concerns with regard to what is going on in Algeria at a meeting held this week at the Department of Foreign Affairs.

* * *

[English]

BOMBARDIER

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, Bombardier retains its cosy relationship with the current Liberal government. In an unprecedented move the prime minister sent a letter to the president of Mexico complaining about political interference causing Bombardier to lose a contract.

How does the prime minister justify this action and will he table the letter in this House?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, it is not unprecedented for a prime minister who cares about Canada's trade promotion, which creates jobs both at home and abroad, to send such letters.

The letter was simply to affirm that we are not looking for a special deal, we simply want transparency and a fair deal.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, why will the letter not be tabled?

I wonder if the prime minister should not be more concerned about political interference in Canada than about political interference in Mexico.

Is he aware that Bombardier and the Cormorant helicopter group have just hired as a lobbyist the ex-executive assistant to the minister of defence?

The prime minister sent a letter to Mexico. Will he now send a letter to his minister of defence complaining about political—

The Speaker: The hon. Minister for International Trade.

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, what does the Reform Party have against successful Canadian companies?

This is a high tech firm that is number five in the aircraft business in the world. It employs Canadians.

Oral Questions

This individual runs down a Canadian company. That is not our style and that is why he is on that side.

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[Translation]

PAY EQUITY

Ms. Caroline St-Hilaire (Longueuil, BQ): Mr. Speaker, my question is for the President of the Treasury Board.

Yesterday, the minister said in the House that the government would prefer to negotiate rather than resort to legislation to settle the issue of pay equity.

Twenty years after the Employment Equity Act was passed, three rulings in favour of the workers and two election campaign promises later, does the Minister recognize that the time has finally come to open the public purse and quickly settle the issue of pay equity?

• (1445)

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the government continues to meet its obligations in terms of pay equity.

These last few years, the government paid out \$1 billion to meet its pay equity obligations. At present, a number of persons have lodged a complaint before the human rights tribunal. The union is clearly waiting for its decision to know what the amount will be, what the methodology will be, what will have to be paid. The government has no unpaid debt at the present time. On the contrary, we offered, during these negotiations, over \$1.3 billion.

The Speaker: I am sorry to interrupt the member, but the member for Waterloo—Wellington has the floor.

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[English]

CHILDREN

Mr. Lynn Myers (Waterloo—Wellington, Lib.): Mr. Speaker, today marks the seventh anniversary of the United Nations summit on children. At that summit the heads of government promised an all-out effort to improve the quality of life for children.

My question is for the Minister of Health. What steps has the government taken to reduce child poverty and to lower the infant death rate?

Hon. Allan Rock (Minister of Health, Lib.): Mr. Speaker, the hon. member will know that one of the key priorities this government has chosen in its mandate is to work with provincial partners and others to create a coherent national children's agenda to improve the plight of children across the country. We are determined to do that.

I am working with my colleague, the Minister of Human Resources Development and with provincial ministers through a large program such as the community action program for children to take the head start program on to reserves so that aboriginal children can benefit from it, to ensure that centres of excellence for children are created across the country, to combine research with programming—

The Speaker: The hon. member for Kootenay—Columbia.

* * *

TAMIL EELAM SOCIETY

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, the Tamil Eelam Society has received funding from the multiculturalism department. Numerous reports have linked them with a terrorist organization in Sri Lanka.

Has the minister ensured that the funds that were paid out on behalf of the Canadian taxpayer to this Canadian organization did not find their way to the terrorist organization in Sri Lanka?

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, with regard to the funding of any group, we always have clear criteria. We evaluate and we ensure always that the funds spent are spent for the things they were in fact asked for.

Mr. Jim Abbott (Kootenay—Columbia, Ref.): Mr. Speaker, the last time I looked, money is money. Money in an organization may be used in many different ways. The topping up of the money by the Canadian taxpayer in this particular instance is the question.

Are we giving money to an organization, where there have been published reports of connections to a terrorist organization in Sri Lanka, without doing an audit to ensure that organization in no way is funding with any of its money the terrorist organization in Sri Lanka? A simple yes or no.

Hon. Hedy Fry (Secretary of State (Multiculturalism)(Status of Women), Lib.): Mr. Speaker, any organization as I said before that is funded by multiculturalism programs is insured. We evaluate them to ensure the money is spent on the programs that they specifically are funded for and nothing else.

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FISHERIES

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, my question today is for the Minister of Fisheries and Oceans. When asked to have a judicial inquiry into the current and past practices of the Department of Fisheries and Oceans, his response was that an inquiry would be a waste of time and money.

If he fails to hold an inquiry, his portfolio will soon be reduced to the minister of oceans. This government promised written agreements to maintain the income supplement known as TAGS until

May 1999, but without consultation it ripped up this agreement which will now expire one year earlier in May 1998.

Will the minister please tell the House that he has recommitted to maintain the TAGS program to its promised contractual date of May 1999?

• (1450)

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, with respect to the preamble of the hon. member's question, in my view an inquiry would serve very little in terms of advancing the interests of fishermen on either coast. It would be costly, it would take a lot of time, and it would mean that resources would be devoted to an inquiry and legal costs instead of to science in the fisheries itself.

I should point out that there have already been two studies done and I believe the auditor general will comment as well. The reasons given are overfishing, overestimating stock size, fishing abuses such as high grading and discards, changes in the marine ecosystem and finally, failures of the then political—

The Speaker: The hon. member for Sackville—Eastern Shore.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, it is quite obvious that the Minister of Fisheries and Oceans has difficulty with this question. The question once again is for the Minister of Fisheries and Oceans. Will he recommit to this House today the contractual agreement that this government signed with the fishers of Atlantic Canada and Quebec to maintain the TAGS program until May 1999?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the hon. member's knowledge of history of the TAGS program is defective. There was a change in it which changed it from a five-year to a four-year program. I should remind him that this was done with the agreement of the individuals concerned.

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ENDANGERED SPECIES

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, my question is for the Minister of the Environment.

Her predecessor, the current Minister of International Trade, committed Canada to the protection of endangered species that crossed international borders. To date, the minister has refused to make the same commitment.

Before she attends tomorrow's meeting with her provincial counterparts, will the minister guarantee to this House that her government will demonstrate federal leadership in protecting endangered species that range or migrate across interprovincial or international borders?

Oral Questions

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, my hon. colleague refers to our government's endangered species protection legislation. We have a commitment to reintroduce that legislation into the House. Our government has a strong commitment to endangered species and is in fact making progress. At my meeting tomorrow with my provincial counterparts, hopefully we will bring this agenda forward. I hope my hon. colleague will help us when that legislation is reintroduced into the House.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, this government has already declared it will fail to meet its targets on the reduction of greenhouse gas emissions. It is now backing away from an earlier promise to protect endangered species that range or migrate across international boundaries, such as the swift fox and the eastern cougar.

In the face of serious backroom pressure from her provincial colleagues on Wednesday in Newfoundland, will the minister now pledge to Canadians that she will safeguard the federal role to protect Canada's precious endangered species?

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, I believe that the federal government has an important leadership role to play in our country with regard to protecting endangered species. However, we cannot do this alone. I have to work collaboratively with my provincial colleagues and with representatives of other sectors across our country. I have been listening to them and will continue to do so. Hopefully the meeting tomorrow with my provincial colleagues will help us to iron out some of the difficulties around protecting endangered species.

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ACCESS TO INFORMATION

Ms. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, my question is for the President of the Treasury Board with regard to the concerns raised in the most recent report by the access to information commissioner.

Too often, requests for information are not responded to in a timely manner. Given the government's commitment to openness and transparency, what will the minister do to respond to what the commissioner has called a festering silent scandal?

Hon. Marcel Massé (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the government of course remains committed to the principles of openness and accountability that are inherent in the Access to Information Act. We recognize that there is a need for amendments to the act. It is up to the departments to apply the act and we will support these amendments as soon as they come forward.

*Oral Questions***JUSTICE**

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, my question is for the solicitor general.

Kevin Machell is the prime suspect in a double murder in Summerland, British Columbia. Machell was on day parole at the time of the murders. Officials at the solicitor general's department failed to take action for some 24 hours after Machell did not report to his halfway house even though the minister's own policy is to report within the hour.

• (1455)

Can the minister tell me, does he condone his department's decision to wait some 24 hours to report that Machell did not report to his halfway house?

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, I thank the member for his question. I am aware of his interest in this and I share his sympathy for the family.

I would like to reiterate as we pointed out in the throne speech that public safety is a priority of the government. In hindsight everybody would like to have seen a different decision given the benefit of the information that the minister has. The fact of the matter is that Canada has the second highest rate of incarceration in the western world. The National Parole Board and Correctional Service Canada—

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[*Translation*]

RADIO-MARINE VCN

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

During the weekend, hundreds of residents of the Magdalen Islands expressed their opposition to the closure of the Magdalen Islands marine radio station, which the Minister of Fisheries and Oceans is about to announce.

Is the minister aware of the security risks the closure of Radio-Marine VCN on the Magdalen Islands could create?

[*English*]

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, in attempting to use the best technology possible and at the same time achieve a system which is economical to the Canadian taxpayer, changes have been made to the radio system in the Gulf of St. Lawrence.

I can assure the hon. member that safety is a primary consideration of the department and no changes will be made if it reduces the safety levels.

TRADE

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Minister for International Trade.

We in the NDP find it ironic that while we debate sovereignty in the House, whether it be Quebec sovereignty or Canadian sovereignty, the government may be negotiating away our sovereignty in Paris, as we speak, in the multilateral agreement on investment.

I want to ask the Minister for International Trade, will he commit now to public hearings on the multilateral agreement on investment so that the many Canadians who are concerned about this can have input as to what the government should and should not be doing at those negotiations?

Hon. Sergio Marchi (Minister for International Trade, Lib.): Mr. Speaker, let me first congratulate my hon. friend on being appointed the critic for international trade for the NDP.

Second, we are doing no such thing in terms of undermining Canadian sovereignty. On the contrary if there has ever been a government in the last number of years that has always stood up for Canada, it is this one.

I have written the member and the other trade critics. I have told them that among a number of issues once the foreign affairs and international trade committee is constituted MAI is one of those issues on which I wish to hear the views of that committee. I think he knows that perfectly well.

* * *

[*Translation*]

COMMUNITY ORGANIZATIONS

Mr. André Harvey (Chicoutimi, PC): Mr. Speaker, while the leader of the official opposition wants to communicate with Quebeckers, poverty is spreading in numerous regions across the country.

In the Speech from the Throne, I saw nothing that could be called a well thought out policy on social infrastructures. Community organizations help the poorest people. The Canadian conference of catholic bishops called those people the new marginals who are abandoned to themselves without any help from the government.

Can the Minister of Finance tell us if his government has provided for precise measures to support these programs, of which only the United Way, with means—

The Speaker: I am sorry to interrupt the hon. member, but the Minister of Human Resources Development has the floor.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is quite right to mention the extraordinary work accomplished by hundreds of voluntary agencies throughout Canada. I believe those organizations already rely largely on the support of Canada, in particular the Department of Human Resources Development. They are our partners and we are very proud of that.

Have we changed infrastructures? The hon. member should know that we have made the most important leap forward in the area of social policy with the creation of the national child benefit. We have significantly improved the situation of children living in low income families.

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[English]

JUSTICE

Mr. Jim Hart (Okanagan—Coquihalla, Ref.): Mr. Speaker, my question is for the solicitor general.

Canadians are clearly asking for a parole system that is earned, tightly monitored and limited. Why was the minister's own policy at Correctional Service Canada not followed in the Machell case?

• (1500)

Does the minister agree or disagree that a 24 hour delay in reporting Machell not returning to his halfway house is acceptable? Yes or no.

Hon. Andy Scott (Solicitor General of Canada, Lib.): Mr. Speaker, the National Parole Board and Correctional Services Canada are investigating this incident. They will be doing a report and will be reporting when it is available.

* * *

PRESENCE IN GALLERY

The Speaker: I would like to draw to your attention the presence in the gallery of two guests. The first is His Excellency Yevgeny M. Primakov, Foreign Minister of the Russian Federation.

Some hon. members: Hear, hear.

The Speaker: Second is the presence in our gallery of members of the South African Parliamentary Housing Portfolio Committee.

Some hon. members: Hear, hear.

The Speaker: I have received notice of a question of privilege from the hon. member for Wild Rose.

Privilege

PRIVILEGE

STONY RESERVE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I rise on a question of privilege in regard to a very grave matter relating to information that I sought from officials at the Department of Indian and Northern Affairs.

A certain official at the Department of Indian and Northern Affairs, Mr. Jobin, deliberately misled me and subsequently deliberately denied me information. I will argue that the sum of these two deliberate acts constitute a contempt of Parliament.

On December 16, 1980, a Speaker made a ruling in regard to information to which a member of Parliament was entitled. The Speaker said: "It would be bold to suggest that no circumstance could ever exist for a prima facie question of privilege to be made where there was a deliberate attempt to deny answers to an hon. member".

A Speaker in 1978 ruled a matter to be prima facie case of contempt where the RCMP were alleged to have deliberately misled a minister of the crown and the member for Northumberland—Durham resulting in "an attempt to obstruct the House by offering misleading information".

On September 16, I was invited to a meeting with Mr. Jobin to receive a progress report on the Stony reserve in my riding. I brought along with me to the meeting citizens of the Stony reserve.

At one point in the meeting I was asked to leave by Mr. Jobin because he claimed that I was not entitled to certain information that he offered to the citizens attending. While there was unanimous written support for me to receive this information by the applicants in attendance, I was made to leave by Mr. Jobin.

• (1505)

The regulations from the department regarding information release, referred to by Mr. Jobin, state that information may be released if written consent is obtained from the applicant, which I had received.

The regulations also contain several circumstances where information can be released without consent. Point four on the form states one of those circumstances as "to a member of Parliament".

I had both the authority as a member of Parliament and the written consent of the applicants to receive this information. Mr. Jobin deliberately misled and deliberately withheld the information from me.

I requested this meeting to obtain information which is directly related to the preparation of a question which I need to ask the Minister of Indian Affairs and Northern Development on behalf of the citizens of the Stony reserve. I have given notice to the minister of my intention to ask such a question.

Privilege

Joseph Maingot's *Parliamentary Privilege in Canada*, on page 71 states:

—the events necessarily incidental to petitions, questions, and notices of motions in Parliament—are all events which are part of the “proceedings of Parliament.”

On page 72 there is a quote from the report of the Select Committee on the Official Secrets Act of 1939 which states that “a proceeding in Parliament covers both the asking of a question and the giving written notice of such a question”.

As I mentioned earlier, I have given the minister written notice of such a question and, unfortunately, I am afraid that I may not have the information necessary to follow through with this question.

In conclusion, I would like to address the issue of ministerial responsibility. I draw your attention, Mr. Speaker, to a Speaker's ruling of November 9, 1978, at page 966 of *Hansard*. The then Speaker said:

—I do not think there is procedural significance to the doctrine of ministerial responsibility, it appears that we are now embarking on a different course in having the House, through a question of privilege, reach around the minister and examine directly the conduct of an official—it seems to me are probably not procedural matters—

The Speaker did not consider ministerial responsibility a consideration when he determined there was a prima facie question of privilege in 1979. There is no procedural significance in this case either, Mr. Speaker, and I ask that you consider my points accordingly.

Mr. Speaker, I ask that you review these matters and if you find there is a prima facie question of privilege I am prepared to move the appropriate motion. It is difficult and literally impossible when you do not get the co-operation of the departments to be able to assist the constituents of your own riding, in this case the residents of the Stony reserve.

Mr. Randy White (Langley—Abbotsford, Ref.): Mr. Speaker, I rise in support of my colleague from Wild Rose. The official named, in my view, is in contempt of Parliament for his actions.

Erskine May's 21st edition describes contempt as:

—any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as contempt, even though there is no precedent for the offence.

As members we do not always expect enthusiastic co-operation from ministers and those who serve them, but when an official deliberately misleads a member of Parliament with some bogus

rule and as a result of that act deliberately withholds information, it is a clear contempt of Parliament.

It is imperative that members of Parliament have the confidence to perform their duties with accurate information which is not deliberately misleading or deliberately withheld from them.

I join with the hon. member for Wild Rose and ask that you consider this very serious matter. I look forward to your ruling.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have listened to the facts which have been brought before the House by both hon. members.

The government has no intention to participate in any way in an act which would constitute the contempt of this House.

Mr. Speaker, my suggestion to you, respectfully, would be as follows. Given that the minister is temporarily out of the House, I would suggest that she be able to examine what has been stated by the hon. member opposite and respond tomorrow in the House of Commons, or at a later time. At that point perhaps you, Mr. Speaker, would want to rule then whether or not there has been an instance of contempt, as opposed to simply a misunderstanding by someone who may or who may not have committed a mistake.

• (1510)

This would not unduly delay anything, given the fact that the parliamentary committee on procedure, privilege and elections has barely been constituted for 24 hours. I would suspect that it probably would not be able to hear the case for a few days and waiting until tomorrow would not unduly delay any proceeding or attempt to find out what is the truth. All of us want that to eventually come out.

Perhaps Mr. Speaker would want to accept this suggestion and, if so, render a ruling tomorrow or later. At that time we will have had an opportunity to listen to information that could be brought to this House by the minister responsible for the department in question.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, I appreciate the intervention of the House leader.

I appreciate also that the minister will get back to us promptly. The way the House leader put it is a little open-ended, which is tomorrow or at some later date. The first opportunity, I would assume, will be in the next day or so, not on the Order Paper for the foreseeable future.

The Speaker: As you can see I, too, have just been apprised of this matter. You will note that the words “to deliberately mislead” were used quite a few times and that I did not intercede because I wanted to hear the whole reason for bringing this point up.

I would like to get a little more information. If I could ask the indulgence of the hon. member for Wild Rose, I would like to hear something from the minister who is involved. Maybe there is an explanation. I do not know.

I will reserve judgment until I hear from the minister, but as the hon. whip of the Reform Party mentioned, I would encourage the government House leader to see to it that the minister is here to respond at the earliest possible moment. And that is precisely what I mean, the earliest possible moment. I do not want this dragged out.

Hon. Don Boudria: Mr. Speaker, I will endeavour to do precisely that, to have the minister address this as soon as possible, hopefully within the next 24 hours or so. In any case, it will be as soon as possible, and there will not be a delay, I can assure you.

The Speaker: We now have an undertaking from the leader of the Government in the House. I will reserve my decision until I and you hear what the minister would have to add to this particular case.

At that time, if it is necessary, I will make a decision.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—BUDGET SURPLUS

The House resumed consideration of the motion.

Mrs. Carolyn Bennett (St. Paul's, Lib.): Madam Speaker, on June 2 Canadians were consulted. The voters clearly preferred our more responsible approach and saw through the Reform Party's irresponsible tax cut promises before the budget was balanced. In every single province except Alberta, the majority of voters rejected the cuts to programs and services.

It is irresponsible for a government to artificially determine optimal government size and taxation levels and then drop the ball in order to achieve those goals.

• (1515)

As we know and as we have experienced in Ontario, this leaves those less able to, to go and fend for themselves. We feel this every day in Ontario: a mission of tax cuts; smaller government; survival of the fittest; no positive role for government; knee jerk, simplistic approaches; black and white with no shades of grey.

Canadians expect us to do what we said we would do. We will put the debt to GDP ratio on a permanent downward trend. We will balance the budget by 1998-99. They expect us to demonstrate

Supply

vision and values. They expect us to be innovative and to find and build partnerships. They also expect us to reinvest in a stronger society. We said we would and we will.

As said in the Speech from the Throne, it is our responsibility to ensure that no Canadian is left behind as the country moves forward. We can do this without financial risk. We can do it in a balanced way set forth in the election platform.

The government has made tremendous strides while continuing to adhere to five basic principles: controlling government spending rather than increasing taxes, fairness so that no one is left behind, enhanced economic prospects and job growth, and frugality with a commitment to decrease waste in government.

The government also made a promise to shift resources from lower priorities to higher priorities knowing there is no new money until the budget is balanced.

I wish we could do this without having to listen to inaccurate Reform rhetoric and truncated history lessons that leave out the four critical years of stunningly successful fiscal management. Members of the official opposition keep talking about shell games. I dare them to go and pick up all the shells at once. They will be disappointed. There is not a tax and spend Liberal to be found.

Canadians will be consulted, but we will consult on how we deliver our promise and not whether. We have committed 50 percent of any surplus to reinvestments in building a stronger society. Canadians are counting on us, especially those less well off. The prime minister said "It is a nice problem to contemplate this surplus. It is a proud moment for Canada, not a time for partisan jealousy."

The motion must be defeated and the government congratulated, not condemned, for its practical and doable election promise.

Mr. Monte Solberg (Medicine Hat, Ref.): Madam Speaker, I thank the hon. member for her presentation.

I understand the hon. member is a physician. I am sure she understands as a physician that it is very important not only to treat the symptom of a disease but the actual root of the problem. Any physician would agree.

The problem we have with unemployment is that over the last many years we have devoted billions of dollars toward the problem of training people for employment and we still have abnormally high unemployment rates. Will the member acknowledge that one of the keys to dealing with the problem is to lower taxes so we have a greater demand for all the people who have been trained?

Mrs. Carolyn Bennett: Madam Speaker, there is no question one of the root causes of the ongoing demand for health care will be the determinants, jobs being one of them.

We need to celebrate the fact that we have improved the number of Canadians with jobs. We are not there yet.

Supply

• (1520)

We also have to understand that governments like Ontario that are laying off thousands of people are contributing to the net. We actually have to realize that our ultimate success is a net cost. There is some gain and some loss, and we know we are not there yet. We would love to be able to put more efforts into training. We are excited by the kinds of programs we see.

At the Industry Canada open house last week there was a national graduates registry. Graduates were being put to work, able to consult with CEOs and able to produce good resumé's. They were able to get out there and go to work.

I have not seen in Ontario where any tax cut has increased the numbers of jobs. I have not even felt the extra money jingling in my jeans pocket those people continue to talk about. That does not create jobs. There is no evidence to that effect.

An hon. member: How can we create jobs if the federal government takes them away?

Mrs. Carolyn Bennett: We are big picture people. We know there is a positive role for government. Arbitrary determinations of size of government and optimal tax rate will not work. We need to have a goal of putting Canadians back to work. We have to do whatever we can in partnerships and innovation to make sure that happens.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I congratulate my colleague for her excellent speech, and also for having shown some compassion, something her government has forgotten.

Since she is so well disposed toward job creation, would the hon. member be prepared to meet with her Minister of Finance to explain to him that instead of keeping the contributions to the employment insurance fund at an artificially high level, a level which generates surpluses which will top \$7 billion this year, reduction would in fact create employment?

Is the hon. member prepared to take such a step, since employment appears to be something she considers important?

[*English*]

Mrs. Carolyn Bennett: Madam Speaker, all of us in the Liberal caucus are consulted and are prepared to meet with ministers on everything.

We already have a tremendous example of consultation. I know the people I spoke with during the election campaign, the people who have the risk of potentially being unemployed. As much as we

are creating jobs, there are other people being laid off. We need to be able to promise people who may potentially be laid off through future downsizing that they will be secure.

The underwriters feel the amount in the EI fund is appropriate. Similarly in my profession the medical protective association is being accused of having too big a surplus in its fund. We have to deal with the experts. We need to have appropriate and realistic reservoirs for the future. We cannot put Canadians at risk, in particular those who may face losing their jobs.

Mr. Jim Jones (Markham, PC): Madam Speaker, congratulations on your appointment. I also congratulate the hon. member for St. Paul's on her initial speech to the House.

We are the highest taxed nation in the world, especially among the G-7 countries. Eighty per cent of our trade is going to the U.S. We are especially very heavily taxed in comparison with the U.S.

Canadian families have been struggling to balance their household budgets over the last several years. Canada is expected to balance the budget shortly.

Who does the hon. member think can spend the taxpayers' money most wisely, the taxpayer or the government?

• (1525)

Mrs. Carolyn Bennett: Madam Speaker, I wish it was that easy. It is a very good question for people of means. It is not very good question for people who do not have means.

If we continue to compare our taxation rate to that of the United States, it is a comparison of apples and oranges when 30 percent of people cannot afford to go to a doctor. Some of my patients who go south of the border have to write a cheque for \$10,000 for health insurance. They do not see us as being particularly overtaxed. Those who cannot afford the \$10,000 for insurance are forced to take the American approach of being western gambler pioneers and run without any health insurance and then eventually lose their homes.

It is extraordinarily important to understand that two plus two does not make five. As a group we can do much better for those who have less than they can do on their own. Some 150 years ago we said we would try to look after one another. We have to do that.

Canadians want value for their tax money. By decreasing the deficit and the debt we will be able to give them more value for their tax dollars. We will be able to make them feel more comfortable about their future, that programs will be there when they need them, particularly health care.

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, I congratulate the hon. member. She is a very learned and well educated individual who understands her profession extremely

well. She fully recognizes the implications of the cuts made by her government to the health program of Canada.

However my question focuses on another area. I believe she will agree that major contributors to her profession are scientists, researchers and people who have worked to find new ways of dealing with and preventing various diseases.

There is considerable evidence that people who cut taxes bring about an attractiveness in a country for people to come and conduct research partly because of lower taxes and strong money for infrastructure.

The history of the government has been to decrease moneys given to research and development to the tune of approximately \$700,000 in the last budget.

Would the member tell us how not cutting taxes will attract researchers to this country?

Mrs. Carolyn Bennett: Madam Speaker, it will be imperative in the next chapter for us to reinvest in medical research, science and technology. The innovation fund is one of the most exciting things stated in the election platform and in the budget. To hear John Polanyi on Sunday night talk about the reverence with which he holds that fund was truly heartening to me as a Liberal member of Parliament.

Scientists understand that we will do the right thing. I do not think tax cuts have any relevance. In Ontario there is no evidence that tax cuts work. We know that most companies locate here because of the quality of our health care program, particularly companies in the service industries trying to pay health insurance premiums for their employees. That is bad for business. The companies with lots of employees love to go to places that have good, inexpensive health care and a good government funded health care insurance program.

It will be exciting when we start choosing where to reinvest. Obviously I will be fighting for job creation with investments in medical research, science and technology. We should be debating where to reinvest, not whether to reinvest as the member's motion states.

• (1530)

The Acting Speaker (Ms. Thibeault): Resuming debate. Because of the miscue before question period, 10 minutes of debate was taken away from the Reform Party. We will correct the mistake at this point.

Mr. Ted White (North Vancouver, Ref.): Madam Speaker, I believe the person who will be correcting that will be the third in line in this segment.

I would like to recognize the presence in the gallery of some constituents from North Vancouver, Mr. and Mrs. McKenzie. I welcome them to the House.

Some hon. members: Hear, hear.

Supply

Mr. Ted White: I would remind members today that we are debating a Reform motion which reads:

That this House condemn the government for making their 50/50 election promise on any future surpluses without adequate public debate as to the optimal size of government, taxes and debt, thus threatening to repeat Canada's 27 year old history of irresponsible spending, creating high debt, financed by high taxes, causing high unemployment.

It is not difficult to see the reasons why we would propose such a motion in the House. There is plenty of evidence out there among ordinary average Canadian taxpayers that they are very dissatisfied with any suggestion that government would increase its spending at this point in the cycle.

The *Financial Post* did a poll of Canadian CEOs and average taxpayers in September. This poll was published in the *Financial Post* on September 27. I can give members a couple of examples from this poll.

Peggy Witte of Royal Oak Mines stated in answer to questions that Royal Oak Mines left Canada because of the high Canadian taxes which made it difficult to attract top-notch talent to fill positions in the company within Canada. I know that Peggy Witte's company, Royal Oak Mines, is certainly not the only one that has deserted our province because of high taxes.

Where I live in Vancouver, we are very close to the United States border. There are something like 30,000 Canadians who have business interests just across the border in Bellingham and Blaine. Many thousands of Canadians go to work every day just across the border because there is a lower tax climate there both at the corporate and personal levels.

It was not just CEOs though who responded to the poll and indicated that they were dissatisfied with tax levels. Among average taxpayers, a vast majority favoured tax reductions and by 28:1 they favoured cuts in personal income taxes. It is not difficult to see why they would favour cuts in personal income taxes when we look at an article that was printed in the *Vancouver Sun* on September 18 and sent to me by a constituent.

The article shows Canadian household savings are on the decline. Canadians are saving much less than ever before and mainly because since 1980 the government's share of personal income has gone from 17 percent to over 25 percent. The government has increased its take from personal incomes by 8 percent just since 1980. As a result, people have far less savings. In fact the graphs, which I cannot show to members, show that personal savings have dropped dramatically as taxes have increased dramatically since the early 1980s. At this point the savings rate is running at about 1 percent. That is a full 9 percent lower than it was just a decade ago.

Of course income taxes as we know were supposed to be a temporary tax. I mentioned to members yesterday that I had a folder full of things that constituents had sent to me over the summer that they would surely hear about as we went on through the business of this House.

Supply

There is another clipping here sent by a constituent who wanted me to remember that September 20 marked the 80th anniversary of the birth of the income tax in Canada. It preceded today's income tax. It received royal assent on September 20, 1917. It was supposed to be a temporary measure which would be reversed once the war was over. I think we are still in a bit of a war but now it is to try to battle back those who want to spend other people's money. They certainly throw it around very freely.

Mr. Trevor Roote in my riding was a bit outraged when bureaucrats at the GST collection department said that they were losing revenue because of the exemptions for groceries, drugs and medical devices. He really objects to the way that bureaucrats say they are losing tax revenues because of exemptions. He said that it was only through the permission of the people that they can have these tax revenues.

• (1535)

Really, it is quite outrageous that the government treats this as if it were a business income to which it has a right for some sort of service that it provides. I realize there are many services that the government provides which we all agree are necessary and essential but there is a tremendous amount of government waste. Some of it was mentioned today during question period.

I am sure many members have seen the headline on the front page of an edition of the *Hill Times*: "Pork barrel politics: Bagmen, old college buddies and riding association presidents all benefited from Liberal largesse collecting plum government appointments last month".

There were some examples: Gilles Champagne will sit as a member of the Canada Post board of governors. The three-year appointment which was approved by cabinet on September 24 pays a \$600 per diem and a \$7,000 annual retainer. The Liberal Party director in Quebec knows Mr. Champagne from their fundraising work together and he described him as a good Liberal.

The Liberals for example made another appointment in the heart of Bloc Quebecois country. Mr. Frappier, who is the son of a Liberal appointed judge, was given a plum position there.

Bryan Williams, a lawyer in the Vancouver area, a long time Liberal supporter, was named chief justice of the Supreme Court of British Columbia last month.

There are a whole slew of examples even in the *Hill Times* and many of these examples find their way into the mainstream press. We read about them regularly.

I think some of us will remember members who were not re-elected to this House. Geoff Regan, whom I remember, represented Halifax West. I mentioned to him at one time that his failure to represent his constituents on an issue would probably come back

to haunt him. I see now though that not satisfied with the taxpayers' decision to throw Mr. Regan out of office, the government has appointed him senior assistant in the federal ministerial regional office located in Halifax, the executive suite where the ministers go to powder their noses. Mr. Regan landed on his feet.

Of course we remember Mary Clancy and how many times in this House she criticized the United States, how she slammed the Americans. And where is she now? She is in Boston in a patronage position at the embassy. Imagine Mary Clancy as an ambassador for Canada. Can you imagine that? The person who condemned the United States constantly.

That is one area of waste, but there are many others such as the federal-provincial infrastructure program of course, which Reform criticized because much of it went to pork barrel politics.

There are the results of a questionnaire that was sent out to all members of the Canadian Federation of Independent Business a couple of months ago asking whether there should be a renewed federal-provincial infrastructure program. Of those who replied Canada wide 49 percent said no. These are business people answering these questions about the way tax dollars should be spent. Forty-nine per cent Canada wide and fifty-six per cent in B.C. said "Don't use our tax dollars on these pork barrel federal-provincial arrangements".

When we think about it, what a silly way to raise taxes for local infrastructure. We tax workers in B.C., transfer their money to Ottawa where it gets shuffled around by the bureaucrats and then it gets dumped into a program for infrastructure and gets sent back to B.C. again where it gets shuffled around and handed out under the grants program.

We probably if we are lucky get back 50c. on every dollar to actually spend on the infrastructure. It would have been better for the local government body closest to the taxpayer to be responsible for collecting that money in the first place and spending it on the infrastructure directly.

Then the minister for multiculturalism today in question period said how carefully she screens the grants to multiculturalism groups and how they never waste any money.

There was an example in British Columbia which I wish I could have brought up for the minister at the time, the Canadian Association to Fight Racism, which of course has a wonderfully politically correct name. No one would ever dare suggest that maybe it is doing something wrong.

That organization had failed to file its papers with Victoria for three years in a row. It got struck off the register. It was still collecting money from the minister of multiculturalism when it had no mandate and no legal authority to exist.

These are the sorts of things that go on constantly with our taxpayers' money. I could go on. I have a big stack of stuff here that I could go through for all these examples of waste, one which all the members in this House would have got about a week ago.

• (1540)

There is another survey from Ms. Tremblay which she does every parliamentary session, \$41,000 down the drain again, asking us whether we think there should be more women in Parliament and what we should do to arrange that. It is the voters who decide who will be in Parliament, not us. What a waste of money.

I wish I could spend a half a day talking about this absolute pile of waste, but I know that members opposite are bursting to ask me questions.

Mr. Roy Cullen (Etobicoke North, Lib.): Madam Speaker, congratulations to you on your appointment as Acting Speaker.

I thank the hon. member for North Vancouver for his comments. I find it somewhat ironic that the member opposite often stands in the House to talk about the very excellent public policies of New Zealand. I gather the member is originally from New Zealand. I find it somewhat ironic in the sense that in New Zealand it was a labour government which was elected a number of years ago to clean up the fiscal mess which the previous conservative government had created. It was the labour government which introduced a number of privatization measures and caused the New Zealand economy to revive and avoid the country going into bankruptcy.

I do not know what the member's affiliation was when he was living in New Zealand. It is rather irrelevant. However, I think it is ironic that he stands in the House ad nauseam to rave about the excellent public policies in New Zealand when we know that country has experienced some of its own challenges.

I want to turn to the subject of the GST. The GST was introduced by the Conservative government in the eighties. When it was introduced, my understanding is that the government consulted widely with New Zealand to learn better from the mistakes of that country particularly in terms of the rate, how the rate was set, what kind of coverage the GST had and what kind of exemptions were made. It was a Conservative government which looked very closely at the New Zealand model in order to learn from that experience.

I wonder if the member could comment on the New Zealand experience with its GST, or whatever it is called in New Zealand. He might have some wisdom to share with the House.

Mr. Ted White: Madam Speaker, I do apologize to the member for going on ad nauseam about New Zealand, but now he has asked me a whole bunch of questions about it so I guess I will have to do it again.

Supply

First of all, I would mention that in New Zealand the type of government he is calling a conservative government which was in power just before the crisis was reached was known as the National Party. However by North American standards, all governments in New Zealand were socialist. When I lived there I thought the National Party was a progressive conservative style of government, but it was not really; it was socialist and I soon learned that.

They were all tax and spend governments. They were the first with a welfare state in the world. They really set the stage for the total collapse of a welfare state.

Yes the Labour Party which took power had to clean up the mess because within a few days of taking power, those investors who had been prepared to buy government bonds deserted en masse. The New Zealand government ran out of international currencies within a few days of the Labour Party taking office. Then the World Bank stepped in and helped them to recover. As a result of that, New Zealand really has found the optimum size of government and taxation. The government is now about 40 percent of the size it was in 1983. The country is functioning better.

Last year New Zealanders were given on average a \$200 per month income tax reduction. However, the New Zealand government first began to pay down its debt before giving tax relief. It realized that as soon as it started to pay the debt down, the interest payments would begin to retract very quickly and there would be more money to spend on other programs. It has actually increased spending on social programs by almost \$1 billion in the last year.

Now on the GST, of course the Liberals promised to scrap, abolish and get rid of the GST, which they did not do. It is true that the PCs asked New Zealand representatives to come here to give them advice on how to implement the GST. The advice was ignored. New Zealand's GST has no exemptions. It was at a lower rate across the board. There were no exemptions at all and they urged that if there were to be a GST in Canada, it should be that type of GST at a lower rate.

• (1545)

From a personal perspective to members, I am not sure that a GST could ever be successfully introduced when we have a bordering country that does not have such a consumption tax. It makes it very difficult and very competitive. Perhaps more consideration should have been given to that before that style of tax was introduced.

I thank the member for his questions. I am sure he will hear a bit more about New Zealand from me, but that goes with the territory, I guess.

Mr. Werner Schmidt (Kelowna, Ref.): Madam Speaker, since this is my first formal speech in this 36th Parliament, I would like to thank you and congratulate you on your appointment. I would also like to express thankfulness to the constituents of Kelowna

Supply

who saw fit to re-elect me, giving me the opportunity to represent them in this House. It is an honour to be able to do so.

The constituents of Kelowna live in probably one of the most beautiful parts of this country. Some people say there is at least one other part of British Columbia that is better than that. It happens to be the place where they live, and of course I disagree with that because I think that Kelowna is the absolute most beautiful spot in which to live.

I wish at this point to refer back to a question that was asked by one of my hon. colleagues from the Conservative Party. I unfortunately do not know which constituency he represents. He asked probably one of the most poignant question that has been asked on this day in the debate of this particular motion, and that question was to the hon. member for St. Paul's.

The question was did she think that the taxpayer would be able to spend money more wisely or would a politician or a bureaucrat spend money more wisely.

For a moment I thought for sure it was one of my Reform colleagues because that is exactly the kind of questions we have been asking. We have discovered over and over again that it is the taxpayer who is probably in the best position to determine how best to spend his dollars. I am absolutely convinced that is true.

The hon. member for St. Paul's could not answer that question. She is prepared to take her money and let somebody else spend it for her more wisely than she is able to spend it. I do not believe that she even believes that particular answer.

I want to get to the substance of this debate. The substance of this debate centers around adequate public debate about what should happen after a surplus has been created in the budget.

That is an absolutely critical point because we believe so fervently that it is the people of Canada, the taxpayers, the people who voted us into these chairs, who own these chairs, who own this House who would say now that we have a surplus, where should that money be spent. That is critical and that is really what this debate is all about.

I am going to address my remarks pretty well to the business of reducing taxes and cutting taxes. There is a brief reference. It is not even a complete sentence. There is just one tiny little phrase in the Speech from the Throne that refers to a cut in taxes.

As individuals we are tired of the tax burden that we carry. As families, we are tired of the tax burden that we are carrying. It does not matter what business person you talk to, it does not matter what individual you talk to, whether they are married, whether they are senior citizens, every person comes back with the answer that their taxes are too high.

Recently I read about an Asian centre that is being built in Surrey. These people are considering that this may be their first and only investment until the tax structure changes in Canada to do any further development in this country. That would be a very serious blow to that part of our country.

The average family today has real problems. It is spending \$3,000 less per year—that is all it has—on food, clothing and shelter, the very basic things we need. Families are unable to spend that money because it has been taken from them by the taxes.

There is another point and it has to do directly with the individual tax level, the brain drain.

• (1550)

In this part of the country alone, here in Ottawa, recently 11 scientists out of 17 of that group have moved out of the country, most of them to the United States. Why? The personal tax burden is too high and also because there is no money available to support the infrastructure necessary to conduct research.

There are two difficulties with the infrastructure. Some of the material is worn out and cannot be used anymore and other new machines have to be brought in to do some of the more recent research.

Our high tax burden is a very serious detriment to retaining strong people. It is at the point now that in some sectors we are missing the skills and the professional ability to carry forward the research application that needs to be done.

My hon. colleague from North Vancouver alluded to a survey in the *Financial Post*. There is a very interesting observation here. So many people argue that tax cuts are really not the thing that women want to support and that it is something men want to support. Women want social programs more than they want tax cuts. This is very interesting. There is a marked difference here. Women actually supported tax cuts to a greater degree than did men. It would appear that protecting the financial interests of families may be more important than protecting government abilities to fund programs.

That is very significant. The women have it right. They understand what matters. They can spend money very wisely. They think they can spend it more wisely than the government. Congratulations. It is about time we got some balance into this society of ours.

Mrs. Brenda Chamberlain: We need more women in Parliament.

Mr. Werner Schmidt: Is that not a wonderful comment, Madam Speaker? You have order in this place and another member said it is okay. I am a man who said the right thing. That is a fantastic way to live in this old world.

I want to go back to research and development.

Mr. Dennis J. Mills: Pretty smooth.

Mr. Werner Schmidt: Madam Speaker, this is very interesting. Now we have another man in on this. Now we really have a balance. That is what the House is really all about.

I want to move into the technology partnerships Canada program. This program is supposed to help build innovation, research and development in Canada.

An hon. member: What is wrong with that?

Mr. Werner Schmidt: There is absolutely nothing wrong with that. The only difficulty is the contrast. Whenever the minister makes an announcement, and he has probably made about 40 or 50 announcements about these various partnership programs, he says it is repayable. Not a subsidy, not a grant, this is a loan or an equity position. It is very interesting that there is absolutely no reference to what the provisions of the contract are, what the partnership shall actually achieve and what schedule there will be of the repayment of the grant, subsidy or loan. If it is not to be repaid, if it is an equity position, what are the dividends that will be paid on the investment?

If the contract is a secret one, this does not prove anything. There is no accountability here. That is very serious.

The DIPP, the defence industry productivity program, went essentially to the defence industry. The son of the DIPP, the technology partnerships Canada program, is going to exactly the same people. The first \$150 million of that was to carry over and pay for some of the programs that have not been taken care of under the DIPP.

If this is what is going to happen, then we will have a DIPP and a TPC program which have not been paid for. I think we have to say that the DIPP has become tipsy.

• (1555)

I think we have to be very serious about exactly what is going on here. Where is the truth in what is happening here?

We need to become serious about cutting our taxes so that the people can spend money where they want to spend it and spend it wisely. The only way we can find that out is to ask the people where they think a surplus should be spent once we have a balanced budget and there is extra money in the treasury. They will tell us far better than a bureaucrat or we sitting in this House. Let the people speak and we will all be better off.

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Madam Speaker, I would first like to welcome my friend from Kelowna back to the House of Commons. Over the last four years we had a

Supply

lot of constructive debate together and I still feel that when we work in a constructive way that is when we achieve the most.

The member for Kelowna today wanted more of a public debate on where this surplus should go. I find it really encouraging actually that the Reform Party has now come to the conclusion that the surplus is within sight. I think we can honestly say that just a couple of years ago the Reform Party had very little confidence in our ability to manage the fiscal framework of this nation. I am glad to see that today we have basically received its endorsement on the basic trajectory or direction that we are heading in.

When it comes to the debate on the surplus, I want to say to my friend from Kelowna that we will be on opposite sides. As passionately committed as the member is to tax reduction, and I have done some work in this area, I am passionately committed to making sure that the human capital that has been through a lot of suffering, those people at the lower end of the income spectrum who have not had a voice in this Chamber for a long time, I am going to be with that voice. I am going to be with that voice to make sure the Minister of Finance keeps his commitment that was stated during the election.

I was elected in my community, which is a disadvantaged community in downtown Toronto, on the basis that we have been through a lot of belt tightening. There have been a lot of cuts. There has been a big ratchet on this sort of obsession with the deficit and there has to be a dividend to look after the people in our community who are the most disadvantaged.

Mr. Werner Schmidt: Tax relief, that is what we are talking about.

Mr. Dennis J. Mills: No, it is not in a tax cut. If we really had a payday here and we can do both, terrific. However, I want to be on the record that I really think that some very important programs have been gutted, and I hate to say this because I have been part of a government that was a party to this. I feel badly for some of my colleagues who went down in Atlantic Canada because the cuts were too severe. They were victims, in my judgment, of extreme cuts.

In my own community, and I know the member will believe me when I say this, I have human capital, which is a very important thing to nurture, training and retraining. The member talks about the brain drain. One of the reasons we have a brain drain, even in the public service, is that we get all upset if we bonus some of our most respected senior public servants.

I think the Reform Party, which has been very effective as an opposition, has to take a more balanced approach and realize that we have to start creating an atmosphere of hope in our public service and hope for some of our more disadvantaged. I hope that he would modify his approach somewhat over the next few months.

Supply

• (1600)

Mr. Werner Schmidt: Madam Speaker, I guess the admiration is mutual. I have a lot of respect for the hon. member opposite. The important thing about human capital is what do we want to create?

If he would read the Beyond a Balanced Budget document the hon. member will discover that there will be 1.2 million Canadians who will be off the tax roll. They will have the money that they are now paying in taxes. These are low income people who earn less than \$30,000 a year. That is very significant.

The reason some of these people do not have jobs is because of payroll taxes. Many business people to whom I have talked, and the hon. member is a business man, know only too well how many people have not expanded their businesses because of the proposed increase in the CPP and employment insurance premiums.

Mr. Jim Pankiw (Saskatoon—Humboldt, Ref.): Madam Speaker, this is my maiden speech, so I respectfully request the co-operation of the members of the House of Commons, particularly members of my own party, to keep their heckling to a minimum.

I would like to thank the constituents that elected me and placed their confidence in me as their representative.

Today I will speak on the Reform motion and, as a deputy critic of industry, I would like to address the motion from the vantage point of the industry department.

Three large regional development programs, the Atlantic Canada Opportunities Agency, Western Economic Diversification and the Federal Office of Regional Development of Quebec will account for nearly \$1 billion in government spending in 1997-98.

If we analyse the throne speech and dissect such phrases as "public-private sector partnerships" we should have a grave concern that the Liberals plan to not only continue funding these outdated programs, but actually plan to increase the number of tax dollars to these programs. Throwing more taxpayers' dollars into regional development programs would be an awful mistake. They are inefficient, unaccountable and ultimately they represent, to Canadian taxpayers, money pits.

Let us examine what the auditor general had to say in his report of November 1995. The auditor general examined these three regional economic development programs and what he uncovered did not sound good. As a courtesy to the Liberal members who have this big government, high spending, high taxation mentality, I would like to caution and advise them that they may wish to cover their ears.

The auditor general found that information which the regional development programs supplied to him was inaccurate and incom-

plete. He discovered that the Atlantic Canada Opportunities Agency had been reporting survey results as actual job creation figures. It had no idea about the actual number of jobs created. The Atlantic Canada Opportunities Agency's rule of thumb is, if you do not know it, make it up.

Meanwhile, at the Federal Office of Regional Development in Quebec, the auditor general reported that its actions forced the closures of two fish plants, but its records showed a net gain of 250 jobs. At the Federal Office of Regional Development in Quebec the elimination of workers actually led to an increase in employment. I think it is time for a remedial math course.

The auditor general found that projects had been funded that did not require government money. I guess it does not matter. You fill out the forms, you get the money. This is taxpayers' money, money from ordinary Canadian families.

I do not recommend that the big government, high spending, high taxation Liberals uncover their ears just yet. There is more they will not want to hear.

• (1605)

The auditor general also found that the regional development programs had an inefficient system for determining qualified recipients. I guess that does not matter either. If you apply, you get the money, taxpayers' money, money from ordinary Canadian families. The auditor general also stated "their objectives are not clearly established and performance measuring is inadequate so it is impossible to tell if the programs are meeting their objectives".

The auditor general is not the only one who has harsh words for regional development programs. In November 1996 the Atlantic Institute for Market Studies published a book about the effects that the Atlantic Canada Opportunities Agency has had on the Atlantic region. It concluded that over 35 years of regional development programs have led to huge economic distortions. The Atlantic Canada Opportunities Agency raised costs of producers, slowed private investment and kept unemployment high.

This should come as no surprise. These effects only stand to reason. The government should not be injecting money into the private sector. Wherever this is done an unlevel playing field is created. Someone enjoys a rich government subsidy at the expense of others, at the expense of taxpayers and at the expense of ordinary Canadian families.

The institute went on to say that subsidies handed out under the Atlantic Canada Opportunities Agency provided disincentives to work and promoted the expansion of inefficient companies.

Furthermore, these regional development programs are subject to abuse by pork barrelling politicians. The Liberals refer to the

Atlantic Canada Opportunities Agency as the MLLM, money for loyal Liberal maritimers. In the past election they were not as loyal as the Liberals expected them to be, were they? This should worry us though. Much of the new increased government spending the Liberals are talking about may go back into these regional development programs. Now that the Liberals have lost support outside of Ontario, they will see these regional development programs as a way to buy back votes.

Liberals wasted taxpayers' dollars throughout the 35th Parliament and now they are promising to waste even more in this 36th Parliament. The problem with the Liberals, which comes back to regional development, is that they believe government spending can create jobs. They believe that massive job creation programs are the solution to the perpetual levels of high unemployment in this country. They do not understand that that approach has been tried over and over again. And guess what? It does not work. It is a waste of taxpayers' dollars, money taken from average Canadian families.

One might think they might learn from trial and error, but the Liberals just cannot seem to shake their big government, high spending, high taxation mentality. We have endured it for over 20 years. Actually that is not quite true. We endured the Conservatives for a portion of that time and they were even worse.

Canadians desperately need tax relief which will in turn spur job growth. It is a win-win situation. But the Liberals have raised taxes 35 times since 1993 and the average family has experienced a \$3,000 drop in actual income. The average family spent more on taxes than on food, shelter and clothing combined in 1996.

The government is approaching a balanced budget but it has not been balanced by cutting government overspending. Instead it has been balanced on the backs of taxpayers, Canadian families, and their backs are getting really sore. Trust me, I know because I am a chiropractor and the most common complaint I hear in my clinic is that taxes are too high.

The cries for tax relief from Canadian families are dismissed by the Liberals. As long as they are dismissed, unemployment will remain unacceptably high. There is certainly room for government spending on such things as education, health care and funding for research and development. Canadians believe that governments can play a positive role, but that role does not involve handouts to profitable corporations. It does not involve taxing small businesses into bankruptcy and it most certainly does not involve scattering public money all over the nation in an attempt to buy votes.

• (1610)

Canadians want smaller government. They want lower taxes and they want real jobs. Accordingly, members who favour smaller and more responsible government must vote in favour of this motion.

Supply

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Madam Speaker, the hon. member got his wish. There was not too much heckling.

Madam Speaker, congratulations on your recent appointment.

I would encourage the member over the next four or five years to do what is best for his riding, and that is to offer proactive, positive comments and suggestions on how we can make Canada better. He should not join the ranks of his fellow Reformers who constantly run a negative campaign, such as the one he demonstrated in his opening remarks.

Over the past couple of days I have heard my Reform colleagues consistently speak of open reform, public involvement, let the people make the decisions, referendum, referendum, referendum. I find it a very noble statement to make on the surface. However, I find it somewhat deceiving to make that statement when in fact they are suggesting that these referenda have to be somewhat selective. They need to choose which ones should be referenda and which should not, which ones need to have public debate and which ones do not.

I would ask the member if he is prepared to use that selective approach in deciding which ones he feels should have public involvement and which ones should not.

Mr. Jim Pankiw: Madam Speaker, it is rather ironic to hear a Liberal member criticizing Reform Party proposals for parliamentary reform. We have led the way in proposing freer votes in the House of Commons; member recall, whereby members of Parliament would be held accountable to constituents who elected them; and asking for referenda on issues of national concern. The Liberals have rejected our suggestions for parliamentary reform time and time again.

That brings me to the point he raised about negative remarks. There are no negative remarks coming from members of the Reform Party. We lead the way in providing alternative solutions. If it was not for the Reform Party, the Liberal government, no doubt, never would have focused on the deficit. If it was not for us it would not focus on the debt.

Canadians want their taxes to be reduced and we are going to make sure that is done.

Mrs. Brenda Chamberlain (Parliamentary Secretary to Minister of Labour, Lib.): Madam Speaker, I would like to follow up on my Liberal colleague's comment about negative comments and the negative campaign.

Supply

I am quite concerned. I think there was a time when some Canadians were buying into that type of rhetoric, that kind of down talk. I do not think they are buying into it any more.

They have seen that a Liberal government has taken the country from a \$42 billion deficit which was left by the Conservative Party to a deficit almost zero. In 1993 when I was elected, that was a very big concern.

My hon. colleague in the Reform Party did not say anything about the throne speech, about the fact that we have stabilized health care funding or about the fact that we have given \$850 million in a child tax benefit to poor families.

He touched a bit on partnerships and private sector funding, but he did not talk about all the good that has been done through internships and because of the fact that we have created internship programs for students.

I would ask my hon. colleague if the Reform Party is opposed to stable health care funding, to internship programs and to helping the poor in Canada?

Mr. Jim Pankiw: Madam Speaker, the hon. member obviously was not listening to my speech. I said there certainly was room for government spending on such things as education, research and health care. That is an exact quote from the text of my speech.

• (1615)

I would also like to correct the hon. member on her position which seems to say the Liberals have somehow done a good thing with health care. They cut health care funding from \$19 billion to \$10.5 billion. Now they have brought it back up to \$12 billion and are trying to say that they have increased funding for health care. I think they need a remedial math course along with the Atlantic Canada Opportunities Agency.

I just do not understand this thing about negativity. We proposed positive reforms to the criminal justice system and tax cuts that will stimulate employment. On national unity they have kept their ears covered. It is time to uncover them.

Ms. Susan Whelan (Essex, Lib.): Madam Speaker, I am a bit surprised by the motion today. The Reform Party is attempting to suggest that a balanced approach would be fiscally irresponsible.

When the member for Medicine Hat spoke earlier he talked about it being irresponsible spending and that things did not seem to improve.

I thought I would start by getting it on the record, in case the member for Medicine Hat was not aware, that we will be the first government in almost three decades to balance the budget.

Part of the balance means that the government will not bend from its pledge to Canadians to invest in the future of our young

people. The future of our country calls on us to make responsible ongoing investments aimed at improving the educational and job prospects of young Canadians.

Our young people are well prepared and well placed to take advantage of the many opportunities arising from our increasingly high tech and knowledge based economy, for they are the best educated and most adept ever in the use of technology.

Nevertheless, Canadians are worried about the prospects for youth. A recent poll showed that 91 percent of Canadians were concerned about the difficulties facing youth today and 74 percent of young Canadians said that they expected to have a lower standard of living than that of their parents.

Such worries are reinforced by frequent media stories suggesting that many young Canadians will face bleak job prospects and will be forced to take work that does not enable them to contribute to their full potential.

Sadly these stories have helped to perpetuate myths like the one that having a good education does not matter. That is not true. Education matters more than ever today.

It is also believed that the job situation and salaries of youth have deteriorated considerably compared to those of previous generations. This is also not true.

Many young Canadians today face very good job prospects, but far too many youth face serious challenges which must be addressed. That is why one of the first mandates of the government is making youth a priority.

As members know, the government made youth a priority as soon as it took office in 1993. We have already helped by introducing a number of initiatives aimed at helping youth. For instance, the youth employment strategy launched in February 1997 will provide more than 110,000 young Canadians with the work experience opportunities they need to help them get that critical first job.

This strategy builds on an investment of approximately \$2 billion in Government of Canada programs for young people. It comes out of the commitment of the Government of Canada to address youth employment issues by working in partnership with all sectors of the economy.

As my colleague from Guelph just mentioned, we talk about internships and mentor programs. We know those are what the youth of the country need and want. We are just starting. We are at the tip of that program. There are places to go and room to move within it.

We have also moved to improve accessibility to post-secondary education by building on initiatives announced in the February 1997 budget which included improved registered education saving plans, increased and expanded education tax measures, extending

the period of interest relief for graduates having trouble repaying their loans, and gearing loan repayment to income.

Our colleague from Medicine Hat was actually on the finance committee with me as we travelled from the west coast to Toronto. He heard what the youth who came before us had to say. They talked about having the opportunity for a first job, about having the ability to get an education and about having the ability to afford an education. We took action in the 1997 budget and addressed it again in the throne speech. We will continue to address the needs of youth as money becomes more available. That is why the 50:50 approach worked, because 50 percent will go into social programs including youth where we need it.

• (1620)

We know what also works. We know that higher education is the key to getting a good job. We know that the Canada student loans program has helped young Canadians to get an education. We know that getting relevant work experience is increasingly important to help make the transition from school to work. We know that a variety of services are needed to address the challenges facing low skilled and low educated youth to give them a better chance.

Finally, we know that lifelong learning and access to labour market information contribute to the long term success of all young people. Knowing what works is just the first step. What really matters is translating this into practical initiatives that can make a real difference in the lives of our youth. The Speech from the Throne has done just that.

In our second mandate we will continue to build on what works. The Speech from the Throne has renewed the government's commitment to youth as a main priority for the second mandate. We will continue our efforts to support access to post-secondary education and to ease the transition from school to the first job.

We will also address the special needs of disadvantaged youth, especially those who face barriers to becoming self-reliant due to lower education, low skills or other social and economic factors. These youth often find it difficult getting started in the workforce and deserve a better chance.

All Canadians have a stake in meeting these challenges. No single sector could have all the answers. In the area of new partnerships with the provinces, with the private and voluntary sectors, and with Canadians the government has made a commitment to our young people.

Partnerships work. We have seen the success firsthand of the internship programs undertaken by the private sector. One good example is the career edge initiative which demonstrates the private sector's commitment to helping youth.

Supply

The federal, provincial and territorial governments will also continue to address the problem. First ministers and territorial leaders will be working on the issue when they meet this fall.

We must all contribute to helping young people take their rightful place in society. We must also ensure that they have access to education.

Governments have a responsibility to ensure the widest possible access to learning at all levels. Working with its partners, the Government of Canada will continue to reduce barriers to post-secondary education by reforming the Canada student loans program, by making it easier for students to repay their student loans, by introducing new grants for post-secondary students with dependants and by introducing scholarships to promote academic excellence for low to moderate incomes.

In addition, just last week the prime minister announced a one time investment in learning and knowledge that will form the foundation of the most significant millennium projects for young Canadians. Beginning in the year 2000, the Canada millennium scholarship endowment fund will reward academic excellence and will provide thousands of scholarships for low and moderate income Canadians to help them to attend college or university.

We will also expand information awareness and guidance related to career and job options and the skills required for them. That means ensuring that young Canadians know what education they need to get a job in high growth sectors of the economy. There are thousands of unfilled jobs out there because we did not help our young people prepare for the demand. This can, will and must end. We will work to better equip ourselves, our partners, our government and Canadians to forecast the needs of our economy.

When I look at my own riding of Essex I know that each day in the paper there is a high demand for mould makers and skilled trade. We are still not meeting that growth and demand.

In other parts of Canada the same thing is happening in the high tech industry. We have to funnel our interests and efforts together at all levels of government. We have to work to ensure that all youth in Canada have equal opportunity. We must also ensure that they can make the transition to the workplace.

• (1625)

We will continue our strong support for youth seeking to make the transition from school to work by extending existing international science and technology and first nations internships, by extending student summer job programs, by sharpening their focus on relevant experience, by building on existing exchange programs and by creating a new national career mentorship program in partnership with provinces and the private sector. This will give them a better chance.

Supply

As announced in the Speech from the Throne, we will also focus on helping youth facing barriers to becoming self-reliant due to low education, low skills or other social or economic factors. To this end we will bring partners together to create a new community based program to assist higher risk youth, including aboriginal youth, upgrade literacy and basic work skills, create work opportunities and get the help they need from community resources. We will do this in partnership with provinces, communities and employers.

We will also seek to address the special needs of aboriginal youth through the creation of urban multipurpose aboriginal youth centres which will provide a relevant cultural and supportive environment capable of encouraging first nations youth to stay in school and complete their education and which will offer career planning and employment opportunities.

Investing in young Canadians makes good economic and social sense. The government has from the very beginning made preparing young Canadians for the 21st century one of its main priorities. As I mentioned, investing in young Canadians makes good economic sense. It helps ensure they will become highly skilled and productive workers who can compete and thrive in a demanding global economy of the future. It is good social policy too.

A young Canadian with a job has a foothold in the labour market and is better able to contribute to the economic and social fabric of his or her community. Our youth programs are aimed at ensuring that the youth of today can make the transition to tomorrow, can get access to education, can get experience in the workplace and can get a job in the future.

I am also pleased that the throne speech mentioned that the needs of rural Canada would be addressed. I am looking forward to the youth programs being adapted to meet the needs of rural Canada to ensure that youth return and work in the communities in which they were born and raised and bring the educational skills back to help those communities grow and prosper.

As the Speech from the Throne makes clear, the Government of Canada intends to do even more by working in partnership with the provinces, business and labour, voluntary groups, youth and their families to ensure that young Canadians have access to the skills and knowledge they need in today's economy. Federal, provincial and territorial governments are working to address the problems that face youth. The first ministers will discuss the issue at their meeting this fall, as I mentioned earlier.

The commitment is vast because all of us must contribute to meeting the challenge, each in our areas of competency. All Canadians have a stake in meeting that challenge successfully.

This is an ambitious yet vital agenda since its success will ensure that our youth are prepared for the jobs of the next millennium.

I call upon all members of the House today to defeat the defeatist motion by the member of the opposition. By doing so we will be sending the signal of support for our young people, thereby ensuring a prosperous future for our country. Our young people of today are our future of tomorrow. Our goal is to balance the books and then to spend 50 percent on investment in people and programs. I believe this is responsible.

We will split our budgetary surpluses on a 50:50 basis over the course of our second mandate. Half will go to investment in social and economic priorities.

I cannot believe that a member on the other side of the House would find the youth of today not to be one of those economic and social priorities.

The other half will go to a combination of tax reductions and debt repayment. Members on the other side talk about how there will be no tax reductions. That has not been decided. We will consult with Canadians as we have in the past. There has been a lot of talk about consultation but the government is the first one in many years to consult with Canadians. The hon. member for Medicine Hat has participated in those consultations, in what we called prebudget consultations with Canadians.

● (1630)

When the finance minister releases his economic statement later this fall I assume there will again be consultations with Canadians. They will be asked for their input concerning what will happen, the direction of Canada's future and how they want the 50:50 ratio to be adapted.

They gave us a vote of confidence in the last election in which they said to this government "we want you back, we like your balanced approach, we respect the fact that there needs to be spending on social and economic priorities, we know that there is an issue of getting the debt under control and we are concerned about the level of taxation".

This government has proven that a balanced record and a balanced approach are best for Canada and what guarantee a great future for this country. I cannot believe the member for Medicine Hat could put forward today's motion after he sat on the finance committee with me as we travelled from Vancouver to Toronto. He also sat in on many meetings in Ottawa. He listened to the Canadians who came before us, in particular young Canadians who said they wanted a future in Canada, that they wanted to be a priority, that they were looking for investment in that future.

Supply

Today I stand here and ask again that everyone defeat this motion and send the signal to our young people that they are our priority.

Mr. Ted White (North Vancouver, Ref.): Madam Speaker, I would like to ask the member some questions about the aboriginal funding initiatives that she mentioned were announced in the throne speech. This is the only area in the last budget to receive an increase in funding. Spending on Indian and northern affairs is now more than \$6 billion a year which, as someone worked out, is the equivalent to \$32,000 per annum for every man, woman and child in the aboriginal community. It is quite a lot of money already.

Yet in Alberta and northern B.C. in polls that were mainly aboriginal the member will probably be surprised to learn that the people in those polls voted Reform in the last election. The reason they did that is in a lot of native communities the structure of the bands is not very democratic. As the auditor general pointed out, about 20 percent of bands are in financial difficulties because they either improperly manage or are incapable of managing the money they get.

Many rank and file band members recognize this as a problem but because there is no democratic structure within the band, it is a hierarchical chief system, they have no way of controlling expenditures or ensuring they get their share. I see that on the Squamish Indian reserve within my riding. I get complaints from band members there who are shut out of the process, who cannot get a home, who are not allowed to open a business, who cannot do things because they are not related to the chief, and there is no way they will ever get the money.

Would the member identify any initiative of this government to first make sure there are democratic processes in place to make sure this money she is talking about will truly get down to the end user instead of being given once again to people who perhaps are incapable of managing or who improperly manage the money?

Ms. Susan Whelan: Madam Speaker, I appreciate the member's comments but I am not sure he heard what I said. In case he did not hear I will repeat for him that I was talking about aboriginal youth. I said we are going to create urban and multipurpose aboriginal youth centres to help them provide that cultural and supportive environment, to encourage them to stay in school in order to complete their education. We will help by offering career planning and employment opportunities.

Regarding the democracy of bands themselves, there is democracy in the elections of their leaders. I will not comment on that because I am not part of that process, nor do I represent an aboriginal community per se. I do know that in Ontario there are members who represent large aboriginal areas. They supported the Liberal members on this side. They returned them to Ottawa. The minister is working very closely with all groups across Canada to ensure their needs are met and that they are a priority of this government.

• (1635)

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, this past weekend I attended an economic forum in the riding of Matapédia—Matane. Do you know what the people there are calling for, are demanding? They are saying that money has been lifted from their pockets. They should get that money back.

When the hon. member said “yes, there is money coming in, but we don't know how to return it”, well, it must be returned to those whose pockets it was taken from, and in the amount taken. Are you brave enough to give back the money you have taken, you have stolen, from the poor, from the most disadvantaged? I am asking that the people of Matapédia—Matane get that money back.

Next Tuesday I will be seeing the fishers of Tourelle. They are 50, 40 or 30 hours short of eligibility for unemployment insurance. What is to be done with them? They will find the winter a very long one, and I am asking my colleague, if she has a little compassion, to do something for the families of those people, for their children. I am asking her to push her government a bit, give it a little jolt to get its heart working a bit.

[*English*]

Ms. Susan Whelan: Madam Speaker, I appreciate the member's comments but I do want to assure him that we have compassion on the government side. We do recognize that the disadvantaged in Canada and the poor in Canada need assistance.

Changes have been made to the EI benefits to address seasonal workers, especially in Atlantic Canada and other areas. There are ongoing pilot projects to ensure that those needs have been met.

We will also be introducing legislation with respect to the seniors benefit which will again benefit lower income Canadians and ensure that nine out of ten women who are seniors will be better off down the road.

We have a lot of work to do as a government to ensure that with the 50:50 split which we talk about going toward tax reduction or toward debt reduction, disadvantaged Canadians benefit at the level they deserve.

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, if there were a family in my riding with an income of about \$50,000 a year and it was spending \$15,000 more than its income, having to borrow on credit cards, I think the last thing we would hear that family talking about when its borrowing decreased to \$5,000 per year was where to spend the extra money. It does not have any extra money. It is still spending \$5,000 a year more than what it is taking in.

That is the state of affairs in this country. The Liberals like to pass on to Canadians the myth that their finances are in order.

Supply

I have to concede, hesitantly, that they have made some progress. They are borrowing less. That is true, but to try to pass that off as economic success and as fiscal responsibility is—I cannot use the word. That is what it is. It is what I cannot say.

I ask the member what she said in the campaign.

• (1640)

Did she, like the Minister of Finance, say our fiscal house is in order, please vote for us, we're great? Now they are talking about spending money. They have not even heard the question yet. What are the needs? Where do we have to spend the money? Instead, they are in advance saying they going to spend 50 percent of the surplus.

During this Liberal government we went into debt another \$100 billion in the last term of Parliament. If that does not stop then Canadians are doomed. I want this member's response to that and I want that to be a responsible response.

Ms. Susan Whelan: Mr. Speaker, I appreciate the hon. member's question. As he knows, we are not borrowing any money right now to meet our budgetary requirements. In fact, we will balance the budget no later than the fiscal year 1998-99. We stated that when the books are balanced and when we find ourselves in a budgetary surplus then we will split whatever budgetary surplus is there 50:50 within our fiscal framework.

I will tell members what I told my constituents and those people who voted in the 1997 campaign in my riding. I told them that this is the first government in 30 years to be able to say we will balance the books, and this government will maintain our fiscal track record. At the same time, this government is compassionate and recognizes that there are social and economic priorities far beyond tax reductions. We will ensure that all Canadians are treated fairly, and I will stand on that record.

I am sorry the member for Elk Island does not recognize there are social and economic priorities and not just tax reductions.

[*Translation*]

Mr. Gilles-A. Perron (Saint-Eustache—Sainte-Thérèse, BQ): Madam Speaker, I wish to advise you that I will be sharing my time with my worthy colleague from Joliette.

I am pleased to be here today, Madam Speaker, and to wish you good luck. I congratulate you on your appointment to your new position.

I would like to say how proud I am to be the first sovereigntist member elected in the new riding of Saint-Eustache—Sainte-Thérèse.

I would also like to take the opportunity to thank all the voters in my riding who enabled me to be in this House. I would especially

like to pay tribute to my family and to the hundred or so volunteers who worked so hard throughout the campaign. Without their support, the results might have been different. I firmly intend to vigorously defend their interests and those of the people of Quebec, whatever their religion, their language, their culture or their country of origin.

I come now to the motion before us. Like all my colleagues in the Bloc Québécois, I must say I support the government's objective of eliminating the federal deficit by the year 2000. However, I disagree totally with its means to this end.

Fifty-four per cent of the cuts were to provincial transfers. In the end, thousands of people paid the bill, and the provinces bore the political pressure. And with this money it has saved on the backs of the provinces, the federal government is now going to finance new initiatives in areas of provincial jurisdiction, such as literacy, university and hospital research infrastructures, etc.

Our friends across the way have got it all worked out to fool the public. I am not making this up. The current President of the Treasury Board gave it away when he told *Le Soleil* on March 8, 1996, and I quote: "When Bouchard has to make cuts, we in Ottawa will be able to show that we have the means to preserve the future of our social programs". This is nothing but demagoguery, the kind of deceit that hurts the most disadvantaged and the workers who foot the bill.

• (1645)

This is how we, the Quebec people, have been forced in recent years to help lower the federal deficit, to the tune of 72 cents on every dollar contributed.

It is all so much trickery, like using the five billion dollars—five billion, that is 5,000 million dollars—from the employment insurance fund to reduce the federal deficit. Not only has the federal government failed to create the jobs it promised in its red book, but it has used the unemployed to reduce its deficit.

In addition, by changing the eligibility requirements for employment insurance, the federal government is forcing unfortunate unemployed workers onto welfare, with no regard for how terribly traumatizing this can be.

As for the increase in tax revenues, where does the money come from? Certainly not from the wealthy taxpayers who take advantage of tax havens, but rather from the middle class, whose tax burden is getting heavier and heavier.

The Liberal approach to putting our fiscal house in order is totally unacceptable. Year after year, the squandering of billions and billions of dollars by the federal administration is denounced in the auditor general's reports.

Yet, during the election campaign, the Liberals promised they would root out waste. Did they deliver on their promise with our dear heritage minister's one million flags and the television propaganda from all government departments? I wonder how much it has cost the government to tell Quebecers: "We love you. We love you".

Four years later, the people of Quebec and Canada as well as the auditor general are still waiting for this shameful waste to stop. But the Minister of Finance is skirting the issue because he obviously does not want to cut in that area as he does without hesitation in social transfers to the provinces.

It is not as if he did not know what the people want. I sent him a copy of the August 26, 1997 resolution the City of Saint-Eustache sent to the Prime Minister of Canada, informing him of its opposition to the federal government's cutting transfers to the provinces without reducing taxes by the same amount. This resolution comes from the City of Saint-Eustache.

Departmental spending was cut by 9 percent even though, in his 1995 budget, the Minister of Finance had promised to cut it by 19 percent. More empty promises!

The Liberals are incapable of honouring their commitments, and I still wonder just what gives the Minister of Finance cause to boast? Next year's budget surpluses will be attributable to the efforts of Quebecers and the provinces. It is therefore his duty to distribute them equitably.

Given what I have just said about the government's mismanagement, my party and myself consider his announced 50/50 policy to be a crock. Investing 50 percent of the surpluses in social programs and using the other 50 percent to reduce the debt and taxes is unacceptable.

Under this formula, the federal government is perfectly free to spend the surpluses in areas of provincial jurisdiction.

We have examples already, with the announcement by the Prime Minister of a \$1 billion merit scholarship fund. We must not be fooled. This \$1 billion was taken from cuts in transfer payments for higher education.

Here is what the taxpayers want. And this is what the government must do: first, return \$5 billion to the provinces; second, stop borrowing wholesale from the employment insurance fund; third, lower the rate of contributions to the employment insurance fund; fourth, increase the benefits that were drastically reduced in 1997 under the new employment insurance plan; and fifth, stop all intrusion into areas of provincial jurisdiction.

• (1650)

For these five reasons, no doubt different from those of the Reform Party, I will nevertheless vote in favour of their motion.

Supply

[English]

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Madam Speaker, there were a number of things in the hon. member's discourse that were inaccurate.

He talked about the fact that the Liberals have not been able to do much about unemployment. Indeed, we are not at a level we would like. However, in 1993 when I was elected a member of Parliament, the national unemployment rate was 12 percent. It is now stands at 9 percent and in my riding is at 7 percent.

It is important for the hon. member to understand that we all have to do our bit to help the unemployment rate and help the country. The Bloc should understand that Quebec is a part of Canada and that it is important for it to acknowledge the benefits it gets by being a part of Canada.

The member spoke about cuts in government. However, he did not talk about additional spending in retraining programs by the federal government which Quebec enjoys, in literacy, internship and mentorship and student programs.

I am sorry that the hon. member from Quebec does not acknowledge that Quebec enjoys the money sent to it.

It is important to also acknowledge the helping hand the Saguenay region received during the flood. Who helped? It was the defence department and the Canadian government. It is important for the member to acknowledge that to all of his electors.

About two weeks ago one of my staff members, who unfortunately is no longer with me, went to Montreal and had the opportunity to see many buildings and homes which had been vacated because, she was told, people are leaving Quebec because of the instability the Bloc is creating with the scare of wanting to leave Canada.

I would ask the member to acknowledge that the federal government did help during the time of the flood. The government did a very important constructive thing.

[Translation]

Mr. Gilles-A. Perron: Madam Speaker, I think my friend opposite should come and visit Quebec.

For starters, just recently Intrawest invested \$500 million in Mont-Tremblant. The member across the way thinks she is living in some dream world with unemployment in her riding at 7 per cent. In Saint-Eustache—Sainte-Thérèse, the rate is 14 per cent. In Matane, it is over 22 per cent.

We invest \$34 billion in Canada so we are entitled to some compensation. Canada gave us some of that money back when Chicoutimi was struck by disaster last year.

• (1655)

The Acting Speaker (Mrs. Thibeault): The member for Richmond—Arthabaska has the floor.

Supply

Mr. René Laurin: Madam Speaker, are we having questions and comments, or resuming debate?

The Acting Speaker (Mrs. Thibeault): Questions and comments.

Mr. André Bachand (Richmond—Arthabaska, PC): Madam Speaker, I will keep it brief.

If I understood correctly, our friends in the Bloc Québécois are going to vote in favour of the Reform Party's motion. I do not know if opposites attract or what, but I have a question for the member.

If, in fact, the Bloc Québécois agrees on a 50/50 share of the anticipated surplus, I would remind the member that there will be no surplus available before the end of the next term of office in four years' time, barring an earlier election.

Mr. Gilles-A. Perron: Madam Speaker, we simply do not agree with the government and it has nothing to do with the 50:50 ratio. It is simply a matter of redistributing surplus money equitably, as it should be.

Mr. René Laurin (Joliette, BQ): Madam Speaker, there is something surprising in this debate and in the Speech from the Throne presented by this government.

In its throne speech, the government makes a commitment: it is as if it was wondering just how it could keep on doing exactly the same thing it has been doing for the past 27 years while appearing to be doing something new. In other words, to keep on spending taxpayers' dollars to make them happy, gain votes, gain popularity or score political points at the expense of the provinces.

With budget surpluses within reach, the Liberal government is wondering if it could not carry on pleasing people, without their noticing what is going on.

It takes a profoundly irresponsible government to forget, as the Liberal government is doing, that, while the deficit could apparently be reduced to zero by the year 2000, this government, this country is still \$600 billion in debt. A zero deficit does not mean Canada's debt burden has been made any lighter.

Since this government took office in 1993, the Canadian debt has grown by an additional \$75 billion. It is one thing to say I now have enough money in my pocket to buy groceries, but I will have to use some of the money I will save to reduce the debt I accumulated over 30 years.

But right now, the Liberal government seems to be favouring a formula that would once again shift the responsibility onto the provinces, which would be left with the dirty job of making cuts in health, education and social programs because the federal government has apparently decided to use funds earmarked for the provinces to repay its debts.

If it wants to reduce taxes, ensure that social programs benefit taxpayers to a greater extent and see the taxpayers' debt at every level of government go down, all the federal government has to do is give back to the provinces the money it took away from them.

• (1700)

Let the government give back to the provinces the \$4.5 billion in transfer payments it cut, and the provinces can then maintain their social programs. They can also then cut taxes.

But no. This is not what the federal government wants, because it wants the glory of being the one to give taxpayers the most. It wants to give the provinces the thankless job of making the cuts, and once they are suitably hated and detested by taxpayers, the federal government will ride in as the saviour and say to these taxpayers "The federal government, the best and strongest government, can now give you what the province denied you or deprived you of". That is what is hateful about the situation.

This business started years ago. We need to look back at our history. When the federal government asked the provinces during the first world war for the loan of their power to tax directly, the provinces agreed to come to the aid of the nation at risk, to protect its future. However, the federal government hung on to this power, refusing to give it back to the provinces. The first theft, this country's greatest theft, started then, when it took over the power of taxation from the province, supposedly on a temporary basis, and never gave it back.

This is the power the federal government is now using against the provinces, selling its bill of goods about a strong government in Ottawa and a subservient one in the provinces. No wonder Quebec is now thinking of sovereignty, of autonomy. It is tired of having to play the heavy, the one to make the cuts to the taxpayer, while the federal government, because of the taxation power the provinces have given it to collect taxes in its stead, has equipped itself with a tool for making the provinces subservient.

The transfer payments, which should have been used to share the wealth and rebalance the means of meeting the needs of the population, are being used far more by the federal government at this time to make the provinces subservient to its centralizing domination.

The provinces, Quebec in particular, are tired of this situation. The government of Quebec wants to be able to tell its taxpayers that it is able to meet the needs of social programs, education, health, which are its responsibility, provided it has the taxes we are paying for that, and not just a portion of them with which it can meet some health needs, while the rest of the taxes go to the federal government so that it can say that it will also meet another part of health needs then leave it to the taxpayer to judge which of the two governments is doing a better job of fulfilling those responsibilities.

The same taxpayer is paying taxes to two governments at the same time. One too many governments is involved in this, and Quebecers feel that theirs is not the one that is superfluous. They pay twice to two institutions, and end up exploited and with fewer services than they ought to have. Our federal government, with the Liberal Party at its head, ought to think first of all of saving money, instead of making more cuts and more expenditures, if it wants to have money to spare.

Recently once again, the newspapers have reported—and this was really not a new discovery, since the auditor general has been saying so since 1993, without the government doing anything about it—that the auditor general has spoken out against the fact that they are trying to put a new computer program in place for processing the old age and income security pensions.

• (1705)

In the beginning, it was supposed to cost some \$260 million. Four years later, the cost has reached \$365 million and the computer system is still not operational. The people in charge of setting up the system are poised to ask a further \$150 million to do so, four years later.

The federal government has not seen fit to wonder whether it was on the right track. Are we on the right track with this computer system we are having trouble setting up?

Imagine, \$500 million for something which initially was supposed to cost \$260 million. The auditor general has mentioned it in his reports a number of times, but the government has done nothing about it. This is where money could be saved. This is where the government should have saved money instead of cutting transfer payments to the provinces to be able to act later on and appear to be a generous big brother, a kindly father willing to meet the needs of the nation.

Quebeckers can see through all that. So do Canadians as a whole. I believe maritimers, who also are faced with high unemployment and poverty, must be wondering what the federal government is waiting for to enter into partnerships with other governments, with the provinces. In this case partnership means “Here is the money we collected, take it and meet your taxpayers’ needs in your areas of jurisdiction provided for in the Constitution”.

This is called showing respect and making better plans for the future.

[*English*]

Mrs. Brenda Chamberlain (Parliamentary Secretary to Minister of Labour, Lib.): Madam Speaker, my colleague talked a lot about the government having to cut in order to balance the books in some way.

Lately I have read with great interest about a past colleague of ours in 1993, when Mr. Bouchard was in this Chamber. He talked a lot about being able to do things magically, being able to balance

Supply

books without having to cut back on services. I have since read an awful lot about the fact that Mr. Bouchard has had to make a lot of cutbacks. He has had to try to balance the books. As I understand it right now, he is falling dramatically in the polls. The support for separation and leaving Canada is not a popular concept any more in Quebec.

I wonder if the hon. member could tell me how he feels about the fact that his premier who has left here has had to go on and do the very same things to try to balance the books and make a better Quebec. It seems to me that my hon. colleague was speaking against the Liberal Party making cuts when in fact the premier of Quebec had to leave here to do the same thing.

Could we have a direct comment on Mr. Bouchard having so much difficulty?

[*Translation*]

Mr. René Laurin: Madam Speaker, the difficulties of the province of Quebec, and of the other provinces as well, arise mainly from the fact that it has a revenue shortfall in what it was receiving from the federal government in the form of what were called transfer payments.

The cuts by the government of Quebec account for 54 percent; 54 percent of the cuts made are the result of transfer payments which are no longer coming from the federal government as they did in the past.

This is not surprising. It is as if, in a family budget, one parent required the other to clothe the children, but cut his or her budget in half at the same time. So something would have to be cut somewhere. Then, when the other parent is unable to meet the children’s needs, the first one comes along to say “I will get you some fancy shoes and clothes, a nice hat, a nice dress”. So, of course, one of the two parents comes out looking good, but he or she has done this with the other’s money, because only one of them has had to make any sacrifices.

• (1710)

What did this federal government, which was supposed to be cutting departmental spending by 19%, do? The fact is it has cut spending by only 9%. That is barely half as much as promised.

Instead of making the sacrifices it was supposed to make to reduce its deficit, the federal government had the provinces make them, asking that they do without the funding they used to receive from the federal government in the form of transfer payments. The government asked them to do without so it would not have to do without too much itself and have fewer cuts to make. No wonder the provinces are experiencing difficulties now and having to make cuts.

See what is going to happen. As one of my colleagues pointed out earlier, Mr. Massé made a statement to that effect. At a time when the provinces are experiencing difficulties, the federal government is blessed with a better than expected income and is about

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to start playing Santa Claus again because there is a provincial election coming in Quebec, and because that election will be followed by a referendum. To have the taxpayers believe that their future, comfort and security depends on it, the federal government will try to start investing again in health, education and social assistance, all of which are areas under provincial jurisdiction.

That is what the federal government will do. Every time the provinces put their fiscal house in order, the federal government steps in. The government is responsible for every deficit in the past 30 years. The provinces also had deficits, but the federal government failed to play its role properly. That is why today we are speaking in favour of the motion put forward by the Reform Party.

We do not necessarily agree with everything the Reform Party said on this issue, but we agree with the principle of distributing surpluses, because we want them to be distributed differently and, on that basis, we will give our support.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, congratulations to you on occupying that chair. It is a pretty face to see.

This is my first intervention in the 36th Parliament and I would like to thank the people of Durham who graciously have decided to send me back to the House.

We have been debating the Reform motion which refers to the returning to the last 27 years of our history. This is rather absurd because the reason we are here today debating the motion is the diligence the government has had toward its fiscal agenda to reduce the annual deficit. In my lifetime I do not remember another finance minister who not only set and met the targets but exceeded them. It is because of the orientation the government had toward its fiscal agenda.

It seems rather absurd to me that the second party is now thinking that somehow we are going to change all that again. The agenda is very clear in my mind. We are going to continue to keep our fiscal house in order.

There is some room to manoeuvre. This will be the first year in which we do not have any positive net borrowings in the capital market to support our annual expenditures. In future years we will be able to reduce not only the deficit but will also make a positive contribution toward reducing our outstanding debt.

I welcome the debate because it is very important to question what is a fair level of total debt. At approximately 75 percent of our gross domestic product the current level of debt is inoperative and must continue to come down. I believe most parties can agree with that.

Second, the throne speech clearly talked about tax cuts. Most of us will agree that Canadians are fairly heavily taxed and that they are probably entitled to some kind of rate reduction in the future. The operative word is future. More important, what is the nature of the tax cut? How is it physically done?

• (1715)

This whole debate talks about spending. The motion of the Reform Party talks about irresponsible spending as though we all know what it is. According to Reformers all spending, as far as I can understand from listening to them, by the government is somehow bad. It is very simple.

It is very interesting to be in the 36th Parliament because we have another group of parliamentarians at this end of the House who stand day after day and say that all spending by government is good. It is interesting to sit between these two arguments and try to find out what makes any sense.

Time and time again member after member of the Reform Party says that money in the hands of consumers is far better than money in the hands of government. I have heard their speakers suggest from time to time that we also live in a period of high consumer bankruptcy. It may actually occur to members that some people in society spend too much. The negative impact is the consumer bankruptcies that occur.

When we talk about tax cuts I am very interested in exactly what we are talking about. We are talking about rate reductions. The income tax system in Canada is called a progressive system. As income increases, tax rates also increase. This is something that has been accepted in Canada for a long time.

I have heard the Reform Party indicate from time to time that everybody should have a flat tax and everybody should pay the same. That is a reallocation of taxes from the wealthy to the middle class. That seems to be part of its agenda as well, although I have not heard much about it in this parliament.

When we start talking about how to direct a tax reduction in a progressive taxation system, we have to take into consideration that the people who will benefit most are the very wealthy, which is why the Reform Party supports that group of people.

There is another point missing from the debate. When we start talking about tax cuts and hitting higher income groups more efficiently, we do not consider the demographics of our population. Everyone knows that Canada's population is aging. Almost a third of our country consists of what we call baby boomers, of which they tell me I am on the leading edge.

If baby boomers today were given a choice and were told that they would be given an extra dollar from taxes, chances are they would save it for their retirement. That is not so bad. That is good

because we know we are having trouble with some of our retire programs as well.

The reality is that tax cuts will not necessarily lead to job growth. There is no stimulation in the economy by people who simply save and do not go out and spend.

In other words, there is a great elasticity. We may well give more money back to people, and well we should. I believe our rates are too high. However the argument does not follow that somehow the economy will be stimulated and jobs will be created.

We have a premier in Ontario who ran a whole election based on giving a 30 percent rate reduction across the board. Of course what happened is that most of it went to the same group I am talking about, the relatively wealthy, sometimes and often the baby boom population.

Jobs were created although during the period in which he made this announcement jobs were lost in Ontario. Jobs have subsequently been created in Ontario, but I suggest that almost all jobs creation was created by lower interest rates which are directly related to the government's commitment to reducing its deficit. In other words, all rate reductions in the world do not stimulate the economy and do not create any new employment.

● (1720)

We might consider that the same generation of people today, once again thinking about investments, are thinking about foreign investments. I have heard members of the Reform Party talk about not making Canadians invest in Canada and allowing them to invest all over the world. Essentially the agenda of the Reform Party is to promote capital flights: give them a tax reduction and let them take the money out of the country.

Many people will say that for every billion dollars of direct foreign investment in Canada 45,000 new jobs are created. Similarly it must follow that for every billion dollars removed from our economy 45,000 jobs may well disappear. The Reform Party's agenda may indirectly result in reductions in jobs and not the increase Reformers constantly tell us about.

It is a delight to be in this new parliament because we have two parties that are diametrically opposed. I listened to members of the NDP who constantly think the simple answer to all our social problems is to spend more money.

As a nation we have to spend money wisely and efficiently. In my riding I have a program called CAPC, a federally funded social program to assist young teenage parents with a nutritional program and prenatal care. I am proud to say that this coming week the program is being expanded in Port Perry in my riding. They have expanded it in many communities. It is amazing that it has been

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done with the same budget it has had for the last five years. More services are being delivered to assist these people.

We cannot create smart parents. I do not think everything we do will create better parents. We need people in the communities who try to assist these people. We can help in the delivery of the system to assist with child poverty.

I am very proud to be part of a government that recognizes the importance of some of these building tools and building blocks. I am also very proud to be part of a government that recognizes there is such a thing as child poverty, especially in working low income families. The government has changed the working income supplement to breathe more financial strength into parents who are trying to work and at the same time support their young families.

This is the balance we need. The word spending has been going around and around this room the past two or three days. What is missing from the debate is that there is a difference between consumption and investment.

I will give a definition. To consume is simply that we pay out the money and it is gone tomorrow. Some people might say that seniors are entitled to their old age pension cheques. When they get the money in their hands they usually spend it and the money is gone. There is no money coming back into the economic system. We owe these people the support. They have entered into a trust agreement with us.

The other side of the spending equation is investment. I heard the member for Kelowna talk about investments in the technology partnership program. That program is oriented toward some very positive things. When the money comes back in, all Canadians will benefit from it. The money did not actually disappear. The money is still out in the system and will come back not only in its original form but also added to it will be some of the benefits of the growth that has actually occurred in the economy.

When we look at government expenditures the problem is that we do not think about these two different factors: the difference between investments and consumption. I am very proud to be part of a government that talks in the throne speech about investment spending and investment in people.

If we can solve some of the child poverty problems that investment will come back to us. Those people will be less of a threat to our criminal justice system. More important, they will have the tools and the skills to live useful lives.

● (1725)

The government has been very concerned about investment in the area of science and technology. I heard some members opposite talk about the fact that many people with technological skills were being hired south of the border. The average master's graduate in science and technological earns \$45,000 to \$50,000 in Canada. In the United States they will earn \$65,000 to \$70,000.

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That is a great incentive. Members opposite blame our tax system. There is some relationship between our tax system and that of the United States.

Another aspect of the economy is that our supply of those graduates is very low. When the supply is low pure economics bids up the value of labour. There is a bidding war. Similarly when there is a shortage in the United States they bid up their costs and they are removed from our country.

We have companies in Ottawa such as Newbridge Networks which needs 4,000 workers. It will only hire half of them in Canada. Nortel needs 5,000 workers. At best it can only hire 700 here because that is all that is available. In my own riding Durham College has a science and technology program with an enrolment of 700 students. The bottom line is that they could all get those jobs twice over. In other words, there is an emerging science and technology community which we are not filling.

What can governments do to invest in their people so that they will have the opportunities and that Canada and our standard of living will be better for it?

I am proud of a government that recognizes this is how the economy is evolving. The throne speech talked about the new millennium fund of \$1 billion to help low income people who want a post-secondary education, hopefully in the areas of science and technology.

This is a very positive statement about how we want to invest. I keep coming back to the word invest as opposed to spending. Members opposite probably think this is frivolous, that money should have been given to higher income groups through rate reductions rather than by helping people to get the opportunity to better their positions in our society.

As in the previous parliament we have the Canada Foundation for Innovation. I am working with some of my community colleges to ensure they can access these funds to build their programs. They have indicated to me that their biggest problem is not having enough money to run their programs. They need more top grade scientific equipment to teach their people, to give them the skills to become competitive in the 21st century. I am happy to be part of a process that recognizes we have to give these people the tools to compete in the new millennium.

At the same time as we have this problem going on, we are going through a process of studying our immigration laws that satiate some of the demand of high tech companies in Canada. In this labour market the total immigrant population in 1990 was 1,900. By 1996 the figure was 6,600. These people were brought in from other countries because we did not have the skills to fill these jobs. It is very important that we as a government take the initiative to give our people the skills.

• (1730)

In conclusion, I think what is really missing from this debate is when somebody stands up and says that spending is bad and tax cuts are good. That is a very simplistic argument. The reality is we need to do more investing in people and I am very proud to be part of a government that recognizes that. Yes, we are going to reduce the deficit and debt, but at the same time we are not going to forget the opportunities and challenges facing our people. We are going to give them the tools to meet the 21st century.

Mr. Werner Schmidt (Kelowna, Ref.): Mr. Speaker, I am very pleased to have listened to that speech and yet I am terribly disappointed in some of the content of the speech.

The hon. member for Durham and the hon. member opposite should listen more carefully and I would have enjoyed the whole speech.

It was when I began listening with great interest that I began to recognize that something did not make sense. There is a lot of stuff that does not make sense in that speech.

I think the suggestion was made somehow that people who cut taxes do not necessarily increase the employment of people. I would like to refer the member to some statistics that I have put together here with certain American states. In fact, there are about 10 of them that have increased taxes in the years between 1990 and 1995. During that time period we also have about the same number of states that have cut taxes. We have two groups here, one group that increased taxes and another group that decreased taxes.

It was very interesting to note that for the tax hikers over that 10 year period, the total revenue that the states collected was increased by 27%. They hiked their taxes in order to increase their revenue. They did by 27%. The tax cutters cut their taxes and their revenues increased 32.6%. That is very interesting. They cut their taxes but increased their total revenues.

Let us look at job creation. The tax hikers increased employment, percentage wise, zero. The tax cutters over that same five year period increased their employment by 10.8 percent. That is very significant. These are not numbers that I made up or that somebody manufactured for this speech. These are numbers that exist. The hon. member can find those numbers himself. They are very significant.

The member then suggested that when people get jobs all they do is spend the money, suggesting that somehow spending money is a bad thing. Mr. Speaker, I know you are a businessman and I know that much of the business you have done in your lifetime has been spending dollars that have come from other people. You, Mr.

Speaker, have become a wealthy man because you invested that money.

The hon. member opposite has had exactly the same kind of experience. He has become wealthy because people spent their money. The suggestion that is being made here is that when people spend money is disappears. Investment money comes back.

How it is that tax hikers had no increase in jobs but the tax cutters had an increase in jobs? Let him explain to us that spending actually hurts the economy.

Mr. Alex Shepherd: Mr. Speaker, I thank the member for his question. Obviously I do not have the statistics that the member has before him. However, I am sure that there is a plausible explanation. I am glad that he used the American example because it lets me remind people that this whole agenda of the Reform Party is not new. It was started by Ronald Reagan. Basic Reaganomics said that what it was going to do is reduce taxes, stimulate demand and get rid of the deficit.

The results are, and the member can and look just as easily as I can, as the member suggested to me, that the U.S. went to a deficit of \$1 trillion in that same period of time, almost bankrupting that country. Why is that?

Under Reaganomics they did stimulate demand at that time. The stimulation went to foreign imports. The bottom line is that they went out and bought Japanese cars. There were no more jobs created and the U.S. deficit went through the ceiling and they are still paying for it.

• (1735)

Do not tell me that there is a simple solution, that if we put some dollars into people's pockets somehow that will solve all of our unemployment problems. It will not.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, I listened with interest to the discourse of the member for Durham and I was trying to think what it reminded me of. I have finally remembered. It is the same discourse we heard in 1970, 1971 and 1972 in the early Trudeau years. It is the same kind of discourse we heard then, telling us that the federal government would create a just society, that it could spend in all sorts of sectors outside its jurisdiction, and that we were going to see that it would be able to do it much better than any of the provinces or anyone close to the issue and the people.

This is exactly what the present government brings to mind. After three and a half years, it has been forced, by a large deficit, to retract its promises and to adopt the Reform Party platform, just as

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the Trudeau government borrowed from the NDP platform in order to stay in power. This is exactly the image that comes to mind.

I would like to ask the member a question. In this context, the Minister responsible for the Federal Office of Regional Development made a wonderful announcement last week "We are going to invest in employment and partnership for young people, in community futures development corporations, to set up a program to help people start a business, and to hire youth advisers". This is great for votes, it is very laudable and sounds very interesting.

But we now know—we can no longer forget—that in the provinces, such as Quebec, structures have already been planned for the strategic development of local areas. The federal government steps in, bringing with it further duplication of existing programs: it creates a new program that will do exactly the same thing.

Is that the model that is ultimately going to be offered? Will the citizens of Quebec and Canada once again be told that, now that it has turned the screws a little tighter, the federal government will again begin to meddle in affairs that do not properly concern it?

[*English*]

Mr. Alex Shepherd: Mr. Speaker, I thank the member for his question. The reality is Canada's government has a commitment to its youth and the extent to which we take advantage of that, no matter what province they live in, is a positive thing.

There is a horizons program that takes young people in universities who have been educated in the area of export development and puts them into small and medium size businesses to make those businesses export ready. There are a number of programs that once again take some of those youth with an understanding of the information highway and put them into small and medium size businesses to empower those businesses.

The member is talking about duplication and overlap. I do not think, frankly, that there is enough money to go around. The problem with good initiatives, whether they be federal or provincial, is that there still is not enough money to take up the need. I am sure those students, those young people in Quebec, are happy to share in a federal program that has a federal initiative and vision about where the country is going in the area of science and technology.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, briefly to the issue of Reaganomics, during the Reagan era after the U.S. government cut taxes to top marginal rate, employment in the U.S. increased by 17 million jobs and revenues doubled. But because of a profligacy in the Congress, the deficit did increase.

The government's own finance department said in a research paper that cutting payroll taxes does create jobs. It talked about an increase in the payroll taxes causing about a 1 percent increase in

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unemployment in this country. I would invite the hon. member to check the numbers from his own finance department to find out the horrendous impact that payroll taxes have on job.

• (1740)

Mr. Alex Shepherd: Mr. Speaker, I will even concede to the hon. member that payroll taxes do have an impact on job creation. I wish we could reduce them to a nominal amount.

The reality of government funding and government financing is that is not possible. If you want us to stay in the Canada pension plan, like all the people in my riding have told me, then you have to implement reforms to make that happen.

When we talk about tax reduction, I do not doubt that UI rate reductions are going to be on the table. We have been reducing them, by the way.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I thank you for the opportunity to speak today against the Reform motion and that of the Liberal Party. I also wish to thank the constituents and the people of Sackville—Eastern Shore, a new riding in Nova Scotia, who elected me and gave me their trust and honour and privilege to represent them in this House of Commons.

It is amazing when we hear the Reform and the Liberal Party go on and on with their rhetoric. I want to inform them that the people of Sackville—Eastern Shore, Nova Scotia elected me to come to the House of Commons for political solutions, not political interference.

They wanted me to come and not only hold the government accountable and hold other opposition parties accountable for their actions and their responsibilities, but also to work with them to find the solutions of today.

When the hon. member for Durham talks about the NDP and our policies, I should inform this House that we are the only federal party whose parliamentary and constituency staff are organized under a collective agreement. We do not hear anything coming from their side on that aspect of it.

Where are the Reform and Liberal backbenchers to help us eliminate the immigration head tax?

If I may digress a little, I wish to inform the House that I am an immigrant. My mother and father and six of us moved to this country in 1956. We went from Halifax at pier 21 by train all the way to Vancouver. I want to tell members what my parents told me. At the time I was only eight months old.

My father was in the Dutch resistance during the war of 1939 to 1945. The first person who rescued him out of a POW camp was a Canadian. Because of that, he had a lifelong dream to come to Canada. Because of the closure of the coal mines in the south of Holland in 1952, 25,000 families in the south of Holland had to

literally evacuate the country because there were no opportunities at that time.

We came to Canada in 1956. My father got off the boat at pier 21 and the first question he asked in his broken English to a woman from the Salvation Army who was there to help, along with the Red Cross, was where he could get food for eight people for a two day journey. She asked where he was headed. He said Vancouver. She laughed and laughed and of course it was contagious and my father started to laugh and laugh as well, not knowing what he was laughing about. He did not realize that it was a six day journey from Halifax to Vancouver by train.

Anyway, we got to Vancouver and that Christmas my mother received a turkey from her local church group. She had never seen a 20 pound turkey before. Not knowing what to do with it, she cut it up in little pieces and fried it up in two huge cast iron skillets. The woman next door who happened to be from Quebec and was living in Delta walked in to see how the turkey was coming along. She noticed that this turkey was cut up in tiny little pieces and she laughed and laughed. Of course my mother started to laugh as well. It was quite contagious. This woman then took my mother down to the store and got another turkey for her and showed her how to cook it properly.

My parents, in return, invested in Canada by running a group home for over 25 years. For over 25 years I grew up in a group home with over 400 children from across the country who were runaways, who were abused, from every aspect of life. My parents did that to repay Canada for their lovely entry to this country.

• (1745)

The reason I say that is because I spoke with my parents the other day. My father is under palliative care. One of his closest friends passed away two months ago waiting for a transplant operation. The hon. member for Durham should understand that my parents' laughter is now gone. The cuts to health care have taken away their humour.

Where are the political parties when it comes to health and education?

Our most valuable resource is our children, and yet we turn around and say to people that children with disabilities cannot receive proper education because we do not have the money. We have the money to give huge tax breaks to profitable banks and corporations. It is simply scandalous that this rhetoric can go on and on.

I wish to say a few things about the deficit and the debt and what we should do about them.

Average Canadians are the real heroes in the war against the deficit. They are the ones who should benefit from their struggles.

The interests of big business and Canada's elite cannot be put ahead of ordinary Canadians. The Reform Party and lobby groups, such as the Business Council on National Issues, are pressuring the government to give further tax breaks to Canada's highest income earners and the most successful corporations.

Unprecedented government cuts to programs, such as Canada's health care and education systems, might have improved the government's bottom line, but they have increasingly threatened the average Canadian; not only average Canadians who use the public services of health and education, but all Canadians who have a job; those who are laid off, from the government lines, lucky to have a job.

The current trend is that Reformers are pushing the Liberals into their agenda, away from the previous Tory agenda. During the campaign I liked to say that the Liberals have reformed the Tory agenda.

People who have worked for 20 or 30 years are now insecure in their jobs. They do not know if they will have a job tomorrow. They do not know if they will be able to meet their payments. They do not know if they will be able to send their kids to college.

Today I asked the Minister of Fisheries and Oceans if he would re-commit to a signed, written contract with the 40,000 fishers of Atlantic Canada and Quebec to maintain the income supplement program known as TAGS, for the fishers of those areas. His response was that he consulted with those people, in order to eliminate the program, for an entire year. Can I honestly believe that he would ask 40,000 fishers "Do you want to lose your income for a year?"

It is simply scandalous that the Minister of Fisheries and Oceans would stand here and tell us that is what he did. It is an absolute scandalous mistruth.

An hon. member: It's a fish story.

Mr. Peter Stoffer: There is more to it than that. We in New Brunswick, Newfoundland and Nova Scotia pay more for postage stamps than anywhere else in the country because this government introduced the HST. It bribed, cajoled and did everything it could to the Atlantic provinces, and this is what we got stuck with.

The most dreaded tax of all time was the GST. That was not good enough for the Liberals. They had to throw the HST on people. There is HST on children's clothing. There is HST on electricity. There is HST on home heating oil. There is HST on gasoline. How the heck do the Liberals expect low income earners and those on fixed incomes like pensioners to pay for the basic necessities of the day to day lifestyle in Nova Scotia, New Brunswick and Newfoundland?

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It is simply scandalous that the hon. member for Durham, with the cheerleading crowd from Ontario, and Reform members can stand and say that there should be more tax cuts. Why do they not stand in the House and tell the people of Atlantic Canada "Yes, we will give you a tax cut. We will give you a major tax cut on the HST".

We now have a premier who is unelected, Mr. Russell MacLellan. He was appointed by the Liberal Party. He was here in the House and signed the agreement implementing the HST. Now he is back there saying to the people, because he may be coming up for a byelection soon, that they will re-think the HST. We are encouraging him to re-think it all the way back to the federal party.

Of course, the finance minister is saying "Mr. MacLellan, before you can say anything like that you have to come to speak to us first". His hands will be completely tied because of the Liberal agenda, a Liberal agenda which has been pushed and controlled by the Reformers. To us it is simply scandalous that this goes on and on.

• (1750)

The member for Durham was talking about giving money to these programs. Exactly. Total tax reform means that we can get enough taxes from profitable businesses and corporations that can afford to pay their fair share and spread the money around.

An elderly gentleman in Cape Breton told me a year ago "Peter, money is like manure. It is only good when it is spread around. When it concentrates in one pile you know exactly what it does".

I could go on and on with this, folks, but I can assure the House that Atlantic Canadians will not stand for it any longer. Come May the original TAGS program, which was supposed to go to May 1999, is going to expire.

May I remind the House that in the last year we have had people in New Brunswick tear-gassed by the Frank McKenna government. They were fighting to keep their schools open. We have had Cape Breton unionized workers burn down an apartment building because they were in distress trying to find jobs. We had people rocking a media bus in Newfoundland because of their desperation for the TAGS program and supplement programs of that nature.

I encourage members of the House to work together to help those people in Atlantic Canada because if we do not, come May it is going to be a very sorry picture indeed.

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Madam Speaker, first I would like to congratulate the hon. member on a heartfelt speech, one that raises some very interesting points about the direction in which our country is going.

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I was also very pleased to find out that the hon. member believes that now is the time to engage in serious debate about which direction we are going to take.

Madam Speaker, I want to bring to your attention, since the hon. member is a new member in this House, that the Liberal government has used the consultation method, including prebudget consultation meetings, as well as a number of meetings across the country on social security review to modernize and restructure Canada's social security system. We have made headway and positive change has occurred.

I want to ask the hon. member if his method of representing his constituents will be to hold townhall meetings? For example, we know that in the very near future we will be consulting across the country on the next budget.

Does the hon. member believe that every member of Parliament should participate in that process? We are in a very fortunate position in this country today, as a result of the measures and the fiscal responsibility exercised by this government, to begin to look at new ways and new programs and perhaps a new style of economics since we may in fact be heading for the first time in a long time toward the elimination of the deficit. Does the hon. member think it is the responsibility of members of Parliament on both sides to seek public input on this prebudget consultation period and to hear from him where his constituents would like to see our government go.

Mr. Peter Stoffer: Madam Speaker, I thank the hon. member for his question. Yes, indeed, I will be holding townhall meetings. My goal is to hold at least 50 townhall meetings throughout the next four to five years. Because I have such a large rural and urban riding, I think it is my responsibility and that of my staff to go out to the communities and speak to them on these issues.

I want to have the hon. member understand why I am sitting in this House and what gave me the push to get in here. It was the last townhall meeting, the very famous one, where the prime minister spoke to a woman from Quebec. She told the prime minister that she had three degrees and was finding it very difficult to get a job. His response was "Well, Madam, you know in life some people are lucky, some are not".

The second he said that I phoned my provincial secretary and asked him to tell me what I had to do to become a candidate in the next election so that I could face the prime minister and his party and question him on the fact that we do not base our society on luck. We base it on hard work, compassion and fairness.

• (1755)

Mr. Janko Perić (Cambridge, Lib.): Madam Speaker, I was really impressed with the hon. member's speech. I came to this country almost 30 years ago and I went through hardships which were probably much easier than those of his parents.

Over the last four years I had an opportunity to travel to Europe and the Pacific rim. Just recently I was an election observer in Bosnia. Last year for the first time I took my family to Europe for a vacation and I had the opportunity to meet a colleague from my childhood in Frankfurt for breakfast. For the two of us it cost 36 Deutschemarks. The same breakfast could probably be bought here for \$6.

My question for the hon. member is this. Does he have a better agenda than that of the government? If he does, why does he not tell us? What I heard from NDP candidates during the election campaign was that their agenda was similar to the eastern European agenda.

Mr. Peter Stoffer: Madam Speaker, I would like to speak on and on. Yes, we have another agenda. Perhaps he would like to have a copy of it. It is just one example of our agenda. By all means, the member may come down and talk to us at any time. We are at Room 368 of the Confederation Building. I would be more than happy to have dinner with the member. I will pay and we can discuss our agenda with him.

Ms. Bev Desjarlais (Churchill, NDP): Madam Speaker, I would like to begin my speech by thanking the voters of the Churchill riding for their support.

As many know, the riding comprises some four-fifths of Manitoba's land mass. It is home to the Sayisi and the Northlands Dene nation, a nation that is still disputing land claims north of the 60th parallel.

The people of Tadoule still seek compensation for forced relocation that almost saw the total destruction of an entire people.

Our riding is home to Churchill, the polar bear capital and a community of citizens such as Penny Rawlings and Robert Penwarden who believed in their town and the viability of the port of Churchill.

It was a shame that the government of Canada did not have the same commitment to the port. As many of us maintained, the port was not utilized to its fullest for years. The port is being used now after it was sold to an American company.

The Churchill riding is home to a number of communities where seasonal work is the only way of life. The government's changes to employment insurance saw many of the families in these communities forced to go on welfare as they did not meet the required hours to qualify for EI benefits. Some were only short by a few hours. The government should not be proud of this. Many people have simply given up looking for work and have been forced to go on welfare.

The government's cuts in social assistance dollars saw people in northern communities who have to pay \$11 for four litres of milk paid social assistance benefits at the same rate as those down south paying \$4.04 for milk. Cuts to health and education have seen hospitals short staffed with line-ups for emergency services, not

enough dialysis machines or not enough trained nurses to operate them.

At a time when the royal commission on aboriginal people's report recommends 10,000 aboriginal health care workers are needed, we see fewer and fewer dollars going that way.

Increased tuition costs have made it even more difficult for students of the north who must already pay relocation costs to continue their education in university.

The government's failure to act on our charter of rights, its failure to pay the public service workers money due as equal pay for equal work, its failure to treat women fairly is despicable.

I have often felt that I am from a generation that has not done without. I have had medicare and maternity benefits, labour legislation, health and safety legislation, the security of CPP, employment insurance and employment equity.

• (1800)

People like Syd and Mory Allen of The Pas, and Nestor and Vicki Dolinski from Flin Flon, Manitoba in my riding supported the efforts of Tommy Douglas and Stanley Knowles from the early years.

These benefits I have had are not things that I want my generation to not give to the people following us. I want my children and their children to have those same benefits.

We talk about what to do with the "surplus", the government's prize at the end of three and a half years of starving Canadians and at the end of 13 years of women fighting for equal pay. Let us put the dollars toward the people who have earned it and to those who really need it. The Government of Canada owes some 200,000 workers \$2 billion. Let's pay the dues.

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Madam Speaker, I would like to congratulate the hon. member on her speech.

There seems to be a perception on the other side of the House that things are not just right. Perhaps the reason why I believe that things are getting better is that I was here as an assistant and as a member of Parliament under the former Conservative government and I can say beyond a shadow of a doubt that things are indeed getting better in this country.

I remember as a Canadian born in 1960 when I came to this House there was a \$42 billion deficit. Now we are entering a new era in Canadian public policy where we will have the first balanced budget in a long, long time. This is lost on the New Democratic Party whose members think somehow productivity gains and a competitive society is built simply by spending.

Supply

As an Ontarian I remember the Bob Rae years with a great deal of sadness. We saw firm after firm leaving Ontario. We saw the competitive edge of a once very prosperous province vanish.

We had to do a great deal of work to re-establish a competitive economy that speaks to modern day values, to the fact that we live in a global society. We cannot be isolated as the New Democratic Party would like us to be.

What a difference the past four years have made to the lives of so many Canadians. Almost one million new Canadian jobs have been created as a result of some of our measures. I want to ask the hon. member, if she were to define the optimal conditions for economic growth, would they not be low inflation rates and elimination of the deficit? Do these not spur economic growth?

Ms. Bev Desjarlais: Madam Speaker, although there was not a question there, I thought I made it pretty clear without really spelling it out that the surplus was there as a result of the Government of Canada not paying its dues to its employees and not paying its dues to the people who were unemployed.

The surplus is there because those people are not paid unemployment insurance premiums the same way they would have been prior to this government. I did not get into the nits and grits of the \$12.3 million paid to 3,000 government managers while these same workers were not being paid. I did not get into a reform of a tax system that would be fair for all Canadians. If we need to spell it out, one plus one is two and zero added to zero is nothing.

• (1805)

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Madam Speaker, I too would like to congratulate my colleague from Churchill on an excellent speech. She stands in a very good tradition that I am well aware of having served in this House with a predecessor of hers, Rod Murphy, the member of Parliament for Churchill from 1979 to 1993.

Perhaps the hon. member could elaborate for just a few seconds since we do not have much time on the injustice being done to so many women in the public service, by virtue of this government's persistent refusal to take seriously the judgment of its own human rights tribunal and pay what is due to women in the public service as a result of that judgment having been made with respect to pay equity.

Ms. Bev Desjarlais: Madam Speaker, I will certainly respond. I thank the member for his comments. I too want to acknowledge Rod Murphy and all of his help.

Since 1984 the pay equity issue has been on the table with the Government of Canada. Since that time the government has failed to respond even though a report from the human rights commission indicated that those workers were entitled to fair pay for equal work.

Supply

As I was speaking to a Reform motion I happened to become aware of a statement by a former Reform MP from Simcoe Centre. I want to read his statement: "As you are no doubt aware, the Reform Party and I do not support the notion of pay equity as outlined by the federal government and the human rights tribunal. We believe the hiring and remuneration decisions should be made solely on the basis of merit without regard for gender or other inalienable characteristics".

It would sound to me, just as I see this Reformer was using whatever he could to talk about equality—

The Acting Speaker (Ms. Thibeault): To the hon. member who has brought orange juice into the House, would you please—

Thank you. Resuming debate. The hon. member for Vaughan—King—Aurora.

Mr. Maurizio Bevilacqua (Vaughan—King—Aurora, Lib.): Madam Speaker, I noticed with a great deal of interest the Reform Party's motion:

That this House condemn the government for making their 50/50 election promise on any future surpluses without adequate public debate as to the optimal size of government, taxes, and debt, thus threatening to repeat Canada's 27 year old history of irresponsible spending, creating high debt, financed by high taxes, causing high unemployment.

I want to remind members of the Reform Party of something and point out the word consultation. I do not know where they were on June 2 but I thought the people of Canada made quite a statement. They re-elected a majority Liberal government. Hon. members may think what they want but we are back on this side after a vigorous debate precisely about this type of issue during the election campaign. The debate spoke to the renewed confidence that Canadians have in their government.

As I said earlier in my preamble to one of the questions I posed to the hon. member from the New Democratic Party, indeed things in this country are getting much better. That we are in a position today to even talk about this particular subject matter, namely how we are going to split the surplus, is only because Canadians and this Canadian government had the vision and made the sacrifices necessary to be in this position.

I also want to bring something to the attention of the Reform Party members. They need to understand that for the first time in a long time Canadians have a great deal of confidence in their government.

• (1810)

I was sitting on the other side of the House in opposition during the Mulroney Conservative government era. I saw Canadians being taxed to death, with no benefits to show for it at the end of those 10 years.

When we took office we had certain objectives. We had to get the fiscal house in order. In large measure we have done that. As I said earlier, we are going to have a balanced budget. Second, we were going to restore honesty and integrity to government. We have done that.

We also set some very good objectives. We said that we would invest in areas which would generate economic growth and increase our productivity as a country, understanding full well that in order to compete in an international economy we need to have the type of regulatory framework which speaks to the decisions which will generate wealth in order to generate the revenues which will result in the type of social programs to which Canadians have grown accustomed.

What are our priorities? Youth is a priority. I have dedicated my political career to advancing the cause of youth. When I see that the government has invested \$2 billion in Canada student loans, which is a 57 percent increase over five years, I am quite proud of the fact that as a government we realize that accessibility to education is extremely important in increasing job prospects for youth. There is a direct correlation between the type of education a person has and the type of job they get.

We also invested heavily in technology. We understand the multiplier effect that investing in technology has. Right here in Ottawa, in Kanata, and in Cambridge we have been able to build a highly skilled, highly paid workforce that is producing value added products. We have helped to transform the economy into a new technologically advanced economy which is generating employment in key areas, areas in which we are quite competitive.

There is a strategy in place. We inherited a financial mess. We have cleaned it up. Now we are entering the second phase and we need to identify our priorities. What are they? What do Canadians hold sacred? Budgets and throne speeches must reflect Canadian values. What are they?

One of them is health care. We made an announcement just before the election campaign when we found out that the financial situation in Canada was even better than we expected. What did we do? We reinvested in health care. Why was that? Because that is a part of the fibre of Canada.

What else did we do? We reinvested \$350 million on youth employment projects. Why was that? Because we know that the future of this country belongs to our youth and we need to provide them with the right opportunities.

How did we do that? Did we do it the old fashioned way? Absolutely not. We invested in areas where there was growth. We identified 33 key areas of growth in our economy. We entered into internship agreements with those sectors of the economy and now young people have a job and a future.

Gone is the old way of pork barrelling. Gone is the old way of throwing money at problems without getting results.

• (1815)

The Speaker: I surely hate to interrupt the member in full flight. I remind my hon. colleague that he will have the floor when we return to the debate.

[*Translation*]

It being 6.15 p.m., it is my duty to interrupt proceedings and put forthwith any question necessary to dispose of the business of supply.

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say ye.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Call in the members.

• (1845)

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

(*Division No. 4*)

YEAS

Members

Abbott	Ablonczy
Alarie	Anders
Asselin	Bachand (Saint-Jean)
Bellehumeur	Benoit
Bergeron	Bigras
Breitkreuz (Yorkton—Melville)	Brien
Cadman	Canuel
Casson	Chatters
Chrétien (Frontenac—Mégantic)	Crête
Dalphond-Guiral	de Savoye
Debien	Dubé (Lévis)
Duceppe	Dumas
Duncan	Elley
Epp	Forseth
Gagnon	Gauthier
Gilmour	Girard-Bujold
Godin (Châteauguay)	Goldring
Gouk	Grewal
Grey (Edmonton North)	Guay
Guimond	Hart
Hill (Macleod)	Hill (Prince George—Peace River)
Hilstrom	Hoepfner
Jaffer	Johnston
Kenney (Calgary-Sud-Est)	Konrad
Lalonde	Laurin
Loubier	Lowther
Lunn	Manning
Marceau	Marchand
Mark	Martin (Esquimalt—Juan de Fuca)
Mayfield	McNally
Ménard	Mercier
Meredith	Mills (Red Deer)
Morrison	Obhrai

Pankiw
Perron
Plamondon
Reynolds
Rocheleau
Schmidt
Solberg
Strahl
Tremblay (Lac-Saint-Jean)
Turp
White (Langley—Abbotsford)

Supply

Penson
Picard (Drummond)
Ramsay
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Sauvageau
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Anderson	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Bachand (Richmond—Arthabaska)
Baker	Bakopanos
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Bélanger	Bellemare
Bennett	Bernier (Tobique—Mactaquac)
Bertrand	Bevilacqua
Blaikie	Blondin-Andrew
Bonin	Bonwick
Boudria	Bradshaw
Brown	Bryden
Bulte	Byrne
Calder	Cannis
Caplan	Carroll
Casey	Catterall
Cauchon	Chamberlain
Charbonneau	Chrétien (Saint-Maurice)
Clouthier	Coderre
Cohen	Collenette
Comuzzi	Copps
Cullen	Davies
Desjarlais	DeVillers
Dhaliwal	Dion
Discepola	Dockrill
Doyle	Dromisky
Drouin	Dubé (Madawaska—Restigouche)
Duhamel	Earle
Easter	Finlay
Folco	Fontana
Fry	Gagliano
Galloway	Godfrey
Godin (Acadie—Bathurst)	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Harb	Harby
Harvard	Harvey
Herron	Hubbard
Ianno	Iftody
Jackson	Jennings
Jones	Jordan
Karetak-Lindell	Keddy (South Shore)
Keyes	Kilger (Stormont—Dundas)
Knutson	Kraft Sloan
Laliberte	Lastewka
Lavigne	Lee
Leung	Lill
Longfield	MacAulay
MacKay (Pictou—Antigonish—Guysborough)	Mahoney
Malhi	Maloney
Mancini	Manley
Marchi	Marleau
Martin (LaSalle—Émard)	Martin (Winnipeg Centre)
Massé	Matthews
McCormick	McGuire
McKay (Scarborough East)	McLellan (Edmonton West)
McTeague	McWhinney
Mifflin	Mills (Broadview—Greenwood)
Minna	Mitchell
Muise	Murray
Myers	Nault
Normand	Nystrom
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Pagtakhan
Paradis	Parrish
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Phinney
Pillitteri
Pratt
Proud
Redman
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Robinson
Saada
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Steckle
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Venne

Bernier (Bonaventure—Gaspé—
Chan
Eggleton
Fournier
Lebel

The Speaker: I declare the motion defeated.

It being 6.47 p.m., this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.47 p.m.)

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